



Advancing Clean Hydrogen Deployment

H.R. 5965, 117th Congress

Sponsors: Reps. Paul Tonko (D-NY) & David McKinley (R-WV)

"When we invest in clean hydrogen, we invest in a stronger, healthier, more competitive nation."

❖ Paul Tonko

Hydrogen is critical to decarbonization

- Clean hydrogen is an important climate solution for several difficult-to-decarbonize sectors, such as chemical & metals production, long-haul shipping, and heavy-duty transportation.
- Hydrogen could supply up to 14% of global energy demand by 2050, requiring a 530% increase over current production levels and fueling **3.4 million US jobs**.
- Scaling up low-emissions hydrogen under this scenario would save an estimated **10% of U.S. greenhouse gas emissions** as compared to current carbon-intensive methods.

Clean hydrogen needs a jump start

- The International Energy Agency (IEA) reports many clean hydrogen technologies are ready to move beyond deployment but **need policy support to close the production price gap**.
 - Compared to carbon-intensive hydrogen currently produced from fossil fuels, clean hydrogen costs significantly more
- Newly enacted clean hydrogen policies largely support hydrogen producers, but a corresponding demand-side policy is needed to encourage end users to contract for clean hydrogen supply.

We can drive demand for clean hydrogen

Stimulating demand by compensating commercial hydrogen users for switching to clean hydrogen will not only enable innovative clean hydrogen applications, but also stimulate the clean hydrogen supply chain, allowing hydrogen to become a domestic source of reliable, clean energy.

H.R. 5965, The Clean Hydrogen Deployment Act of 2021

Establishes a pilot program—authorized at \$370 million for Fiscal Year 2022 and \$250 million annually for Fiscal Years 2023 through 2026—at the Department of Energy that:

- ❖ Uses a contract for difference model to offset increased costs and support clean hydrogen users
 - Focuses on difficult-to-decarbonize sectors by requiring at least one project each in the power sector, transportation sector, an industrial feedstock, and as an industrial fuel
- ❖ Promotes innovative, high impact projects by requiring projects use hydrogen produced with 80% fewer greenhouse gas emissions & **funding at least 2 zero-emission hydrogen projects**
- ❖ Prioritizes projects that encourage wider commercial use of clean hydrogen in the future, mitigate NO_x emissions, and reduce process-wide total greenhouse gas emissions
- ❖ Allows additional support for capital investment in hydrogen utilization, transport, and storage

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