555 Tombigbee St
Suite 101
Jackson MS 39202
(888) 542-6074
www.hystorenergy.com

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Douglas W. O'Donnell
Deputy Commissioner for Services and Enforcement
CC:PA: LPD:PR (REG–117631–23)
Room 5203
Internal Revenue Service
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Re: REG-117631-23

Dear Mr. O'Donnell:

Hy Stor Energy LP and its subsidiary Mississippi Clean Hydrogen Hub LP (collectively, "Hy Stor Energy") appreciates the opportunity to submit comments on the Internal Revenue Service's ("IRS") and the U.S. Department of Treasury's ("Treasury") notice of proposed rulemaking ("NPRM") regarding the rules for the production tax credit under Section 45V (the "Section 45V Credit") of the Internal Revenue Code of 1986 (the "Code").

We write to express strong support for almost all elements of the Treasury's and IRS's climate-aligned proposed Section 45V regulations. As reflected in the framework of the Inflation Reduction Act (the "IRA") and the Infrastructure Investment and Jobs Act ("Bipartisan Infrastructure Law"), the federal government recognizes the critically important role hydrogen can play in meeting our nation's decarbonization and economic goals. The Biden Administration's hydrogen goals are detailed by the Department of Energy ("DoE") in the *U.S. National Clean Hydrogen Strategy and Roadmap* ("Clean Hydrogen Roadmap").[1]

Hy Stor Energy supports the emissions reduction goals embodied in the IRA and its intent to deliver a comprehensive reduction in greenhouse gas ("GHG") emissions in all areas of the economy. Our business model is based on clean hydrogen playing a critically important role in achieving the necessary GHG emissions reduction. It is, we submit, absolutely imperative that *the rules supporting the build out of our hydrogen economy ensure that hydrogen production does not unduly contribute to the emissions problem clean hydrogen is meant to solve*. These rules must also *promote certainty in the manner in which a taxpayer's eligibility for the Section 45V Credit is established and tested* over the life of the credit. Unfortunately, **one aspect of**

[1] See Energy.gov; U.S. National Clean Hydrogen Strategy Roadmap; https://www.hydrogen.energy.gov/docs/hydrogenprogramlibraries/pdfs/us-national-clean-hydrogen-strategy-roadmap.pdf (accessed January 20, 2024).

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the proposed rules, which contemplate annual changes in the 45VH2-GREET Model used to calculate an individual hydrogen project's lifecycle GHG emissions rates, will utterly fail to provide the certainty required to promote investment in hydrogen projects unless they are modified in one important respect with immediate effect. This critically important issue is discussed below under the heading "**45VH2-GREET Model**."

About Hy Stor Energy

Hy Stor Energy, a company headquartered in Jackson, MS, was formed for the purpose of developing and advancing renewable hydrogen production, storage, and delivery at commercial scale in the U.S. Hy Stor Energy's first major project, the Mississippi Clean Hydrogen Hub, is under active development. It will be centered on the development of world-scale underground hydrogen storage capability, with approximately 70,000 acres of land in sixteen Mississippi counties and two Louisiana parishes under Hy Stor Energy's control, ten salt domes, and six salt domes fully permitted for underground hydrogen storage.

Hy Stor Energy is tackling the most complex challenge facing today's energy transition: long-duration storage of renewables at commercial scale in salt caverns to provide energy reliability and resilience in an increasingly fossil-free world. The Hy Stor Energy approach supports all forms of hydrogen transportation to end users and large-scale economical storage greatly facilitates the adoption of hydrogen in the U.S. Hy Stor Energy processes will be 100% renewable, and our product will be green hydrogen produced from dedicated renewables and associated hydrogen storage at scale. Our first project will allow for the production and storage of green hydrogen to serve business, industrial, transportation and utility sectors across the entire Eastern U.S. with long-duration, underground salt cavern storage providing multi-day, multi-week, and seasonal energy storage that can be dispatched on demand.

The Mississippi Clean Hydrogen Hub will be a first-of-its-kind renewable hydrogen hub. It will be one of the largest storage sites for renewably produced hydrogen in the world. Pending regulatory approvals and equipment availability, the construction of the Mississippi hub's first phase is planned to begin in 2024. Assuming this schedule is maintained, the hub would be in commercial service by late 2026.

The Mississippi Clean Hydrogen Hub will produce green hydrogen through an electrolysis process powered by additional onsite, directly connected solar, wind, geothermal, waste and or other renewable energy resources that will result in no carbon or methane emissions. The green hydrogen Hy Stor Energy will produce will then be stored in salt domes for later delivery to industrial, transportation and utility customers via rail, truck, ship, barge and purpose-built hydrogen pipelines.

Hy Stor Energy strongly supports the Biden Administration's view of hydrogen's potential to help address the climate crisis, enhance energy security and resilience, and create economic value. We are committed to commercializing and operating large-scale, long-duration green hydrogen hubs that comply with the three pillars. By doing so, Hy Stor Energy is creating a model

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Suite 101
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for producing, storing, and delivering 100% carbon-free energy. Further information about Hy Stor Energy and its plans is available at https://hystorenergy.com/.

Hy Stor Energy is aligned with multiple industry collaborators and commercial partners who have required the three-pillar approach of additionality, regionality, and time matching in their pursuit of long-term off-take agreements for clean hydrogen. By adopting strong standards focusing on direct and indirect emissions intensity, the U.S. will secure a leadership position in the energy transition and catalyze global investment and demand for clean hydrogen to support long-term, economy-wide decarbonization.

Correctness of the Three Pillars Approach

We applaud Treasury's and the IRS's proposed guidance on Section 45V upholding the three pillars approach. Hy Stor Energy is already developing and executing large-scale hydrogen projects that comply with the three pillars of incrementality, deliverability, and hourly matching in the U.S. This experience gives us confidence that the proposed section 45V guidance embracing the three pillars— including additionality from day 1, strong deliverability standards, and a phase-in of hourly matching by 2028 —will support robust hydrogen industry growth and enable the creation of successful U.S. and global clean electrolytic hydrogen markets.

Clear guidance that upholds the three pillars is necessary to guard against harmful climate impacts and significant emissions increases that would be driven by increases in coal and gas generation to satisfy electrolyzer demand when renewable generation sources are not available.

Studies by Princeton ZERO Lab, Energy Innovation, and the MIT Energy Initiative find that if hydrogen projects are governed by lax rules (including no requirements for additionality and/or annual matching), they could produce up to five times the GHG emissions of today's status quo gas-based hydrogen production through steam methane reforming processes. Furthermore, a study by the Electric Power Research Institute (EPRI), an organization funded by electric utilities, finds that "economy-wide CO_2 emissions generally increase with IRA's hydrogen tax credits unless all three pillars— hourly temporal matching, additionality, and deliverability— are included."

Weak Section 45V rules would permit this perverse result, imposing significant climate and emissions risks that would undermine both the achievement of U.S. climate goals and industry credibility.

Need for Global Race to the Top

We strongly believe the U.S. should take the lead in defining and producing clean hydrogen. Leading the world to a clean energy future is in the U.S. national interest. Countries around the world are eagerly pursuing hydrogen solutions for their economies. The U.S. can and should be at the forefront of these efforts.

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The U.S. should set the bar high for defining clean hydrogen. Setting clear, demanding and transparent standards for clean hydrogen will facilitate the export of clean hydrogen and hydrogen-derivative products from the U.S. to Europe and other countries to enhance energy security and energy diversity for the U.S.'s international partners. This will accelerate hydrogen market scale-up on both sides of the Atlantic and Pacific, and will support robust global hydrogen trade.

A strong U.S. standard will undoubtedly influence the definitions set by other governments – especially in countries determined to build up hydrogen trade, in which the U.S. is positioned to become a key player. We note the NPRM's approach is similar to the European Union's Renewable Energy Directive for renewable fuels of non-biological origin ("RFNBO"), which uses a form of the "three pillars". Compliance with the RFNBO rules may permit U.S-produced clean hydrogen to be imported into the European Union, a result that is in the U.S. national interest. But compliance with the RFNBO rules should be considered a floor and not the ceiling for the federal government's clean hydrogen ambitions.

Global harmonization of strong standards will also activate a global race to the top, whereby other countries will likely seek to match the U.S. and EU ambition such that the emerging global clean hydrogen industry will scale up on solid climate foundations. Strong climate-aligned standards will send a clear signal to other markets that strict standards are needed to promote climate alignment and achieve deep decarbonization through clean hydrogen deployment.

Public Support Critical

A strong standard for clean hydrogen is also necessary to secure vital public support. Ensuring public acceptability of the clean hydrogen industry is essential to the industry's effort to advance the federal government's climate objectives. We therefore applaud Treasury's and the IRS's positions set forth in the NPRM as reflecting the seriousness and urgency with which the federal government is advancing its emissions reduction goals and ensuring that the clean hydrogen industry will have the public support and long-term credibility as it matures.

Hy Stor Energy believes that availability of the Section 45V Credit needs to be based upon robust science and GHG emissions modelling to ensure that the tax credit is not awarded in respect of hydrogen produced in ways that actually have a negligible (or even detrimental) impact on GHG emissions reductions. This would be damaging to the entire hydrogen sector and would seriously impair the industry's efforts to reduce carbon emissions, the fundamental goal of the IRA. If Section 45V does not actually drive emissions reductions, the IRA's critics could be justified in their claims that the hydrogen provisions of the IRA are just another form of pork barrel spending dressed up as support for "green" projects.

Hydrogen production must not be seen as a form of "greenwashing" subsidized by the Tax Code. The U.S. standard under Section 45V must guard against harmful climate impacts and significant emissions increases that would be driven by increases in coal and gas generation to satisfy electrolyzer demand when renewable generation sources are not available. Weak section

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45V rules would permit this perverse result, and therefore a failure to require hydrogen producers to satisfy the three pillars requirements would create significant climate and emissions risks that would undermine both the achievement of U.S. climate goals and industry credibility.

Public support in the U.S. is vital for hydrogen projects to succeed. New hydrogen production projects that are deemed "clean", but that actually materially increase emissions, are contrary to the federal government's commitments to reduce emissions and increase environmental justice for all. Any clean energy project needs local support and perceptions of greenwashing are likely to impede even the cleanest of projects.

The best protection against allegations of greenwashing would be to define strict hydrogen production requirements, supported by robust science and lifecycle GHG emissions footprint modelling, as conditions for claiming the full value of the Section 45V Credit.

45VH2-GREET Model

Subject to the important qualification described below, Hy Stor Energy believes that the GREET Model used for purposes of determining the lifecycle GHG emissions for a taxable year should be the most updated model as of the taxable year in which the project reaches the final investment decision ("FID"). The final guidance should also allow clean hydrogen producers to rely on this version of the GREET Model for the entire 10-year credit period.

The NPRM states that for each year during the credit period, taxpayers must use the most recent version of the 45VH2-GREET Model to calculate their lifecycle GHG emissions rates. **The potential for continuous changes to the GREET Model's assumptions each year creates a level of uncertainty that increases project risk and thereby jeopardizes tax equity and project financing**. While it is unclear whether changes in the 45VH2-GREET Model from year-to-year would be material, the lack of clarity that this question raises creates potential investor and lender risk that will create a significant, and probably insurmountable, barrier for project financing. **Allowing clean hydrogen producers to rely on the version of the 45VH2-GREET Model in effect as of the taxable year in which the FID is reached would address this uncertainty**. The final guidance should make this explicit.

That annual changes in the 45VH2-GREET Model could undercut the assumptions on which a project is undertaken and financed is a fundamental problem which Treasury and the IRS should address immediately. As it stands the NPRM confronts hydrogen project developers with the possibility that changes in the GREET Model could cause them to fail in future years to qualify for the full amount of the Section 45V Credit assumed when they made their investment decision and sought financing. This would be fatal to efforts to attract equity investors, including tax equity investors, and obtain financing, and therefore has the potential to prevent the nascent hydrogen industry from gaining any traction. Accordingly, Hy Stor Energy urges Treasury and the IRS *as soon as possible* to make one tweak to the proposed guidance (on which parties are entitled to rely until final guidance is issued) in order to address the 45V GREET Model problem: they should **amend the proposed rules immediately to provide that a taxpayer making**

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its Final Investment Decision or closing on third party financing over the next 12 months will be permitted to rely on the then current version of the 45VH2 GREET Model, which version would be grandfathered for the duration of the Section 45V Credit applicable to the taxpayer's project. The revised proposed rule would assure taxpayers going to FID or closing financing over the next 12 months that the version of the 45VH2-GREET Model used to establish their entitlement to the Section 45V Credit and the annual check on their eligibility for that credit would not be subject to change, but rather would be frozen insofar as their project's annual Section 45V Credit calculations are concerned for the duration of the credit. The argument in support is simple and, in our view, compelling: the prospect of changes in the tool used to calculate eligibility for, and the amount of, the Section 45V Credit, must be eliminated if any hydrogen project developers are to be able to be confident in their eligibility for the credit in deciding whether to proceed and in order to secure third party financing.

Hy Stor Energy has additional concerns regarding the manner in which the 45VH2-GREET Model will be applied over time. Hy Stor Energy believes that only in narrow circumstances where evidence clearly warrants it should Treasury and the IRS permit the transformation of background data to foreground data. The 45VH2-GREET Model currently includes eight hydrogen production pathways and provides fixed assumptions with respect to certain parameters, referred to as "background data." Hy Stor Energy believes that background data, which may not be changed by taxpayers, ensures stability, predictability, and user confidence with respect to the administration of the 45VH2-GREET Model.

For pathways that are not modeled in the initial version of the 45VH2-GREET Model, the NPRM allows a taxpayer to petition Treasury and the IRS to obtain a provisional emissions rate ("PER"). Hy Stor Energy fully appreciates the intent behind providing such mechanism, which is to ensure that the benefits of Section 45V will extend to future technologies that are currently of commercial interest or that may become commercially viable in the future. We also understand that it is not the intent of Treasury and the IRS to allow taxpayers to freely opt out of an existing pathway in the 45VH2-GREET Model and opt into the PER process as they see fit. In our view, the two are separate mechanisms and the PER process is not designed to overshadow the 45VH2-GREET Model. The NPRM also makes this point very clear. It states that a taxpayer may not use the PER process if its feedstock and hydrogen production technology are represented in 45VH2-GREET, even if the taxpayer disagrees with the underlying assumptions or calculation approach used therein. Hy Stor Energy therefore urges Treasury and the IRS to reaffirm this position in final guidance.

Energy Attribute Certificates

The NPRM introduces Energy Attribute Certificates ("EACs") as a means of demonstrating the associated carbon intensity for a hydrogen production facility's use of electricity other than from the regional electrical grid. A taxpayer must acquire and retire a qualifying EAC for each unit of electricity. EACs are defined as a tradeable contractual instrument, issued through a qualified EAC registry or accounting system. The NPRM provides that certain requirements must

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be met regardless of whether the electricity generating facility is grid connected, directly connected, or co-located with the hydrogen production facility.

Hy Stor Energy believes that EACs are an appropriate mechanism for ensuring that the carbon intensity requirements of the Section 45V Credit are appropriately tracked in most circumstances. However, we believe that requiring EACs in the form of a tradeable instrument filed with a registry is not appropriate where the clean electricity supporting electrolyzer operation is generated by a dedicated facility or facilities providing power directly to the hydrogen production facility (and does not rely on the interconnected grid for energy delivery). Standard tax-related record keeping associated with the clean electricity and clean hydrogen production should be sufficient for this purpose. Therefore, we request that Treasury and the IRS provide an exclusion from the EAC requirement in such circumstances.

Annual Carbon Intensity

Hy Stor Energy believes that the NPRM's approach to measuring carbon intensity on the basis of the aggregate lifecycle GHG emissions related to hydrogen production at a facility is warranted. A "clean hydrogen" production facility should be dedicated to producing clean hydrogen. We believe arguments requiring a more granular approach to measuring carbon intensity are needed to ensure strict compliance with the three pillars approach. Hy Stor Energy requests that Treasury and the IRS not allow taxpayers to claim the 45V Credit for any duration of clean hydrogen production instead of an annualized average as currently set out in the NPRM.

Incrementality and Formulaic Approach

Hy Stor Energy applauds Treasury's and the IRS's decision to adopt the incrementality requirement in the NPRM. We strongly believe that the implementation of the incrementality requirement from day 1 is critical to ensuring that "clean" hydrogen production contributes to the Biden Administration's goal of reducing GHG emissions rather than contributing to them. Adherence to the incrementality requirement is important for ensuring that clean power used for hydrogen production can be claimed as truly clean. This is necessary to protect against the diversion from the grid of clean power produced by existing resources to meet electrolyzer load at times when the available sources of electricity supply are scarce or are needed to support other electrification goals (e.g., supplying electricity to charge batteries employed in electric vehicles to reduce fossil fuel demand), and resources that are less clean in terms of their emissions profiles must be dispatched to satisfy aggregate demand.

Hy Stor Energy recognizes, however, that there are practical challenges in implementing the incrementality requirement for all potential sources of clean power supply that are contemplated for clean hydrogen production. The NPRM takes a formulaic approach to addressing incrementality from existing clean generators. Under this approach, Treasury and the IRS would deem five percent of the hourly generation from minimal-emitting electricity generators (for

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example, wind, solar, nuclear, and hydropower facilities) placed in service before January 1, 2023, as satisfying the incrementality requirement.

Hy Stor Energy agrees with Treasury and the IRS that while some flexibility is required, any such allowance must be narrowly tailored in order to preserve, to the maximum extent possible, the integrity of the incrementality requirement and the three pillars more broadly. The important point here is that hydrogen production purporting to be "clean" not be supported by electric energy generated by resources that contribute to increases in GHG emissions. We believe that any allowance adopted in final guidance should be capped at five percent, a conservative lower bound of the national average. If, at a later point in time, Treasury and the IRS determine that reevaluation of available data warrants an adjustment to the allowance percentage, only then should the allowance be adjusted.

Temporal Matching and Electricity Storage

Hy Stor Energy strongly supports the implementation of the hourly matching requirement outlined in the NPRM. The overall intent of the IRA's clean energy provision is to place the U.S. in a position to lead the world in achieving real decarbonization. The temporal matching requirement, together with the other two pillars, sends a clear signal to our key trading partners that the U.S. is committed to and will lead the effort in establishing and enforcing strong standards for clean hydrogen production.

The temporal matching requirement will drive the development of new clean power capacity to ensure that there is sufficient supply to support clean hydrogen production. Our national and regional electrical grids are already stressed, and imposing the temporal matching requirement can help resolve some of the congestion issues while promoting the development of the capacity to produce truly clean hydrogen nationwide. The hourly matching requirement will also foster co-location of new industry near robust renewable resources, which can reduce reliance/pressure on the grid and further accelerate hydrogen's adoption as a clean fuel.

The NPRM notes that the treatment of electricity storage is among the issues that require resolution as EAC tracking systems move to hourly matching. Hy Stor Energy believes that in order to accurately implement the hourly matching requirement, any acquisition and retirement of EACs must account for the loss of energy resulting from use of electricity storage. Recognizing EACs as of the time electricity is produced would provide perverse incentives for taxpayers to engage in arbitrage that erodes public acceptability and chips away at the integrity of all three pillars. Therefore, we urge Treasury and the IRS to recognize this risk associated with over-reliance on electricity storage.

Hy Stor Energy believes that hourly matching, if properly implemented, will strengthen the credibility of the clean hydrogen industry. A study by the Rhodium Group finds that annual matching (as opposed to hourly matching) would drive emissions increases of up to 100 million tonnes through 2030. Not requiring additionality would lead to an even worse outcome. Ensuring the clean hydrogen industry's creditability is critical. To be exposed to allegations of greenwashing

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would seriously damage the clean hydrogen industry's credibility and would impede attainment of the climate objectives that the industry is aiming to achieve. Community support is key to growing the nascent industry into one that is robust and sustainable, and our support for the three pillars stems from the recognition of hydrogen's potential to help address the climate crisis affecting all communities.

Deliverability

Hy Stor Energy strongly supports the use of the geographic regions defined by the DoE in its National Transmissions Needs Study to meet the deliverability requirement in the NPRM. Unlike the EU's "regionality" concept, deliverability is not only concerned with matching emissions with output. In the U.S., it has a significant environmental justice component as well. Adherence to the deliverability requirement can help to ensure that communities that have historically been disproportionately burdened by pollution are not further burdened by increased emissions fueled by demand for electricity to produce clean hydrogen, and that such communities have access to clean power. Therefore, we strongly support the inclusion of the strong deliverability standards in final guidance.

Renewable Natural Gas and Fugitive Methane

Hy Stor Energy supports the NPRM's intention to address renewable natural gas ("RNG") and fugitive methane in a manner that is logically consistent with the three pillars approach for electrolytic hydrogen. It is critical that every clean hydrogen production pathway be supported by credible and transparent documentation establishing that Section 45V will not reward hydrogen production that creates significant climate and emissions risks.

We support the NPRM's focus on how the final Section 45V regulations need to reflect and mitigate indirect emissions effects from the possible diversion of biogas, RNG or fugitive methane to hydrogen production. Public confidence in Section 45V as a whole could be permanently impaired if the tax credit resulted in additional waste, waste diversion from lower-emitting disposal methods or changes in waste management practices that were harmful to the environment. We agree that any such changes are contrary to the IRA's intent and scope.

The three pillars approach for electrolytic hydrogen provides a robust framework that can be adapted for biogas/RNG and fugitive methane. We believe that each of the incrementality, deliverability, and temporal matching concepts should be applied with appropriate refinements to these hydrogen production pathways to ensure that their use does not result in the production of hydrogen in ways that increase, rather than decrease, GHG emissions.

This premise supports the NPRM's suggested requirement that a hydrogen production process involving biogas or biogas-based RNG (seeking an emissions value other than for standard natural gas) must originate with the "first productive use" of the relevant methane. We concur with the NPRM's proposal that matching this use to the same taxable year as (or after) the hydrogen production facility is placed in service would help to limit any diversion of biogas or

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RNG from other pre-existing uses, which might otherwise increase overall emissions. The process needs to reduce the potential for backfilling gas demand with fossil natural gas.

Hy Stor Energy believes that an EAC type certification process is necessary for biogas, RNG and fugitive methane. This EAC process needs to be robust and, like the EACs for electrolytic hydrogen, needs to properly account for indirect emissions. The associated GREET Model needs to be robust and instill confidence in the integrity of the manner in which it accounts for associated emissions. This includes properly estimating methane leakage from pipelines and other gas transportation methods. Our support for this approach is similarly tempered by a desire for the Treasury and IRS to permit clean hydrogen producers to rely on the GREET Model in effect as of the taxable year in which the FID is reached.

Treasury's Legal Authority to Adopt the Three Pillars

The IRA's statutory language is insufficient to answer the core question of how to calculate the GHG emissions associated with electricity and other inputs when measuring lifecycle GHG emissions for the Section 45V Credit. Hy Stor Energy believes that Treasury has clear authority to adopt regulations and guidelines to define the methodology for calculating the GHG emissions associated with clean hydrogen production. This includes defining how to account for the indirect (i.e., scope 2) emissions associated with the generation of electricity consumed by electrolyzer facilities (which is the single most important determinant of clean hydrogen's GHG emissions footprint). There are a number of regulatory choices that need to be made in establishing what is required in order to qualify hydrogen as "clean" (such as additionality, temporal and geographical matching, use of unbundled EACs/RECs, etc.). The choices we recommend are embodied in the clean hydrogen production criteria we describe above.

Treasury regulations are intended to interpret the relevant statute in light of legislative intent. The IRA provides tax-based incentives for private parties, states and local governments to adopt measures designed to elicit comprehensive reductions in GHG emissions. The Section 45V Credit is a key component of this effort, and interpretative guidance from Treasury and the IRS needs to ensure that the operational framework for claiming the credit is conducive to achieving this overarching goal. Hy Stor Energy strongly believes that the NPRM achieve this goal and we stand ready to support the Biden Administration throughout the implementation process.

Urgent Need for Clear Definitive Guidance

Hy Stor Energy appreciates the great effort Treasury and the IRS have expended in issuing the NPRM. Continued uncertainty as to what is required to qualify for the various tiers of the

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Section 45V Credit, however, has caused project developers to hesitate in initiating the investments in the clean hydrogen sector in the U.S. that the IRA was designed to incentivize.

The lack of definitive guidance is rapidly becoming an existential issue for the U.S. hydrogen industry. Delayed guidance has undoubtedly postponed final investment decisions on many projects, led to cancellation of some, and has caused others to move abroad.

Clean hydrogen, particularly that eligible for the highest credit tier under Section 45V, is vital to drive the industry forward. Continued delays to the guidance are not in the interests of anyone.

We respectfully urge Treasury and the IRS to provide clear direction and final guidance as promptly as possible.

Conclusion

Hy Stor Energy respectfully urges Treasury and the IRS to adopt in final regulations the proposed 45V guidance for electrolytic hydrogen that includes strong rules upholding the three pillars. Hy Stor Energy further urges Treasury and the IRS to issue a supplemental notice *as soon as possible* indicating that a taxpayer making its Final Investment Decision or closing on third party financing over the next 12 months will be permitted to rely on the then current version of the 45VH2 GREET Model, which version would be grandfathered for the duration of the Section 45V Credit applicable to the taxpayer's project. Hy Stor Energy also recommends that Treasury and the IRS adopt guidance addressing the use of RNG and fugitive methane to produce qualified clean hydrogen that is logically consistent with the three pillars approach for electrolytic hydrogen endorsed in these comments.

Adoption of the core pillars and making the immediate change to the proposed guidance described in this letter will go a long way toward ensuring that the production of clean hydrogen will live up to its potential to decarbonize the U.S. economy and will position the country in the best position to lead the global race to the top.

Sincerely,

Laura L. Luce
Chief Executive Officer