



ADVANCING CLEAN HYDROGEN DEPLOYMENT ACT (H.R. 5965)

The **Advancing Clean Hydrogen Deployment Act** establishes a pilot program through the Office of Fossil Energy and Carbon Management in consultation with the Office of Energy Efficiency and Renewable Energy to demonstrate a variety of new end-uses for hydrogen.

SUMMARY

The Advancing Clean Hydrogen Deployment Act will stimulate the demand-side for clean hydrogen by using a contract for difference model to close the cost gap between clean hydrogen and hydrogen that is produced today. This program will target hard-to-abate sectors like industrial chemicals and heat. The cost of clean hydrogen is limiting to private companies that want to test emerging technologies at scale; the contract for difference model is able to not only de-risk these pilots, but also properly steward taxpayer dollars by accurately meeting the cost gap between emission-intense hydrogen and clean hydrogen.

HISTORY:

The Department of Energy's (DOE) hydrogen program was first authorized in the Energy Policy Act of 2005, but has recently risen in importance as a critical tool to reduce emissions across energy sectors. Much of the work done over the last 15 years, through the DOE, has been in research and development; now, these technologies are ready for large scale demonstration in partnership with industry. Hydrogen policies largely support a variety of hydrogen production technologies, but there is a white space for demand-side policy to encourage end users to contract for that clean hydrogen supply.

SPECIFICS:

The Advancing Clean Hydrogen Deployment Act has a few key elements that incentivise clean hydrogen consumption in various end uses.

- Uses a contract for difference model to close the cost gap between clean hydrogen and hydrogen that is produced today.
- Requires projects in difficult-to-decarbonize sectors such as the power sector, transportation sector, and in the industrial sector as both a heat source and a chemical.
- Allows additional support for capital investment in hydrogen utilization, delivery, and storage.
- Incentivizes clean hydrogen production by requiring all projects use hydrogen that is 80% cleaner than hydrogen produced today and that two of the projects use zero-emission hydrogen.

ORIGINAL SPONSORS:

Rep. Tonko, Paul (D-NY)
Rep. McKinley (R-WV)

SUPPORT: ClearPath Action

CONGRESS.GOV LINK: [H.R.5965](https://www.congress.gov/bills/116/5965)