## May 13, 2025

The Honorable Mike Johnson Speaker United States House of Representatives Washington, D.C. 20515

The Honorable Jason Smith Chairman United States House of Representatives Washington, D.C. 20515

RE: Preserve the Section 45V Credit for Production of Clean Hydrogen

Dear Speaker Johnson and Chairman Smith,

On behalf of the below signed businesses and organizations, representing some of the most significant energy companies in the United States, we urgently request that you preserve the Section 45V Credit for Production of Clean Hydrogen as the House of Representatives processes its reconciliation legislation.

The Section 45V credit – and the industrial development and manufacturing capacity this incentive will spur – is poised to deliver major advantages to global competitiveness, national security, and economic impact to the United States.

## 45V Creates Jobs and Investments in the United States

The hydrogen industry promises to drive domestic economic growth through U.S. manufacturing as we scale-up. An estimated 9.8 million metric tons per annum ("mmtpa") of natural gas-based hydrogen capacity is in development across the U.S., which would nearly double America's existing hydrogen production volume. According to a recent analysis by Citizens for Responsible Energy Solutions (CRES), these projects could support around 60,000 jobs per year between 2025 and 2035 and generate more than \$12 billion in annual GDP.<sup>1</sup> With supply chain and original equipment manufacturers (OEMs) located across the country, a McKinsey report states that with the right policies in place like 45V the hydrogen industry could generate 700,000 jobs by 2030 and generate \$140 billion in revenue.<sup>2</sup>

Collectively, our industry has tens of billions of dollars of investments ready to be unleashed across the country. However, should the Section 45V credit by prematurely eliminated, phased down, or have major provisions such as transferability and direct pay removed, these investments and jobs will not come to be. The long-term political certainty that this credit offers is the key driver for many multinationals choosing to build massive hydrogen infrastructure investments and gigawatt scale factories in the United States. Without 45V, other countries, and particularly China, will pull further ahead in the race to fulfill global market demand for hydrogen-based energy molecules.

# The United States Risks Ceding Hydrogen Leadership to China without 45V

There is growing global demand for hydrogen and hydrogen derivatives, and China is rapidly expanding its investments to meet that demand and dominate the global hydrogen supply chain. The United States cannot afford to fall behind.

<sup>&</sup>lt;sup>1</sup> The Economic Impact of Blue Hydrogen. Citizens for Responsible Energy Solutions. May 2025.

https://cresforum.org/wp-content/uploads/2025/04/American-Blue-Hydrogen-04.16.25-CRES-Format\_VF.pdf. <sup>2</sup> Roadmap to a US Hydrogen Economy. 2020. https://fchea.org/wp-

content/uploads/2024/07/RoadMaptoaUSHydrogenEconomyFullReport.pdf

For years, China has been aggressively investing in clean technology, and China has made global leadership in clean hydrogen a priority, and the country's political leaders have determined that manufacturing of hydrogen production technologies is a major economic and export opportunity. In 2020, China accounted for less than 10% of global manufacturing capacity but has now grown to over 60% of global capacity of these technologies. If the United States fails to make appropriate investments ourselves, we risk ceding leadership in a critical sector that will define the future of energy, manufacturing, and innovation.

## 45V Supports National Security, Energy Independence, and Agricultural Policy

Hydrogen can be uniquely produced from diverse and abundant energy resources, while reducing our reliance on imported fuels, strengthening our domestic energy infrastructure, and even supporting American farmers. For example, hydrogen developed from agricultural waste-derived renewable natural gas would accelerate hydrogen feedstock project growth that directly benefits rural communities. The Section 45V credit also provides American farmers with ammonia fertilizer made in America – rather than Russia or China. The ammonia generated from these projects are also highly sought after in the global market, increasing access to premium export opportunities and supporting U.S. trade balance.

Hydrogen technologies are also already serving mission critical applications in the United States, including the rapidly expanding data center sector. By encouraging investments in U.S. hydrogen, we enhance grid resilience and reduce exposure to geopolitical energy risks. Section 45V is a smart, forward-looking investment in a more secure and self-sufficient American energy system.

## America Needs 45V for Global Hydrogen Dominance

Retaining the 45V incentive without new limitations will drive domestic innovation, manufacturing, and infrastructure development — ensuring America leads in the clean hydrogen economy, rather than ceding ground to strategic competitors. With political clarity and investment certainty, the 45V credit can catalyze tens of billions in private capital, revitalize domestic manufacturing, and create stable, long-term employment in construction, operations, and tech innovation. This is an unprecedented opportunity to build a modern energy workforce that is rooted in American talent and ingenuity.

On behalf of the undersigned organizations, we reiterate the critical need to maintain the Section 45V incentive, without any new restrictions that could dampen investment and the opportunity our sector holds for the United States. We stand ready to serve as a resource and share our industry's experience. Thank you for your consideration.

#### Sincerely,

- American Petroleum Institute National Association of Manufacturers Fuel Cell and Hydrogen Energy Association Appalachia Regional Clean Hydrogen Hub Mid-Atlantic Clean Hydrogen Hub Heartland Hydrogen Hub HyVelocity Hydrogen Hub Pacific Northwest Hydrogen Hub American Biogas Council Business Council for Sustainable Energy
- California Hydrogen Business Council Citizens for Responsible Energy Solutions ClearPath Action Clean Hydrogen Future Coalition Coalition for Renewable Natural Gas Nuclear Hydrogen Initiative The Methanol Institute Ohio Fuel Cell and Hydrogen Coalition Renewable Hydrogen Alliance Southeast Hydrogen Energy Alliance

Texas Hydrogen Alliance Hydrogen Fuel Cell Bus Council

174 Power Global Air Water America Inc. Airbus Alameda-Contra Costa Transit District Allegheny Science and Technology **Ambient Fuels** Atlas Agro Avina Clean Hydrogen Inc. Aymium Ballard Power Systems, Inc. BayoTech, Inc. Bennett Pump Center for Transportation and the Environment CGI Gases and General Hydrogen Corp Cummins **EcoEngineers** Electric Hydrogen Element Resources Inc. Emerson Empire Diversified Energy eNG Coalition ENGIE North America, Inc. Entergy Texas **EQT** Corporation FASTECH Fidelis New Energy Fiedler Group First Ammonia Fortescue FRIEM America Inc. Greentree Consulting LLC Green Stewardship, LLC H2 Ranch, LLC H2B2 USA. LLC Heraeus Precious Metals, NA Hexagon Purus ASA HIF Global Hog Lick Aggregates Honeywell Inc. HyAxiom HydroFleet, Inc. Hyundai Motor North America Independence Hydrogen **Ivys Energy Solutions** J.A. Paterson LLC, Energy & Environment Law

John Cockerill Johnson Matthey Inc. Kawasaki Heavy Industries Koloma Luxfer Gas Cylinders Matagorda County Economic Development Corporation Modern Hydrogen Monolith M.R.S. Enterprises Nel Hydrogen NeuVentus Nexceris NovoHydrogen Olin **PDC Machines** Plug Power Port of Corpus Christi Authority Port of Victoria Port of Long Beach Power to Hydrogen Inc. Proteum Energy Quest One North America, Inc. Raven SR, Inc. San Joaquin Regional Transit District Saoradh Enterprise Partners Schaeffler Group USA Inc. Siemens Energy, Inc. StormFisher Hydrogen Sungas Renewables TES thyssenkrupp nucera USA Inc. **Titan Production Equipment** Topsoe **TotalEnergies** Toyota Motor North America Toyota Tsusho America, Inc. Twelve, Inc. Verdagy Inc. Victoria Economic Development Corporation W. L. Gore & Associates Yosemite Clean Energy, LLC **ZEV** Station