

THE OFFICE OF CLEAN ENERGY DEMONSTRATIONS



Regional Clean Hydrogen Hubs Mid-Atlantic Regional H2Hub Community Briefing

10/25/2023

Office of Clean Energy Demonstrations
U.S. Department of Energy



Welcome!

Welcome & Meeting Objectives

- The Office of Clean Energy Demonstrations (OCED) at DOE recently announced the selection of seven Regional Clean Hydrogen Hubs (H2Hubs)
- We at DOE wanted to connect to help clarify our process and the opportunities to plug in and help shape your community's energy future
- Engage with DOE and the partners involved in these H2Hubs



Introductions



Emmanuel Taylor
Facilitator



Todd Shrader,
Director,
Project Management,
OCED



Suzy Baker, Stakeholder Engagement Lead – H2Hubs, OCED



Lydia Kubiak-Cardona, Community Engagement Specialist – H2Hubs, OCED



Collin O'Mara Mid-Atlantic Regional Hydrogen Hub, MACH2



Opening Remarks

- Welcome
- Opening Remarks
- OCED Overview
- H2Hubs Overview

Agenda

- Community Benefits and Engagement
- Mid-Atlantic Regional H2Hub Project Overview
- Next Steps & Resources
- Feedback Session
- Wrap-up & Close



OCED Overview

OCED Mission

Deliver clean energy technology demonstration projects at scale in partnership with the private sector to accelerate deployment, market adoption, and the equitable transition to a decarbonized energy system.



OCED Mandate



SCALE EQUITABLE, CLEAN ENERGY

Help enable 100% clean electricity by 2035 and net zero emissions by 2050 through an equitable energy transition



UNLOCK NEW INVESTMENT

Unlock and scale trillion-dollar clean energy follow on investment from the private sector and other sources of capital



DE-RISK TECHNOLOGY

Maintain risk-based, balanced, and defensible portfolio of investments



SERVE AS CENTER OF EXCELLENCE

Serve as primary DOE office to deliver full scale clean energy demonstration projects and project management oversight excellence



ENGAGE & COLLABORATE

Leverage private sector and broader energy ecosystem to inform OCED and DOE technology commercialization efforts



OCED Scope



Regional Clean Hydrogen Hubs (\$8 billion)



Long-Duration Energy Storage Demonstrations (\$505 million)



Advanced Reactor Demonstrations (\$2.5 billion)



Energy Improvements in Rural or Remote Areas (\$1 billion)



Carbon Management (\$7 billion)



Clean Energy Demonstrations on Mine Land (\$500 million)



Industrial Demonstrations (\$6.3 billion)



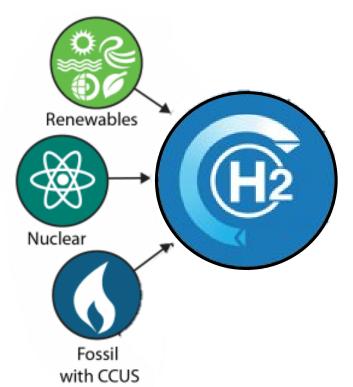
Other Initiatives (\$133 million)



H2Hubs Overview

What is Hydrogen?

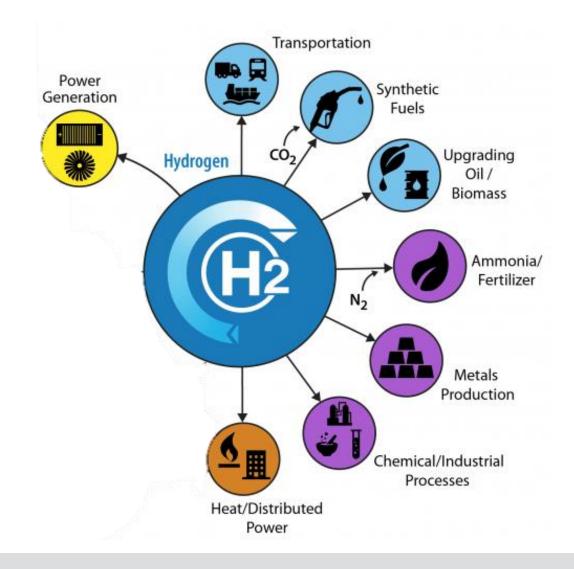
- Hydrogen (H₂) is the simplest and most abundant element known.
 - You might recognize it from the chemical formula for water H₂O!



- Hydrogen can be made using a variety of domestic energy resources.
- Hydrogen can be produced through several processes, including:
 - Electrolysis; Direct Solar Water Splitting
 - Steam Methane Reforming
 - Biological (e.g., algae)
- Currently, the U.S. produces 10 million metric tons of hydrogen each year.

What Can Hydrogen Do?

- Hydrogen is part of a suite of solutions that can help our nation achieve its net-zero goals.
- Helps hard-to-decarbonize sectors such as heavy-duty transportation, steel and chemicals manufacturing, and production of liquid fuels.
- Supports increased integration of renewable energy into the grid and offers multiple revenue streams for clean power generation.





Whole of Government Approach to Clean Hydrogen



U.S. National Clean Hydrogen Strategy and Roadmap



Hydrogen Shot (\$1/kg by 2031)



Clean Hydrogen Standard



H2Hubs Demand-Side Support Initiative



IRA tax incentives



Clean Hydrogen Pathways to Commercial Lift-Off Report



Coordination with
Canada and Mexico
on building out the clean
hydrogen supply chain and
economy across North America



Additional DOE funding: Clean H2 Electrolysis Clean H2 Manufacturing and Recycling

(additional \$1.5B)

AND...





Build regional clean H2Hubs across the country to create networks of clean hydrogen producers, consumers, and local connective infrastructure to accelerate use of clean hydrogen.

H2Hubs Demand-Side Support Initiative

- Sept 2023: Announced \$1B RFP. Responses are due on October 26, 2023.
- Learn more about the initiative here: https://www.youtube.com/watch?v=QgOL_Xg7K1Q

H2Hubs Current Status

 October 2023: DOE announced 7 projects selected for <u>award negotiations</u>.

What is a Regional Clean Hydrogen Hub?









Selected Regional Clean Hydrogen Hubs



Selected H2Hubs Overview

Unprecedented Investment in America's Hydrogen Infrastructure

To accelerate adoption of hydrogen technologies

Providing tangible benefits for Americans

Federal investment of \$7 billion

Approximately 3
Million Metric Tons of
Hydrogen Production
per Year

Dedicated Dollars for Community Benefits

Tens of Thousands of Jobs

Greenhouse Gas Reduction of 25 million Metric Tons Per Year



Community Benefits

Prioritizing Community Benefits in OCED Projects

OCED **requires** applicants to include a Community Benefits Plan (CBP) to help ensure broadly shared prosperity in the clean energy transition.

By prioritizing community benefits; we can ensure the next chapter in America's energy story is marked by greater justice; equity; security; and resilience.

Community & Labor Engagement



Diversity, Equity, Inclusion, & Accessibility



Investing in the American Workforce



Justice 40 Initiative



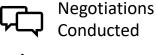


Community Benefit Commitments - Implementation Requirements per Phase

Selected projects Awarded projects move to Negotiation move to Phase 1

Application	Negotiation	Phase 1: Detailed Plan	Phase 2: Project Development	Phase 3: Install, Integrate, Construct	Phase 4: Ramp-Up & Operate
Pre-DOE funding	Pre-DOE funding	~ 12-18 Months	~ 2-3 Years	~ 3-4 Years	~ 2-4 Years
CBPs are evaluated by experts according to the FOA criteria and typically scored at 20% of the total score*	Selectees enter a negotiation phase that includes improvements to community benefits required for award	 Community benefits commitments are negotiated before the start of each phase Community benefits are implemented during each phase and updated as projects progress and lessons are learned Community benefits implementation is evaluated throughout each phase, and included in go/no-go decisions between phases* 			

^{*}CBPs are considered alongside assessments of engineering, procurement, and construction; business development and management; permitting and safety; and technical data and analysis.



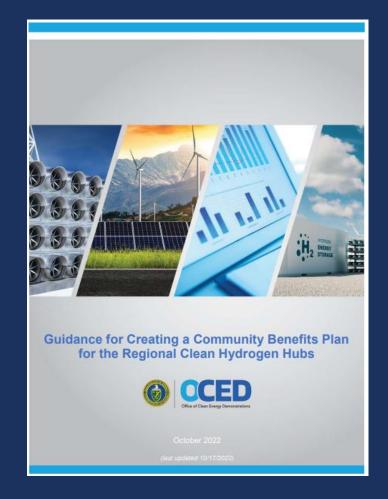


Go/No-Go Decisions



Strong Community Benefits Commitments

- Demonstrate moving beyond a vision or assessment into actionable goals, outcomes, and implementation steps supported by adequate money, people, and time resources
- Include mechanisms for accountability to and transparency with impacted communities
- Propose clear metrics to measure success
- Match proposed actions to the needs and priorities of impacted communities
- Robustly address all four topic areas
- Minimize and mitigate negative impacts and harm, especially to already overburdened communities
- Create quality jobs, equitable access, and invest in workforce development
- **Evolve** to incorporate community and worker feedback
- Build toward lasting and enforceable Community and Labor Agreements



OCED FOA CBP Guidance docs available with each FOA at:

https://oced-exchange.energy.gov/



Mid-Atlantic Regional Clean Hydrogen Hub

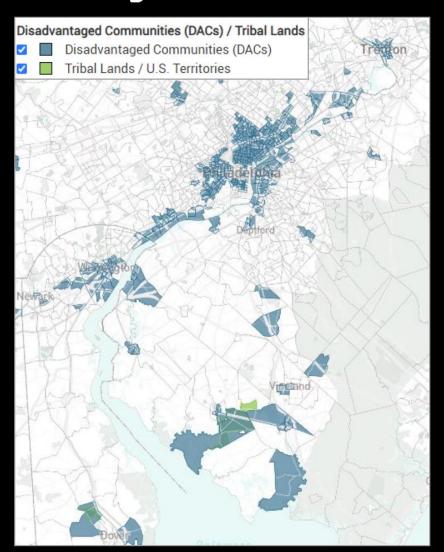
WHY GREEN/PINK HYDROGEN FOR MID-ATLANTIC?

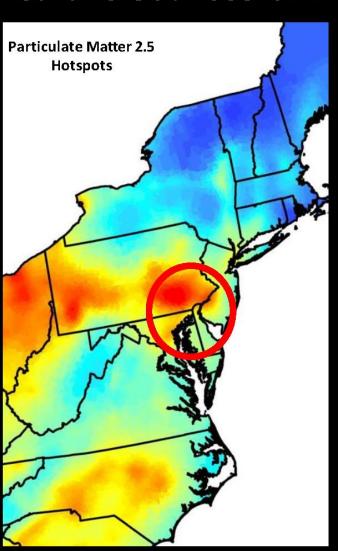
- Only use energy solutions that reduce both GHG & criteria pollutants
- Seize opportunities to create good, union jobs in clean energy economy
- Reduce emissions in sectors that have high levels of pollution and are difficult to decarbonize/electrify:
 - Industrial Facilities (23% of GHG): chemical manufacturing, steel, cement, logistics facilities
 - Transportation (28% of GHG): Heavy-duty trucking, transit buses, ports, marine vessels, aviation
- Focus renewable energy electrification in sectors that make most sense: residential, light-duty vehicles, commercial buildings, etc.

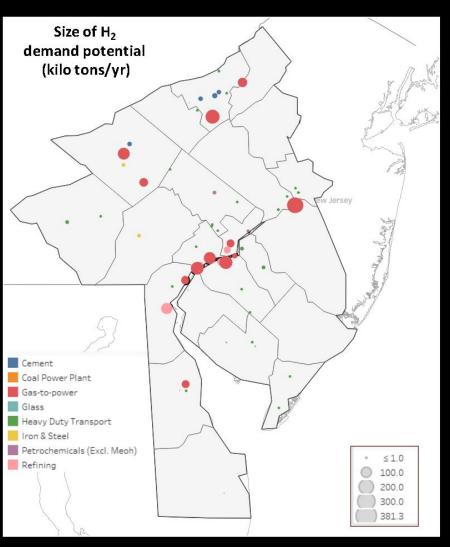




Justice40: MACH₂ will significantly reduce air pollution Large emitters in hub area are sources of H2 demand





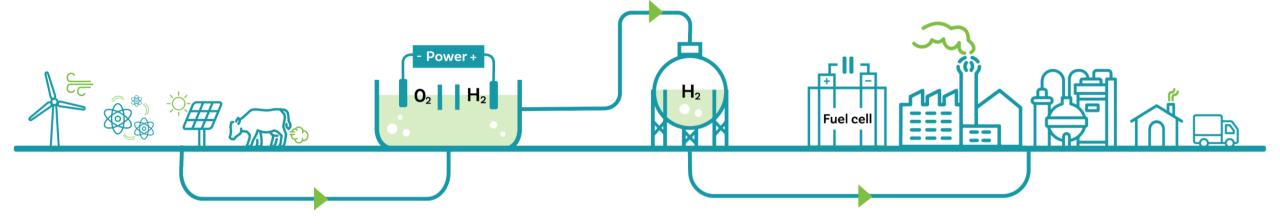


Source: EIA AEO, EPA 2019 Emission Inventory, DOE AFDC

HOW WILL MACH₂ PRODUCE HYDROGEN?

Using energy produced by clean energy sources like wind, solar, nuclear ...Low to zero carbon electricity could produce hydrogen from water through electrolysis. Hydrogen is stored safely for when needed.

Clean hydrogen could be used for power generation, transportation fuel, refining and other industrial processes.



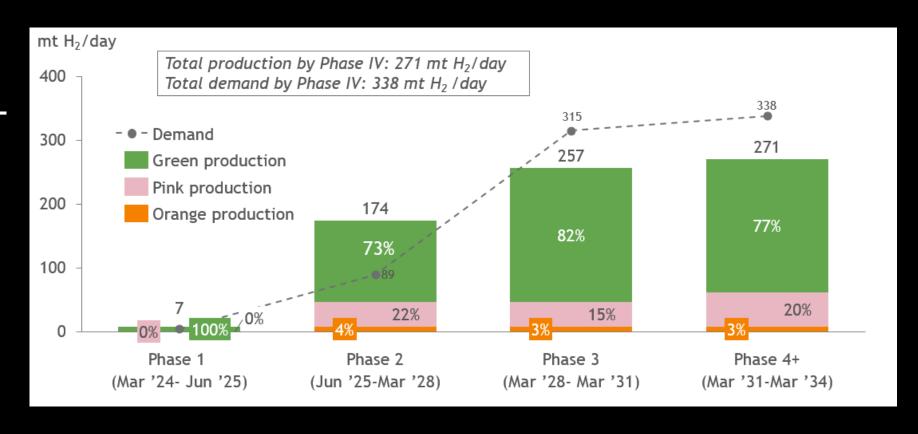
MACH₂ IS A FOSSIL FUEL-FREE HUB

POWERED BY
RENEWABLE &
NUCLEAR ENERGY

LEVELIZED H₂ COST: \$3.86/KG

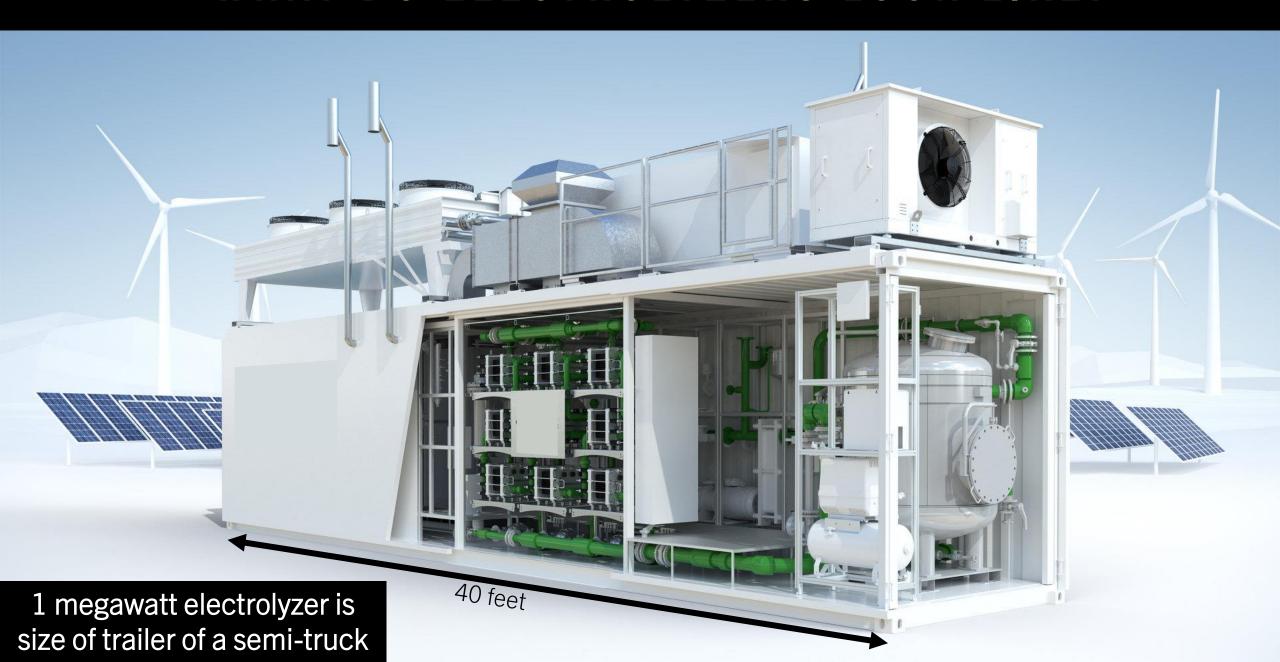
Definition:

Carbon intensity:



Green	Pink	Orange	
Solar or Wind powered electrolyzer	Nuclear powered electrolyzer	Biogas or biomethane in SMR (e.g., RNG)	
0 kg CO _{2e} /kg H ₂	0.2 kg CO _{2e} /kg H ₂	0.2 kg CO _{2e} /kg H ₂	

WHAT DO ELECTROLYZERS LOOK LIKE?



Labor, Workforce & Community Outreach

- PA AFL-CIO
- DE AFL-CIO
- **Building Construction** Trades
- Pipefitters & Steamfitters
- Delaware Prosperity Partnership
- DESCA

- DE Workforce Development Board
- Philadelphia Works
- University of Delaware
- Cheyney University
- Rowan
- **UPenn**
- Drexel
- Delaware State University

H₂ Producers & Innovators

- Air Liquide
- **PBF Energy**
- Bloom Energy
- **PGW**
- Monroe Energy *
- Versogen

- Holtec PSE&G
- Chesapeake Utilities
- sHYp
- Hydropore Enbridge
- First State Hydrogen

Feedstock Diversity & Infrastructure

- **PECO**
- Buckeye
- PSE&G
- IRPL
- Orsted **US Wind**

(شت) 1 Chemours

H₂ Supply Chain •

Fig.

DuPont

WL Gore

Compact Membrane Systems

Industrial & Commercial Applications

- Monroe Energy
- PSE&G

Braskem

- Hilco
- **DuPont Experimental** Station
- HyAxiom

Enbridge

- Vicinity Energy
- Amazon Ameresco

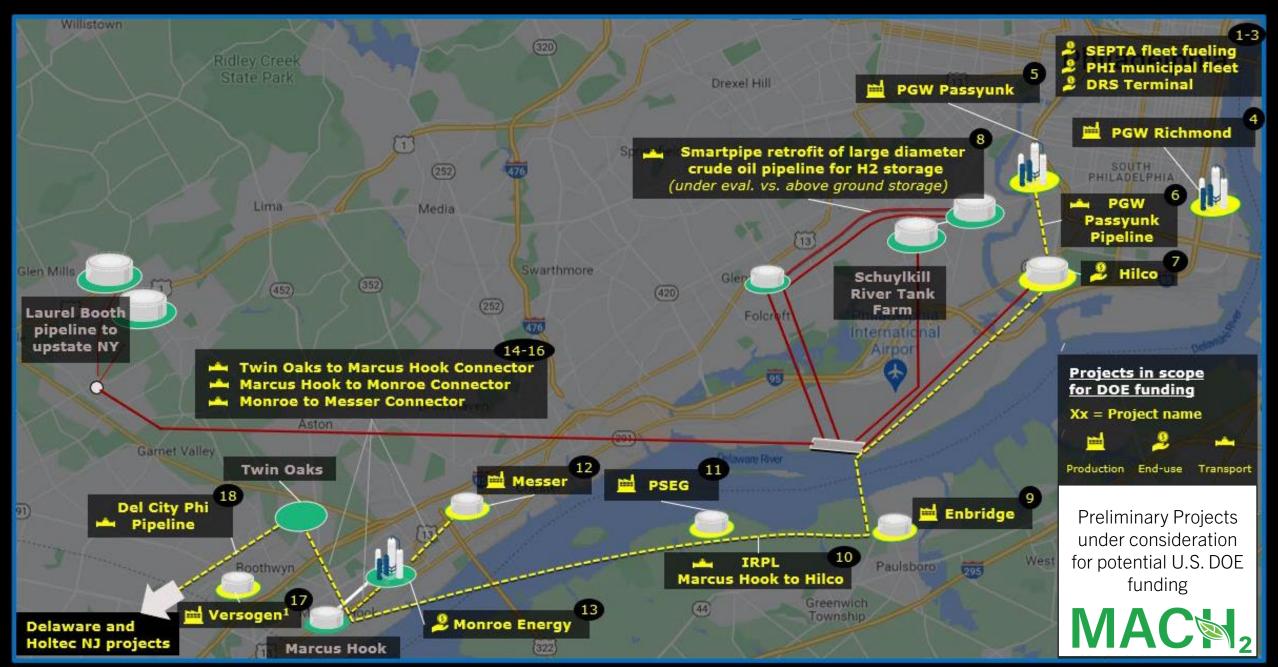
Transportation Applications

- NJ Transit
- Philadelphia Municipal Fleets

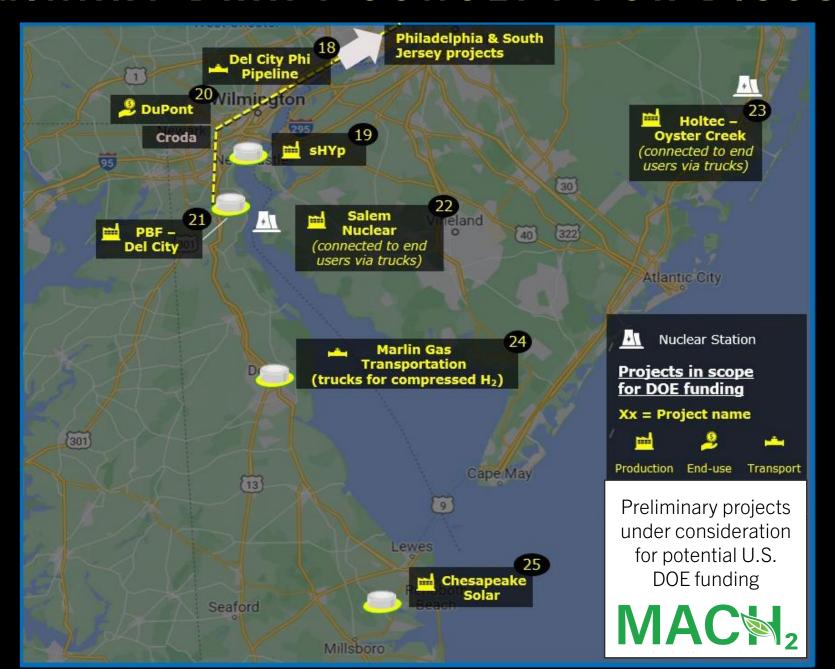
Education, Research & Development

- University of Delaware
- Cheyney University
- Rowan
- **UPenn**
- Drexel
- **Delaware State University**
- **DESCA**

PRELIMINARY DRAFT CONCEPT FOR DISCUSSION



PRELIMINARY DRAFT CONCEPT FOR DISCUSSION



WORKFORCE DEVELOPMENT & JOBS



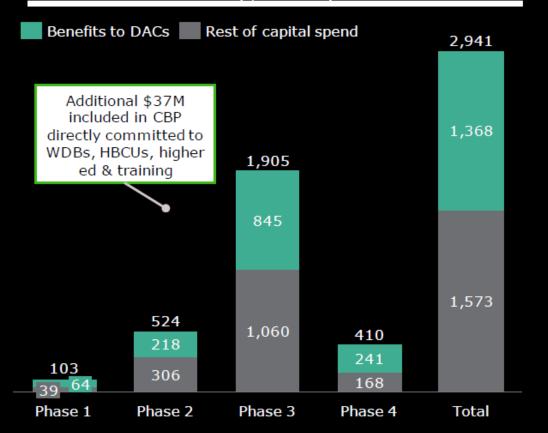
- MACH₂ will create 20,800 well-paying jobs in the clean energy economy, including 13,400 union construction jobs
- The regional Building Trades and AFL-CIO helped lead MACH₂ from the start. Every project will be constructed with project labor agreement
- MACH₂ will coordinate equitable access to nextgeneration job training opportunities, especially historically underserved communities
- Key workforce partners: Labor, Cheyney University, Delaware Tech, the Collegiate Consortium, Philadelphia Works, DE Workforce Development Board, NJ State Employment and Training Commission, FAME, Inc., LEEP





MACH2 Community benefits | Investing in America's workforce & engaging DACs & underrepresented groups

Estimated benefits flowing to DACS in line with Justice40 criteria (\$ million)



Select highlights include:

- Significant portion of project partner spend taking place in regions with high DAC density allows us to estimate direct benefit of \$1.2-1.5B flowing to DACs in line with Justice40 benefits criteria¹
- ▶ Investing in America's Workforce | ~\$14M committed to regional Workforce Development Boards to serve as MACH₂ anchor partners for community college training, pre-apprenticeships
- DEIA, EJ and J40 | \$10M commitment to technical and professional development initiatives for programs to overcome barriers in higher-ed to entry-level & professional careers for underrepresented groups – including Cheyney University, the country's first HBCU, U Penn and others

^{1.} Ranges of spend flowing to DACS vary by project with 20-70% per project flowing to DACs, detail can be found in appendix. This estimate is built in our best understanding of how federal match on MACH2 partner projects will align with the policy priorities as defined under the "What Justice40 Benefits should be considered?" FAQ on the DOE Community Benefits Plan. 2. Includes University of Delaware, Cheyney University, U Penn, Rowan University across higher-ed & technical training



POST AWARD ORGANIZATIONAL STRUCTURE EMBEDS COMMUNITY BENEFITS, WORKFORCE DEVELOPMENT & EJ40 ACTIVITIES AT ALL LEVELS INCLUDING BOARD, ADVISORY COMMITTEES, EXECUTIVE TEAM & COMMUNITY BENEFITS STAFF

BOARD OF DIRECTORS (BOD)

Up to 15 individuals that represent all 3 states, the Board of Directors holds all fid authorizes/manages the movement of money, establishes and approves by-laws,

Permanent committees overses audit, compensation

rectors holds all fiduciary responsibility for the organization, and approves by-laws, codes of conduct and governance structures. audit, compensation, governance

ADVISORY COMMITTEES (AC)

Subject matter experts to advise both the BOD and the CEO/Executive Team on hub planning and execution. Members of the AC can also be members of the BOD as well as members of any ad hoc sub-committees formed for the execution of the hydrogen hub. Initially two ACs as a minimum: Industry/Technical and Community/Workforce Development, more to be developed if required.

Industry AC

Representatives from industry such as Air Liquide, Bayotech, Bloom Energy, Buckeye, Chesapeake Utilties, CMS, Enbridge, Holtec, Monroe Energy, PBF Energy, PGW, PSEG, Versogen, Schuyler Energy, South River Maritime, MDavis, Engineering, Compliance & Regulatory Expertise

Community AC

Environmental Justice Expertise, DESCA, Chambers of Commerce, Economic Development Partners, UD, UPenn, Rowan, DSU, DTCC, DE Workforce Development Board, Union reps, Philadelphia Works, DEI&A reps, FAME, Inc

CHIEF EXECUTIVE OFFICER (CEO)

plan as specified in the proposal submitted to the DOE. The CEO will be responsible for forming and hiring the executive team, staff, and consultants needed to execute on the plan. This team will also be responsible for forming any and all ad hoc sub-committees required for the execution of the hydrogen

hub plan.

The CEO will report to the BOD and be accountable for executing the H2Hub

Executive Administrator

COO, Technology Director & Staff

HR & DEIA Director

CFO & Staff

Community Benefits Lead & Staff

General Counsel

Consultant(s) and ad hoc sub-committees as required



Next Steps & Resources



involvement

ends*

involvement

ends*

Email the H2Hub

engage_H2Hubs@hq.doe.gov

DOE will use feedback from engagements

Attend local engagements

Read Initial CBP summary

to inform the negotiation process

Email DOE at

(details TBD)

- concerns
- Reach out to H2Hub teams any time
- Participate in H2Hub engagements: workforce or community agreements; or advisory boards H2Hubs may have as part of their CBP activities
- Reach out to DOE if any questions or concerns are not being adequately addressed engage H2Hubs@hq.doe.gov
- Each phase has a go/no-go where DOE will assess project performance including CBP your feedback matters!

- Act (NEPA) and related requirements for the Hubs.
- Feedback via early engagement will inform initial scope of NEPA reviews.
- Stakeholder engagement throughout the NEPA process, including at scoping and draft NEPA document review stages.

^{*}Communities and labor can still engage with the applicant based on the information they released to date to explore a path forward without this specific source of federal funding.

OCED Engagement

OCED aims to support meaningful community-awardee-OCED engagement through the life of the awarded H2Hub. How?

Local Engagements



Small community dialogues



Deliberative forum

Outcomes



Establish process for longterm engagement



Co-develop priorities

Next Steps – Virtual H2Hub Community Briefings

OCED will hold seven community briefings to share information with the communities hosting H2Hubs.

Information and to register: https://www.energy.gov/oced/h2hubs-local-engagement-opportunities

Appalachian Hydrogen Hub

Tuesday, October 24, 2023 6:00-7:30 p.m. ET

Mid-Atlantic Hydrogen Hub Wednesday, October 25, 2023 6:00-7:30 p.m. ET

California Hydrogen Hub Wednesday, October 25, 2023 8:00-9:30 p.m. ET

Gulf Coast Hydrogen Hub Monday, October 30, 2023 6:00-7:30 p.m. ET Pacific Northwest Hydrogen Hub Monday, October 30, 2023 8:00-9:30 p.m. ET

Midwest Hydrogen Hub Wednesday, November 1, 2023 6:00-7:30 p.m. ET

Heartland Hydrogen Hub Wednesday, November 1, 2023 8:00-9:30 p.m. ET

^{*}Subject to change based on negotiations. Negotiations may take several months.

Next Steps – Negotiations

Award Negotiations: OCED will commence negotiations with project selectees.

After Award: IF the projects receive an award (successful negotiations)

- Selectees enter into cooperative agreement with OCED
- Detailed Project Plan begins
- OCED will work with selectees to ensure compliance with the National Environmental Policy Act (NEPA)
- Significant engagement with OCED and awardee

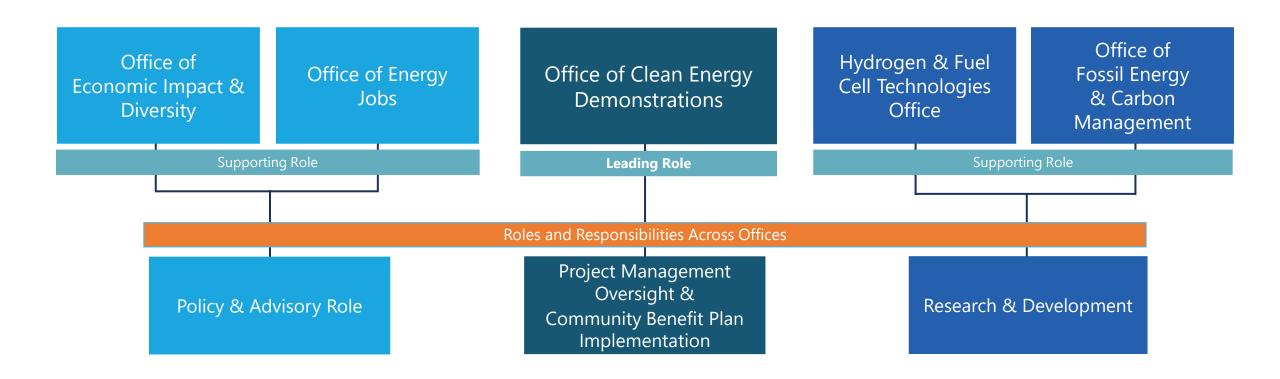


Selectee Webpages

Appalachian Hydrogen Hub	https://www.arch2hub.com/	
California Hydrogen Hub	https://archesh2.org/	
Heartland Hydrogen Hub	www.HeartlandH2Hub.com	
Gulf Coast Hydrogen Hub	https://www.hyvelocityhub.com	
Mid-Atlantic Hydrogen Hub	https://mach-2.com/	
Midwest Hydrogen Hub	https://machh2.com/	
Pacific Northwest Hydrogen Hub	https://pnwh2.com/	



Key DOE Offices for H2Hubs





H2Hubs Resources

Regional Clean Hydrogen Hubs

- Program Page
- Press Release
- Overview of Selected Projects
- Local Engagement Opportunities
- OCED CBP fact sheet

Demand-Side Support Initiative for Clean Hydrogen

- Request for Proposals (RFP)
- Video: OCED Update on Demand-Side
 Support Initiative

Additional Clean Hydrogen Resources

- U.S. National Clean Hydrogen Strategy and Roadmap
- Clean Hydrogen Pathways to Commercial Liftoff Report
- Hydrogen Shot

Additional DOE Resources

- Office of Economic Impact and Diversity
 assistance to advance equity & CBP in
 communities
- Office of Energy Jobs technical assistance to advance CBP jobs, labor & skilled workforce



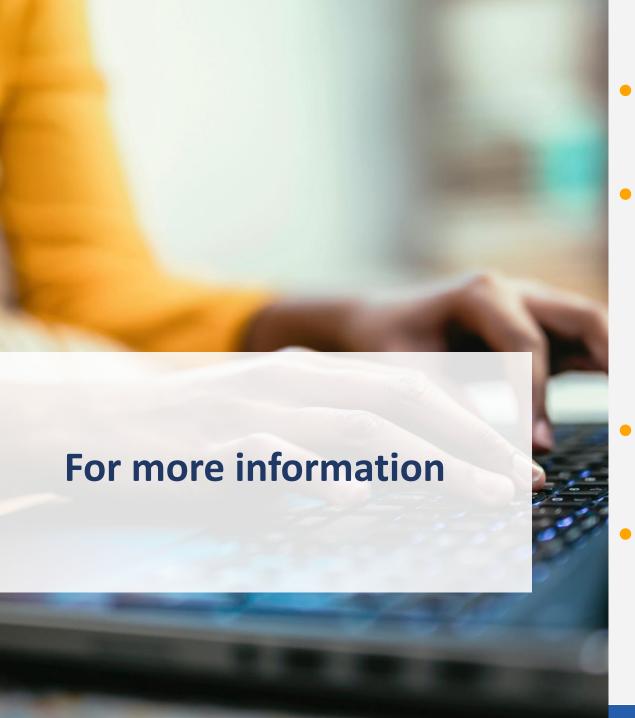


Feedback Session

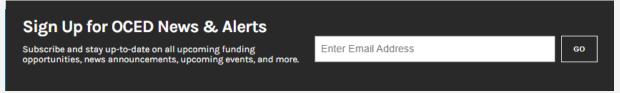
Ground Rules for Discussion

- Submit questions using the Q&A feature.
 - You can also see and upvote other questions that have been asked.
- Reserve judgement
- One idea at a time
- It is okay to build on the ideas of others
- Clarifying questions are okay





- Reach OCED about the H2Hubs midatlantich2hub@hq.doe.gov
- OCED Website & Newsletter Sign-up energy.gov/oced
 Scroll to bottom to sign up here:



- OCED Exchange (RFIs, NOIs, and FOAs)
 oced-exchange.energy.gov
- Follow us on LinkedIn linkedin.com/company/doe-oced/





For more information; please visit energy.gov/OCED