

# LiUNA!

## MIDWEST REGIONAL OFFICE

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February 26, 2024

### VIA ELECTRONIC SUBMISSION

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**STEPHEN E. FARNER**

**PAUL V. HOGROGIAN**

Internal Revenue Service  
Ben Franklin Station, Room 5203  
Washington, D.C. 20044

RE: COMMENTS OF THE LiUNA! MIDWEST REGION ON THE PROPOSED  
RULES FOR SECTION 45V CREDIT FOR PRODUCTION OF CLEAN HYDROGEN

To Whom it May Concern:

On behalf of the 50,000 Midwest Region members of the Laborers' International Union of North America (LiUNA!), I write to encourage the Department of Treasury to reconsider its proposed implementation of the Inflation Reduction Act's Hydrogen Tax Credit Rule, specifically those provisions in Section 45V related to "incrementality" or "additionality". If these provisions cannot be excised from the December 2023 rulemaking, we support the incorporation of allowances for states, like Illinois, that have been at the vanguard of decarbonizing their energy sectors.

Laborers and other union tradespeople in Illinois, Indiana, Michigan and other Midwest states were ecstatic upon hearing that the Midwest Alliance for Clean Hydrogen (MachH2) had been selected to be one of the nation's seven Hydrogen Hubs by the Biden-Harris Administration. This investment in the nation's clean energy future can not only create a pathway to decarbonize hard-to-decarbonize sectors, it has the potential to create 1,400 long-term construction jobs for current LiUNA members and other tradespeople. It also could create scores of opportunities for young people, women and BIPOC workers seeking to establish family-supporting careers in LiUNA and other construction trades.

However, the proposed Section 45V rules put those construction jobs in northern Illinois at risk. Further, we are also aware of another \$3 billion hydrogen-based sustainable aviation fuel project (unrelated to MachH2) that is looking to locate in nearby Rockford, IL that will either locate elsewhere – or not be built at all – if the proposed rules are not changed.

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*Feel the Power*

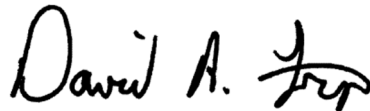
The Section 45V rules, specifically those pertaining to “incrementality” or “additionality,” effectively prevent the use of zero-carbon nuclear power in the production of hydrogen. Therefore, the use of the power from the LaSalle, Illinois nuclear plant would be, essentially, unavailable for this purpose. This could very well lead to the dissolution of the MachH2 Hub entirely as the proposed 250 MW electrolyzer at the LaSalle nuclear power station is a lynchpin to the Midwest Hub.

These incrementality provisions not only contradict the statutory language and intent of the Hydrogen Hub program, they contradict one of the distinguishing factors used in selecting MachH2 as a Hub. Lastly, they also contradict the October 13, 2023 statement from the Biden-Harris Administration announcing MachH2 as a Hydrogen Hub designee:

*“This [MachH2] Hydrogen Hub plans to produce hydrogen by leveraging diverse and abundant energy sources, including...low-cost nuclear energy.”*

If the proposed provisions related to incrementality are not removed from Section 45V, we ask that the final rules make allowances for states like Illinois that have taken major strides toward decarbonization. Such allowances would allow nuclear power to be utilized in hydrogen production in states that have implemented a mandatory phase-out of in-state fossil fuel generation and/or in states that meet at least 90 percent of its in-state electricity demand with carbon free power.

Sincerely,

A handwritten signature in black ink that reads "David A. Frye". The signature is written in a cursive, slightly slanted style.

David A. Frye  
Vice President and  
Regional Manager