



Date: 26 February 2024

To,
The U.S. Department of the Treasury

Subject: Comments on the proposed regulations relating to the Section 45V Credit for production of clean hydrogen as established in the Inflation Reduction Act, 2022, dated 26 December 2023 - Federal Register Number of Document: 2023-28359

Ohmium International, Inc. (“Ohmium”) is a manufacturer of cost-effective modular green hydrogen electrolyzers. We appreciate the opportunity to comment on the Treasury Department’s (“Treasury”) proposed rulemaking in connection with the Section 45V Credit for production of clean hydrogen to benefit producers.

For the reasons below, we recommend that Treasury apply its incrementality criterion under Sec. 1.45V-4(d)(3)(i)(A) to only clean hydrogen projects that commence construction on or after January 1, 2028.

Clean hydrogen production is an emerging industry, so the timeline to begin producing at a new site is often long – including securing capital and energy sources, constructing, and commissioning. Projects that commence construction before January 1, 2028, some of which are being planned today, may be disrupted, and perhaps abandoned, if the incrementality criterion is applied as currently formulated. Such hydrogen projects may not be able to secure financing given the uncertainty that electricity generated to power their clean hydrogen production will have been constructed or operational within the 36-month required timeline. Furthermore, power purchase agreements between renewable energy generation units and hydrogen producers are typically long-term agreements whose continuity could be disrupted if a requirement to produce hydrogen from new “additional” renewable energy is time dependent. The incrementality criterion could therefore grind to a halt an industry that has so much to contribute to our green energy future.

Green hydrogen also provides an opportunity to utilize power from the many renewable energy projects in the US that are currently under-utilized due to power grid congestion. We therefore recommend clean hydrogen projects that commence construction before January 1, 2028, should be exempt under Sec. 1.45V-4(d)(3)(i)(A) for their lifetime to increase use of these renewable energy resources.

The Section 45V tax credit is welcome by all clean hydrogen producers, but we believe that the growth of the hydrogen industry in the immediate term requires Treasury to apply the incrementality criterion under Sec. 1.45V-4(d)(3)(i)(A) to only those projects that commence construction on or after January 1, 2028.

With kind regards,

Rasool Aghatehrani

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