



**District Council of Iron Workers of the State of California and Vicinity**  
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February 26, 2024

The Honorable Janet Yellen, Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

Mr. John Podesta, Senior Advisor to the President  
For Clean Energy Innovation and Implementation  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Subject: REG-117631-23: Feedback Regarding the Internal Revenue Service's Proposed Regulations to Implement the Section 45V Credit for the Production of Clean Hydrogen

Dear Secretary Yellen and Senior Advisor Podesta:

Please accept these comments on behalf of the District Council of Iron Workers of the State of California and Vicinity.

The Iron Workers have been at the forefront of renewable energy development for decades. We fought for the entitlements and then built the vast utility scale solar farms in the high deserts. Our skilled workforce erected the massive land-based wind turbines that pepper the western landscape and provide clean, green power. We have built more LEED platinum skyscrapers in California than in any other state as we have partnered with state and local governments and private developers to make our communities more efficient. And we are just getting started. The Iron Workers stand at the ready to build the gigantic offshore wind turbines that will allow us to finally harness the Pacific winds, the new power plants that will repurpose waste to power and the hydrogen facilities that will allow our transportation sector to continue in a way that meets the climate crisis head-on.

We work closely with the State of California to ensure that the policy coming out of the Capitol works for our members, their families and every blue-collar family.

We were thrilled to see the generous award by the Department of Energy for the ARCHES hydrogen hub. ARCHES, if successful, will create thousands of journey people and apprentice hours for Ironworkers. It is our collective job to ensure that ARCHES is successful.

For ARCHES to be successful, we need to ensure that the federal guidelines and incentives will work in California. Our concern with the draft Section 45V is that it won't allow California to nearly reach the full potential of our hydrogen future. We have

**President**

David Osborne

**District Representatives**

Erik Schmidli  
Victor Lopez

**Field Representative**

Jonathan Paramo

**Executive Council**

Local Union 75  
Jason Sangster

Local Union 118  
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Local Union 155  
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Local Union 229  
Beau Coleman

Local Union 377  
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Local Union 378  
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Local Union 416  
Frankie Jimenez

Local Union 433  
Keith Harkey

Local Union 625  
Joe O'Donnell

Local Union 855  
Jonathan Paramo

already heard from some of the ARCHES projects that they will not be able to comply with the stringent requirements in the draft because of some California specific reasons.

In California, we started building the wind and solar early, and we never stopped. California is a global leader in renewable power generation but the Draft Section 45V does not seem to take that into account. Nor does it seem to take into account the huge amount of new renewable production we will need to bring online to meet the state's aggressive climate goals. We join the State Building Trades with their concerns and ask that you consider an alternative approach that will allow us to aggressively meet the climate crisis and seize upon the great opportunity we have in California to develop an innovative hydrogen infrastructure.

We agree with the proposed changes to draft Section 45V requested by ARCHES to create an alternative path for California. I have attached the suggested changes hereto.

We appreciate all the work that has gone into the policies that are creating work for our members in California and around the nation. We are excited to further partner to create innovative hydrogen projects in California and beyond. Please feel free to contact me about our comments or how to best craft energy policy that will put Iron Workers to work and produce clean and affordable power.

With best wishes, I remain

Sincerely,



David S. Osborne  
President

**Recommendation 1:** Amendment to § 1.45V-4: Procedures for determining lifecycle greenhouse gas emissions rates for qualified clean hydrogen.

We propose minimally invasive revisions to the draft regulations through the addition of the following italicized and underlined text in section 1.45V-4(d):

....The requirements of this paragraph (d)(1) apply regardless of whether the electricity generating facility is grid connected, directly connected, or co-located with the hydrogen production facility. However, the requirements of this paragraph shall not apply, and a taxpayer shall not be required to acquire and retire qualifying EACs, for hydrogen production facilities where all of the following conditions exist and are verified in accordance with section 45V-5(q)(6):

(i) The hydrogen production facility is located in a state with mandatory requirements that clean electricity supply 100 percent of all retail sales to end-use customers a state with mandatory requirements for the production of 100% clean electricity by a date certain and in no circumstances later than December 31, 2050;

(ii) Any hydrogen production facility relying on grid power has the capability to increase or decrease electricity consumption on demand to follow grid needs; and

(iii) The hydrogen production facility's electricity demand is fully accounted for in the state's energy planning system, including applicable system-level, state-mandated time-matching and deliverability requirements.

**Recommendation 2:** Amendment to §1.45V-5: Procedures for verification of qualified clean hydrogen production and sale or use.

We propose that the aforementioned alternative compliance pathway can be verified by adding the following new subsection to section 1.45V-5(g):

*... (6) If the taxpayer claims an exemption from acquiring and retiring EACs pursuant to section 45V-5(d)(1), a statement that the hydrogen production facility meets the three conditions described in sections 45V-5(d)(1)(i)-(iii).*