



Hgen, Inc.
13100 Yukon Avenue, Suite B
Hawthorne, CA 90250

February 26, 2024

Re: Section 45V Credit for Production of Clean Hydrogen

Hgen

Hgen makes clean hydrogen to decarbonize heavy industry. Based in Los Angeles, Hgen designs and manufactures high performance alkaline electrolyzers. Founded by former Tesla and SpaceX product and engineering leaders, and funded by Breakthrough Energy and Founders Fund, Hgen is scaling domestic electrolyzer design and manufacturing capabilities.

Designed to be compatible with direct renewables integration, Hgen recognizes the need for next-generation electrolyzer technology to adapt towards the unique technical and operational challenges of variable clean power input, such as solar and wind. Through its high-performance alkaline electrolyzers that can be flexibly operated alongside renewables, Hgen is accelerating the path to low-cost clean hydrogen production.

Comments

Re: Hourly matching, additionality, and deliverability

Hgen commends the efforts of the Treasury Department, despite significant public pressure, to maintain the integrity of 45V Credit eligibility. Hgen is aligned with, and urges the Treasury to maintain, its current guidance on hourly matching, additionality, and deliverability. We additionally recommend the Treasury to maintain, and not delay, its currently proposed phase-in period for hourly matching.

The strictness of 45V eligibility is critical to ensuring that hydrogen producers are properly incentivized and constrained to utilize the 45V Credit for generation of low-carbon clean hydrogen. Without such criteria, producers have no incentive to match their hydrogen production hours to periods of clean electricity input. Given that the Inflation Reduction Act is intended to incentivize development of technology that will enable a low-emission future, it is critical that projects and electrolyzers demonstrate that they can be reliably operated in the intermittent conditions required for low-emission hydrogen generation. Hourly matching

incentivizes the adoption of electrolyzers adapted to operating in renewable-integrated conditions. Without this constraint, developers may drive adoption (and cost-downs) of electrolyzers ill-suited to intermittent operation and therefore incapable of enabling cost-effective clean hydrogen production long-term.

Re: RNG emissions counterfactuals

To ensure that 45V is not abused to enable higher-emission hydrogen production methods to access tax credits, we urge the Treasury to not recognize negative emission accounting counterfactuals for biogas or RNG, such as venting.

We urge the Treasury to maintain, and not loosen, its current conditions for utilization of RNG and biogas for hydrogen production, which require a direct exclusive pipeline to a RNG source.

We appreciate the opportunity to provide our comments on the 45V guidance.

Sincerely,

A handwritten signature in cursive script that reads "Molly Yang".

Molly Yang
CEO, Co-founder of Hgen, Inc.