



February 6, 2025

Submitted [Online](#)

ALTAGAS COMMENTS ON STATE ENVIRONMENTAL POLICY ACT DRAFT PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT FOR GREEN HYDROGEN ENERGY FACILITIES IN WASHINGTON STATE

AltaGas Ltd. (“AltaGas”) welcomes the opportunity to comment on the Washington State Department of Ecology’s State Environmental Policy Act Draft Programmatic Environmental Impact Statement (the Draft PEIS).

AltaGas is a leading North American infrastructure company that connects customers and markets to affordable and reliable sources of energy for today and tomorrow.

AltaGas currently has two subsidiary business lines west of Ferndale, Washington, located in the Cherry Point Heavy Impact Industrial Zone of Whatcom County:

- ALA Energy, LLC serves today’s domestic markets for propane & butane by truck and pipeline, and exports to Asian markets by marine vessels from the Petrogas (formerly Alcoa Intalco) pier; and
- ALA Renewable Energy, LLC is in early-stage planning for the Ferndale Clean Hydrogen Project that has been selected as an anchor project in the Pacific Northwest Hydrogen Hub (PNWH2). PNWH2 was selected by the federal Department of Energy’s Office of Clean Energy Demonstrations (OCED) as one of seven regional Hubs from 79 competitive submissions nationally.

Following Alcoa’s announcement of the permanent closure of the Intalco aluminum smelter operations in 2023, AltaGas acquired the rights to own and develop the Intalco site at Cherry Point. On this site, ALA Renewable Energy is now a subrecipient of federal grant funds to advance regional and national efforts to achieve market lift-off for this vital new energy sector, by creating a robust hydrogen ecosystem focused on some of the hardest-to-decarbonize sectors important to our region’s economy.

The Pacific Northwest is an undisputed leader in the clean energy economy, and PNWH2’s designation as a Hydrogen Hub—thanks to funding I helped to secure in the Bipartisan Infrastructure Law—will mean \$1 billion in federal funding matched with billions more in private investment. PNWH2 is going to speed up our decarbonization efforts and the transition to a clean energy economy and [the] launch of Phase 1 marks a huge step forward in making this clean hydrogen ecosystem a reality. I’m thrilled to be a partner in this fight with PNWH2 and can’t wait to see the incredible impact they have on our region.

U.S. Senator Patty Murray (D-WA)

ALA Renewable Energy plans to use part of the Intalco brownfield footprint to build a new facility to operate water electrolyzers to produce, store, and distribute 100 MT/day of clean, electrolytic hydrogen. A key distinguishing feature that makes our project a clean hydrogen project is our commitment to use renewable power to operate the electrolyzers. We’re currently planning for a portion of our clean

hydrogen to be compressed and liquified on-site, and then transported by truck to fueling stations along the I-5 corridor to support Heavy-Duty (HD) transportation use for semi-trucks, port equipment, transit buses, and the like. In addition to HD transportation, we're planning to replace natural gas currently used to produce grey hydrogen in industrial processes like refining, and to help energize peaking power plants that stabilize our region's electricity grid.

Leveraging clean H2 to reduce greenhouse gas emissions from the hardest-to-decarbonize sectors of our economy, such as industrial processes, and heavy-duty transportation is part of what made our application so competitive nationally. Our project can help fill gaps where converting to electric vehicles is not as feasible from a technical or reliability perspective as it is for passenger vehicles.

Comments on the Draft PEIS

AltaGas provides the following comments as an interested partner in the development of clean hydrogen in Washington State. We look forward to constructive conversations on the development of regulatory processes and policies which will enable new and essential technologies such as hydrogen development in Washington State to the benefit of local residents and businesses.

We appreciate the contents of the Draft PEIS and believe that the information included is a valuable resource to inform siting, planning and project design, analyze potential impacts and identify possible mitigations. However, we recommend the final PEIS more clearly articulate the limitations and scope of its findings. For example, **we suggest the following acknowledgement of the limitations of the Draft PEIS and its applicability to future decision-making.**

- The Draft PEIS, by design, studies only non-project-specific adverse environmental impacts and related mitigation measures for green hydrogen projects. **There are many avoidance, minimization, and mitigation measures, and best practices, applied based on project-specific needs, stakeholder engagement, and company practice that are not considered in this draft programmatic.** These measures are advanced through the natural course of project development and advancement as well as through existing regulatory and engagement processes. Being overly prescriptive of mitigations at a non-project level does not adequately account for local geographic, stakeholder, and environmental needs unique to each project. Flexibility and adaptive management in the assessment of potential impacts, avoidance and minimization measures, and mitigations is essential to being responsive to each project and community's needs. Acknowledgement of project-specific measures is required to allow for flexible impact management catered to project and stakeholder needs.
- The scope of the Draft PEIS represents broad impacts and mitigations based on a limited scope of general regulations that could apply **and does not consider all applicable regulatory processes and standards that may apply in project design and execution to reduce potential impacts below a "significant" level.** Specifically, we recommend correcting the inconsistent language used in the Summary so that it consistently reflects "potential" significant adverse impacts rather than "probable" significant adverse impacts (compare p. S-9 and Table S-1).
- We also recommend Ecology consider other states' experiences (such as the ACES Project in Utah) and federal regulations (Ex. OSHA, PHMSA), as well as international standards (such as ISO standards for electrolytic hydrogen), with respect to Health and Safety, Risk, Process Safety and

Pipeline safety for inclusion of guidance applicable to hydrogen systems. This is especially important given the early-stage development of the green hydrogen ecosystem in Washington, **and because global best practices, lessons, and learnings from elsewhere can and should inform regulatory decisions and processes in Washington State as well.** AltaGas would welcome the opportunity to work with Ecology over the coming months to identify relevant regulations and standards for incorporation into the final PEIS.

- **The Draft PEIS represents a snapshot in time** and given the rapidly evolving nature of the new and developing green hydrogen ecosystem in Washington state, acknowledgement should be made that project technologies and applications may evolve in ways such that the potential effects, avoidance, and minimization measures would result in different conclusions than those reached here concerning the potential “significance” of adverse impacts or appropriate mitigations.
- **The Draft PEIS does not adequately consider the No Action Alternative, which would have significant adverse effects on the state’s ability to meet the Washington Legislature’s limits on the emissions of GHGs.** We recommend the final PEIS include additional analysis of the long-term vision for clean hydrogen in Washington, and how clean hydrogen development aligns with the state’s comprehensive clean energy strategy. The No Action Alternative should include discussion of how continued delays in environmental reviews and permitting processes sought to be addressed through this PEIS will significantly hinder clean hydrogen project developers from being able to fulfill the state’s projected share of emissions reductions targets attributable to clean hydrogen. Specifically, we recommend including the analysis from Washington Department of Commerce’s January 5, 2024 Report to the Legislature submitted to Chapter 292, Laws of 2022: Green Electrolytic Hydrogen and Renewable Fuels: Recommendation for Deployment in Washington, which concluded, among other things, that:

Robust siting and permitting processes for green hydrogen are needed, and siting and permitting of new renewables to support a hydrogen economy and economy-wide decarbonization poses even greater challenges... (emphasis in original)

- **The Draft PEIS does not adequately consider that the development of clean hydrogen facilities can bring socio-economic and other community benefits,** specifically localized air quality improvements, job creation and innovation, including to historically disadvantaged populations and communities. The PEIS should highlight these potential benefits and outline strategies to maximize them, including for communities and populations who are historically disproportionately impacted by prior industrial development.
- **Community Benefit Agreements.** To the extent the Draft PEIS recommends that developers should use Community Benefit Agreements in coordination with potentially affected communities to address impacts through mutually agreed upon mitigation, we encourage you to consider the January 20, 2025 federal Executive Order and related US Department of Energy’s (DOE) Memo of January 28, 2025, directing the suspension of the following activities in any DOE cooperative agreements, contracts, contracts awards, including the PNWH2 Hub grant agreements:
 - Diversity, equity, and Inclusion (DEI) program and activities involving or relating to DEI objectives and principles;

- Community Benefits Plans (CBP); and
- Justice40 requirements, conditions, or principles.

Sub-recipients have been advised that continuing any of these activities, including Community Benefits Planning, even if we are not filing for federal cost-reimbursement under our federal grant agreements, puts us at risk of being in default of the federal Executive Order and having our federal grant funding terminated. We request that the final PEIS recognize that it may not be possible for projects such as ours within the PNWH2 Hub to use Community Benefit Agreements without jeopardizing federal grant funding.

- The PEIS only contemplates impacts from small scale projects and does not include auxiliary facilities or associated pipelines. This severely limits the utility of the PEIS, and we encourage inclusion of larger facilities and auxiliary associated infrastructure within a reasonable distance

AltaGas commends the hard work put into the Draft PEIS and believes, if modified, can be a useful tool to be included as part of broader regulatory and policy considerations for the development of green hydrogen projects in the state of Washington.

We look forward to continued engagement with regulators and policy makers to ensure that Washington state green hydrogen projects are supported by flexible, adaptive policies which recognize the need to enable and support new projects and rapidly evolving technologies and applications.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Leonard". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Bruce Leonard
Senior Director, Emerging Ecosystems
AltaGas