July 30, 2025

VIA ONLINE PORTAL: https://ecology.commentinput.com/?id=bS4tQR6WV

Department of Ecology
Climate Pollution Reduction Program
Adam Saul
PO BOX 47600
Olympia, WA 98504-7600

Re: Chapter 173-424 WAC – Clean Fuels Program Rule

Dear Department of Ecology,

We appreciate the opportunity to share our thoughts on the proposed updates in Chapter 173-424 WAC, Clean Fuels Program Rule and Washington's continued leadership in developing a clean fuels standard. However, we are concerned that several proposed changes risk locking the state into a limited technological scope that could undermine near-term decarbonization opportunities, economic growth, and energy innovation.

The United States Hydrogen Alliance (USHA) is a non-profit association of members advocating for the development, deployment and utilization of clean hydrogen in all 50 states. We serve the hydrogen industry through state and federal policy advocacy, market development, and community building. Our mission is to leverage the unique attributes of hydrogen to reduce emissions across traditional sectors, increase energy resiliency and diversity, enhance local economies and workforces, and protect the nation domestically and abroad.

We urge the Department to reconsider the categorical limitations placed on hydrogen produced from fossil-based feedstocks, which are proposed to become ineligible for credit generation beginning in 2035, regardless of lifecycle emissions performance. This exclusion does not align with the Clean Fuels Program's original objective of reducing the carbon intensity of transportation fuels in a technology-neutral manner.

Hydrogen can be produced from diverse feedstocks and technologies with dramatically different lifecycle greenhouse gas emissions. We encourage the Department to move away from feedstock-based restrictions and instead adopt a performance-based standard rooted in verifiable lifecycle carbon intensity (CI). This approach would enable Washington to support hydrogen technologies that meet the program's environmental goals, while still maintaining flexibility to incorporate innovation over time.

To that end, we respectfully recommend removing the term "renewable hydrogen" and replacing it with a more inclusive definition of "clean hydrogen" to account for the maximum diversity of renewable or sustainable feedstocks for the production of low carbon intensity hydrogen. Therefore, we propose adopting the below federal definition of "clean hydrogen," which can be found in the Inflation Reduction Act (IRA) 45V Credit for Production of Clean Hydrogen and Energy Credit:

> '"Clean hydrogen" means hydrogen that is produced through a process that results in a lifecycle GHG emissions rate of not greater than 4 kilograms of CO2e per kilogram of hydrogen.'

The U.S. Department of Energy has set 4 kilograms of CO2e per kilogram of hydrogen as the threshold for "cleanliness" for hydrogen. Aligning with federal policy determination and incentives such as those under Section 45V of the IRA could greatly enhance the integration of sustainable energy sources. Adopting similar incentives at the state level would not only support national energy policies, but will also bolster local hydrogen production that contributes to a robust, clean energy economy.

As the state of Washington considers refinements to its Clean Fuels Program, it is critical to recognize the unique window of opportunity available. Washington is one of only two states in the nation positioned to fully capitalize on the federal Section 45V clean hydrogen production tax credit without needing to add new electricity generation—thanks to its existing low-carbon grid. With 45V currently set to expire on January 1, 2028 (unless extended), the state has a limited but powerful opportunity with this regulation to incentivize local hydrogen production projects and the Pacific Northwest Hydrogen Hub.

To unlock the full benefits of the 45V credit and maximize federal-state synergy, the Clean Fuels Program must be structured to encourage in-state hydrogen production and utilization. While the federal government is providing supply-side incentives through 45V, the state must do its part to create

a robust, technology-inclusive demand market for clean hydrogen. If architectured correctly, Washington's Clean Fuels Program can stimulate new hydrogen investment and accelerate deployment of zero emission technologies across transportation and industrial sectors. By adopting a performance-based framework that welcomes all low-carbon hydrogen pathways, the state can enrich and expand its clean fuels market—ensuring that the production incentives offered by the federal government translate into real climate and economic benefits locally. Failing to align state demand-side policy with federal supply-side incentives risks missing this rare window to attract new projects and capitalize on the additional funding secured through the regional hydrogen hub.

Washington has an opportunity to lead not only in adopting clean fuels but in setting a national example for how thoughtful, inclusive policy can support climate goals and innovation. We urge the Department to adopt a technology-neutral, performance-based framework for hydrogen credit eligibility—one that reflects the full range of low-carbon hydrogen solutions available today and those still to come.

We at the United States Hydrogen Alliance thank you for your time and consideration. We look forward to continued engagement with the Department and stakeholders in support of a clean energy future for Washington. Please reach out to us if you have any questions.

Respectfully,

K. Bekemohammadi

Roxana Bekemohammadi
Founder and Executive Director
United States Hydrogen Alliance