



STATE OF WASHINGTON
— OFFICE OF GOVERNOR JAY INSLEE —

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Distributed by Email

Dear Hydrogen Stakeholders:

Many of you are aware of the upcoming opportunity from the federal Department of Energy (DOE) to designate and fund multiple hydrogen hubs around the country (H2 Hubs). To create the most competitive position for our state in this program, I envision the creation of a new private/public partnership entity governed by the leading players in this effort and look forward to supporting you all in bringing that entity together.

Washington brings a variety of incredible attributes to the table: our low-carbon energy generation capabilities, clean energy policies, and private sector leadership. Importantly, Washingtonians have a tradition of collaborating to solve our most challenging problems. Our historic leadership in transitioning to a sustainable economy places us in a highly competitive position for the H2 Hubs program. Washington is moving ahead to electrify our lighter weight transportation systems and our buildings. We can now lead the nation in demonstrating how to decarbonize the hardest-to-reach parts of the economy, such as heavy transportation, aviation, maritime, and industrial operations with green electrolytic hydrogen and our incredible renewable electricity resources.

Through both public and private efforts, Washington has taken strides toward the development of hydrogen infrastructure in our state. A range of partners have helped lead this important work, including several utilities, private enterprises, and the wealth of thought leadership in our state at Pacific Northwest National Laboratories (PNNL), Washington State University (WSU), and many others.

The Department of Commerce (Commerce) completed the 2021 State Energy Strategy, which recognizes hydrogen as an integral part of decarbonizing the state's energy economy. Commerce has also been leading on the development of a new Innovation Cluster Accelerator program to develop more private/public partnership opportunities and creatively grow key future economic sectors. This program builds on the success of Maritime Blue, a cluster development entity focused on decarbonizing the maritime sector. The new round of innovation clusters includes the CHARGE Network, focused on the development of the hydrogen and e-fuels industries.

In addition to these efforts highlighted above, Washington features the following attributes that remove any doubt that we ought to boldly compete for this program:

Focus on Renewables: Washington has the lowest carbon intensive grid in the United States. The opportunity to develop truly green hydrogen and understand how it fits into a modern decarbonized economy is possible today in the state of Washington. No other region is as advanced in this area.

Strong Climate Policy: Washington's climate legislation puts us in a unique position where state policy encourages and invests in low-carbon infrastructure and cutting-edge deployment of new, clean technologies.

Low-Cost Electricity: The cost of electricity is key to the economics of green, electrolytic hydrogen production. For the DOE to reach its Hydrogen Shot goal of \$1 for 1kg of hydrogen in 1 decade (1:1:1), it will require a low electricity cost environment found only in Washington.

Strong Private Sector and Utility Leadership: Well recognized companies and utilities that have made a commitment to using hydrogen to meet carbon reduction goals such as PACCAR, Microsoft, Amazon, Port of Tacoma, Tacoma Public Utilities, Douglas County PUD, Plug Power, Cummins, and many others who call Washington home.

Recognized Leadership in R&D: PNNL and WSU are recognized national leaders in multiple aspects of hydrogen research and development.

Leading Environmental Justice Policy: The Healthy Environment for All (HEAL) Act, as well as provisions of Washington's cap and invest program promote environmental justice and ensure a strong focus on developing climate solutions that reduce health disparities. This focus aligns well with President Biden's Justice40 initiative.

Clean Energy and Economic Development Policy Tied to Good Jobs: Washington has led the nation in incorporating tax incentives tied to labor standards in clean energy policy, working to ensure that clean energy investments create good jobs in the low-carbon economy.

I have asked Department of Commerce Director, Lisa Brown, as our state's principal business and industry liaison, to work with you in developing a broader coalition and a private/public partnership entity to submit a single, successful application for this program. As you all move forward defining potential projects or areas that are of interest to participate in this H2 Hubs application process, we would like to hear from you. Please reach out to her and her team directly as you continue to develop your project descriptions for this program to be submitted later this spring.

If you have any questions or require further information, please do not hesitate to contact Becky Kelley, my Senior Policy Advisor for Climate at becky.kelley@gov.wa.gov or 360-688-8149.

Thank you all for your hard work and dedication to the green industrial transition, and I look forward to partnering with you. Let's go win this together!

Very truly yours,



Jay Inslee
Governor