In Support of Federal Incentives for Utility-Scale Hydrogen Energy Storage Projects

Demand is building for hydrogen as heavy industrial sectors seek practical solutions for decarbonization amid growing environmental demands from customers, governments, and financial players. In addition, interest in hydrogen is growing within the utility sector in areas such as generation, storage, and transportation. Utilities can leverage surplus renewable energy to produce hydrogen, can facilitate clean energy integration, and can use hydrogen as a medium for long duration energy storage. Some utilities are also exploring the deployment of hydrogen fueling stations for the transportation sector.

A growing number of utilities, including public power utilities, are exploring and investing in hydrogen projects. Yet, hydrogen remains an expensive alternative as there are currently limited options for securing, storing, and transporting hydrogen fuel. Hydrogen production and storage must reach sizeable scale to provide operational confidence and drive down project cost. Just as solar and wind technologies benefited from various federal incentive programs, meeting the immediate and long-term energy and environmental goals of individual states and the nation demands an aggressive federal investment in hydrogen for utility, transportation, and industrial purposes.

Recently, the U.S. Department of Energy released its Hydrogen Program Plan to provide a strategic framework for the Department’s hydrogen research, development, and demonstration activities. This program should be supported and expanded to provide funding for utility-scale demonstration projects and evaluation of hybrid systems that blend renewable hydrogen and natural gas to fuel electric generation. It should also provide for the integration of electric generation and transportation uses of hydrogen, hydrogen storage for non-automotive applications, and federal incentives—available equally to all utilities and non-utility developers—to help drive down the cost of deployment.

NOW, THEREFORE, BE IT RESOLVED: That the American Public Power Association (APPA) urges federal policies to increase the research, development, and deployment of hydrogen technology for the electric utility sector, in addition to transportation and industrial uses; and

BE IT FURTHER RESOLVED: That APPA believes that the hybrid use of renewable hydrogen and natural gas would help reduce greenhouse gas emissions and allow for the widespread adoption of and assessment of hydrogen use in electric generation; and
BE IT FURTHER RESOLVED: That APPA urges Congress to provide equal incentives to all segments of the utility industry, including public power, in any programs to advance hydrogen deployment.

Adopted at the Legislative & Resolutions Committee meeting

March 2, 2021

Sunsets in March 2029