

Finding a Home for a Hydrogen Hub: Ohio, West Virginia, and Pennsylvania Seek to Bring a Hydrogen Hub Under the Infrastructure Investment and Jobs Act¹

Candace B. Smith and Braden L. Christopher
Steptoe & Johnson, PLLC

The interest in hydrogen production skyrocketed following the passage of the Infrastructure Investment and Jobs Act (“IIJA”) in November 2021, which allocates billions of dollars in federal funding for hydrogen research and development. In particular, the IIJA provides \$8 billion in funding for the creation of at least four regional clean hydrogen hubs—networks of clean hydrogen producers, potential consumers, and connective infrastructure within a close proximity.² The Department of Energy (“DOE”) will select locations for the hydrogen hubs based on multiple criteria including feedstock diversity, end-use diversity, geographic diversity, hubs in natural gas producing regions, and employment.³ On February 15, 2022, the DOE issued a Request for Information (“RFI”) to obtain public input regarding the solicitation process and structure of the DOE’s upcoming Funding Opportunity Announcement (“FOA”).

To the extent possible and in accordance with the criteria noted above, each hub must be located in a different region of the United States, at least one hub must produce hydrogen from fossil fuel, and at least two hubs must be located in regions that have the greatest natural gas resources.⁴ Based on Appalachia’s ability to meet these criteria through existing expertise in producing the region’s abundant natural gas and its suitable geology to implement carbon capture and hydrogen storage projects, leaders from government and industry in Ohio, West Virginia, and Pennsylvania forecasted their intent to attract one of these hydrogen hubs primarily focused on hydrogen production from natural gas with carbon capture, and have submitted at least 39 responses to the RFI.

One application from West Virginia is based, in part, on West Virginia’s long history as a major energy producer. On February 15, 2022, U.S. Senators Joe Manchin and Shelley Moore Capito, Representative David McKinley, and Governor Jim Justice announced the formation of a working group, which supports West Virginia being chosen as a location for a regional clean hydrogen hub. Thereafter, on March 21, 2022, the West Virginia Hydrogen Hub Coalition submitted a response and Proposal to Participate in the DOE’s search for hub locations. In this Proposal, the West Virginia Hydrogen Hub Coalition argued that West Virginia’s history of energy

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² 42 U.S.C. § 16161a.

³ *Id.*

⁴ *Id.*

production—including natural gas production, renewable resources, geographic location, workforce, and industry—make it an optimal location for a hydrogen hub.

In Ohio, more than seventy entities, including energy producers, research institutions, industrial users, political officials, and community leaders, formed the Ohio Clean Hydrogen Hub Alliance (“Alliance”) to persuade the DOE to locate a hydrogen hub in Ohio. The Alliance requested that its members submit responses to the DOE’s RFI by March 8, 2022. Advocates for locating a hub in Ohio highlighted Ohio’s extensive natural gas resources, manufacturing industry, workforce, research institutions, and existing hydrogen end-users as reasons why a hub should be in Ohio.

Lawmakers in Pennsylvania are also advocating for a hydrogen hub. On March 16, 2022, House Resolution No. 183, which urges Congress to locate a hub in Pennsylvania, was introduced in the General Assembly and referred to the Committee on Environmental Resources and Energy. The Resolution focuses on Pennsylvania’s natural gas resources and contends that its status as the second largest natural gas producer in the U.S. makes it an ideal location for a hub. On May 16, 2022, Governor Wolf also announced his intent to work with stakeholders in an effort to bring a hydrogen hub to Pennsylvania.

While not tied to any specific Appalachian state, companies including EQT Corporation, Equinor, GE Gas Power, Marathon Petroleum, Mitsubishi Power, Shell Polymers, and U.S. Steel have joined together to form a group whose goal is to bring a hydrogen hub to West Virginia, Ohio, or Pennsylvania. With operations in each of these states, the alliance’s goal is to attract a hydrogen hub to one of these Appalachian states and is less concerned about which state is ultimately selected.

While Ohio, West Virginia, and Pennsylvania appear to be competing with one another for a hydrogen hub, other states have taken a different approach and formed regional coalitions. For example, New York, Connecticut, New Jersey, and Massachusetts are working together on a hydrogen hub proposal focused on using the hub to address climate change and environmental justice, among other goals. The HALO Hydrogen Hub, which includes Louisiana, Oklahoma, and Arkansas, claims to already have infrastructure and extensive resources for hydrogen production necessary for a hub. The Western Inter-States Hydrogen Hub, which is a partnership between Colorado, New Mexico, Utah, and Wyoming, touts its oil and gas industry as well as its wind, solar, and biomass energy resources, and it has responded to the DOE’s RFI.

Following the release of the draft FOA, the DOE will then conduct a Pre-solicitation Meeting to gather further public input. Thereafter, the DOE plans to release the official FOA later in 2022 and will then select at least four regional clean hydrogen hubs no later than one year after the deadline for submission of proposals.