

IIJA and IRA Funding Opportunities

Issue Area – Hydrogen

Credit for Production of Clean Hydrogen

New tax credit for the production of clean hydrogen.

Eligibilities¹

- Includes retrofit facilities.
- Not stackable with the Carbon Capture and Sequestration Tax Credit (45Q).
- Stackable with the renewable energy production tax credit (45) and the zero-emission nuclear credit (45U).
- To receive full credit, projects must meet prevailing wage and apprenticeship requirements.

State Legislative Opportunities to Support

- Instruct the utility commission to identify areas of constraint on the transmission system that could be served by hydrogen storage combined with clean energy resources.
- Instruct the utility commission to evaluate the costs of renewables or other zero carbon generation resources with hydrogen storage back up (in the context of the clean energy and clean hydrogen production tax credits), to compare energy storage resources.
- Establish a policy that the state will prioritize green hydrogen as a storage and dispatchable resource.
- Develop or strengthen state incentives for the development and deployment of hydrogen production technologies.

References

¹ DOE – EERE. “Financial Incentives for Hydrogen and Fuel Cell Projects.”

<https://www.energy.gov/eere/fuelcells/financial-incentives-hydrogen-and-fuel-cell-projects>



IRA Section 13204



Tax Code – [26 U.S. Code § 45V](#)



\$0.60 - \$3.00 / kg, based on carbon intensity



Direct Pay? Yes
Transferable? Yes



Expiration Date – Projects must begin construction by 2033



Links –

- [Financial Incentives for Hydrogen and Fuel Cell Projects](#)
- [IRS – Inflation Reduction Act of 2022](#)
- [The White House – Clean Energy Tax Provisions in the Inflation Reduction Act](#)
- [Bloomberg Tax – The New Clean Hydrogen Tax Credit, Explained](#)