

Hydrogen Energy:

Unique Considerations for Hydrogen Projects

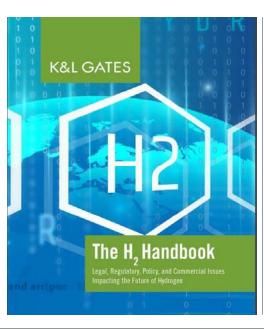
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Producing Hydrogen



Production Methods

- Steam reformation (SMR)
 - Natural gas or landfill gas
- Autothermal reformation
 - · Natural gas or landfill gas
- Electrolysis
 - Low temperature (uses electricity)
 - High temperature (electricity and heat)

Onsite vs. Offsite

- Electrolyzers are modular and have a small footprint providing flexibility as to size and location
- SMR typically requires utility-scale investments
- Hydrogen hubs can serve as both onsite and offsite suppliers

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Using Hydrogen

Industrial processes

- Refining Petroleum
- Producing Fertilizer
- Chemical Production
- Food Processing

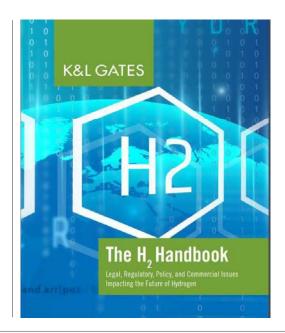
Wholesale/retail market supply

Transportation fuel Natural gas blending

Electricity generation

Electricity storage

Gas turbine fuel

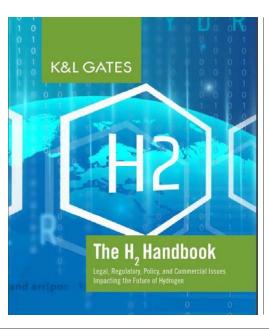


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Onsite Electrolytic Hydrogen Projects



Siting is on Customer Premises

Lease vs. License

Feedstock

Onsite Storage

Delivery Point

Fully Wrapped vs. Partial

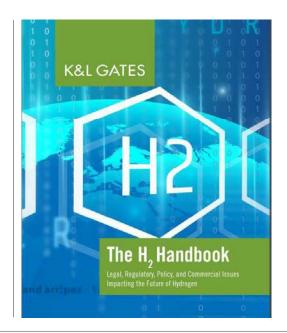
Wrapped Contracts

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Onsite Hydrogen Projects: Power Supply

Low-emission resources

- Types:
 - Renewables (solar, wind, geothermal, hydro)
 - Nuclear
 - Fossil fuels or biomass with CCS
- Co-located
 - PPA, Lease, or Build-Transfer/EPC Agreements
- Grid Power + RECs
 - Virtual Power Purchase Agreements (VPPAs)

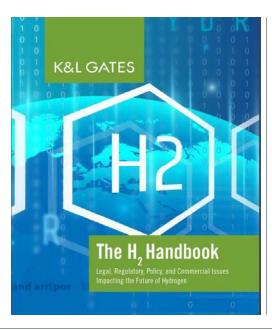


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Onsite Hydrogen Projects: Water Supply



Water Specifications

 testing and certification as to quality

Water Scarcity - allocation of risks

- Supplier wants:
 - Unqualified responsibility by Customer to supply full water requirements on demand
- Customer wants:
 - Change in Law Provisions addressing governmentimposed water restrictions
 - Force Majeure Provisions that cover water shortfall

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First appeared as part of the conference materials for the 19th Annual Renewable Energy Law Institute session "Hydrogen Energy: Unique Considerations for Transaction Documents"