

# Hydrogen Energy:

Unique Considerations for Hydrogen Projects

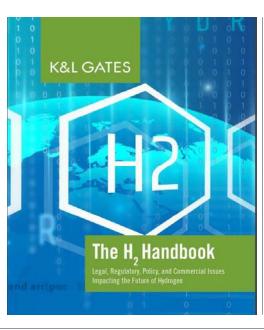
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### **Producing Hydrogen**



#### **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

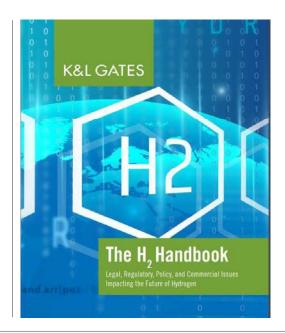
Wholesale/retail market supply

Transportation fuel Natural gas blending

Electricity generation

Electricity storage

Gas turbine fuel

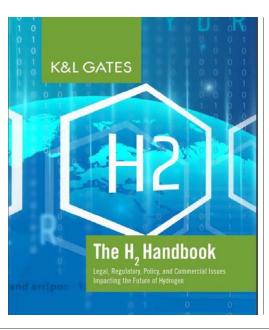


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### **Onsite Electrolytic Hydrogen Projects**



Siting is on Customer Premises

Lease vs. License

Feedstock

**Onsite Storage** 

**Delivery Point** 

Fully Wrapped vs. Partial

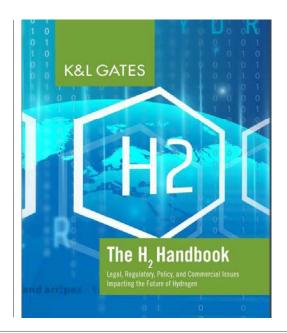
**Wrapped Contracts** 

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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)

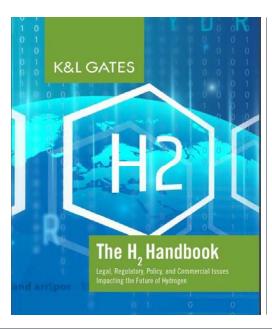


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### **Onsite Hydrogen Projects: Water Supply**



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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<u>Hydrogen Energy: Transaction Documents, Incentives, and Production Pathways</u>

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