



OKLAHOMA Commerce

Hydrogen Task Force
August 11, 2021

- State Incentives
- Federal Incentives
- Market Incentives

California

- The California Alternative Energy and Advanced Transportation Financing authority (CAEATFA) provides a sales and use tax exclusion for qualified manufacturers of advanced transportation products, components, or systems that reduce pollution and energy use and promote economic development.
- Annually, the California Air Resources Board (ARB) must aggregate and share the number of hydrogen vehicles that manufacturers project will be sold or leased over the next three years and the total number of hydrogen vehicle registered in the state
 - The California Energy Commission will allocate up to \$20 million/yr to fund the number of stations deemed necessary based on ARB's evaluation and reports.

South Carolina

- Hydrogen and Fuel Cell Tax Exemption
 - Any device, equipment, or machinery operated by hydrogen or fuel cells
 - Any device, equipment, or machinery used to generate, produce, or distribute hydrogen and designated specifically for hydrogen or fuel cell applications
 - Any device, equipment, or machinery used predominantly for manufacturing, or research and development involving hydrogen or fuel cell technologies.
- Battery Manufacturing Tax Incentive
 - For taxation purposes, the taxable fair market value of manufacturing machinery and equipment purchased for use at a renewable energy manufacturing facility may be reduced by 20% of the original cost. Qualified renewable energy manufacturing facilities include those manufacturing batteries for hybrid, fuel cell or other motor vehicles certified by SC Energy Office

Utah



- Hydrogen Fuel Production Incentive
 - Businesses that convert natural gas to hydrogen fuel, or produce natural gas solely for use in the production of hydrogen fuel for zero emission vehicles (ZEVs), may be eligible for an oil and gas severance tax credit. Each eligible applicant may receive a tax credit equal to the amount of the severance tax owed, up to \$5 million per year. Entities that produce hydrogen fuel for use in ZEVs or hydrogen fueled trucks may also qualify for grant funding or loans from the Community Impact Fund.

Utah

- Electric Vehicle, Alternative Fuel Infrastructure, Hydrogen-Related Bill Summaries and Outcomes. (2020 legislation)
- S.B. 95-Bill captures \$10 million of ongoing state money and redirects it to rural counties for economic projects. Nikola seeking to develop hydrogen stations or manufacturing facilities in any of the 24 rural counties could seek local county support for a portion of these funds. (Signed by Governor's Office)
- S.B. 50-Bill changes the air quality standard for vehicle emissions and added qualifying electric vehicles to the Commercial Property Assessed Clean Energy Act. (Signed by Governor's Office)

Utah



- S.B. 112-Bill authorizes the Utah Inland Port Authority to establish a community enhancement program to address the impacts of development. (signed by Governor's office)
- S.B. 154-Bill allows for grants to an entity that creates a hydrogen energy hub for a municipal entity. (signed by Governor's office)
- H.B. 59-Bill extends tax credits for up to \$13,500 for Class 7 and 8 EV and EV/Hydrogen trucks. Although tax credit was desired to be higher, a committee in November had approved the lower amounts on a phase out plan. Lobbyist engagement helped get this passed in session in spite of a "no new tax incentives" policy due to the need for a major tax restructuring in Utah yet to take place (Vetoed by Governor)

Utah



- H.B 347-Bill modified definitions to include energy-related facilities to be a part of the infrastructure of the Utah Inland Port. The bill authorizes the inland port authority to use funds to encourage, incentivize, or require development with reduced environmental impact and to develop and implement zero-emissions logistics and modifies a provision relating to a renewable energy tariff. (Signed by Governor's office)
- H.B. 269-Bill creates future tax credits for Nikola or another hydrogen electrolysis system of 2 megawatts and above. The tax credit is equal to 12 cents per kilogram of hydrogen produced or used with a carry forward provision of seven years if needed (Vetoed by Governor)

Virginia

- Green Jobs Tax Credit
 - Qualified employers eligible for a \$500 tax credit for each new green job created that offers a salary of at least \$50,000, for up to 350 jobs per employer. The credit is allowed for the first five years that the job is continuously filled. For the purposes of the tax credit, a green job is defined as employment in industries relating to renewable or alternative energy, including hydrogen and fuel cell technology, landfill gas, and biofuels.

Washington

- Fuel Cell Electric Vehicle (FCEV) Tax Exemption
 - Beginning July 1, 2022, 50% of the retail sales and state use tax of 6.5% does not apply to the sale or lease of the first 650 new FCEV passenger vehicles, light-duty trucks, and medium-duty passenger vehicles powered by fuel cells. Additionally, all used FCEV sales and leases are exempt from the tax. The FCEV exemption may not be combined with the Retail Sales and Use Tax exemption.

Energy Consumption

- Energy consumption/capacity is a lessor talked about subject
 - Most recent EIA data
 - Demand is here (5 petroleum refineries, Fertilizer plants, manufacturing, mills, glass production etc.)
 - Capacity is here

State	Consumption	Production	Conservation	Energy Surplus
Oklahoma	1675.63	5233.37	3557.74	68%
California	7802.26	2449.36	-5352.9	-219%
South Carolina	1628.5	735.67	-892.83	-121%
Utah	854.64	882.94	28.3	3%
Virginia	2419.08	882.82	-1555.06	-176%
Washington	2076.02	871.59	-1204.43	-138%

EIA data, 2019. trillion British thermal units (tBtu)