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New Mexico, coalition of mountain west states sign MOU to develop a regional clean hydrogen hub

Western inter-state hydrogen hub to compete for \$8 billion in federal infrastructure funds

SANTA FE – Gov. Michelle Lujan Grisham on Thursday joined the governors of Colorado, Utah and Wyoming in announcing that they will compete jointly for a portion of the \$8 billion allocated in the federal Infrastructure Investment and Jobs Act for the development of regional clean hydrogen hubs. These states are uniquely situated to become a clean hydrogen hub given the presence of high-quality wind, solar, biomass, natural gas, and other energy resources.

The Memorandum of Understanding is attached to this news release.

"New Mexico is proud to be part of this powerful collaboration with other western governors during this pivotal time of expanding clean energy," said New Mexico **Governor Michelle Lujan Grisham**. "New Mexico brings incredible value to this partnership, which not only progresses our shared goals around climate change, but creates jobs, fosters innovation and lifts up millions of Americans. New Mexico's commitment to growing renewable energy and meeting its ambitious climate goals lays the foundation for a thriving clean hydrogen economy. Make no mistake, New Mexico and our partner states will succeed in developing the nation's most productive clean hydrogen hub."

"Colorado is delighted to be part of this coalition to advance green hydrogen for Colorado and clean hydrogen among western states. The State of Colorado has adopted ambitious goals to reduce economy-wide greenhouse gas emissions 50% by 2030 and 90% by 2050, while supporting a just transition for affected workers and communities, and the use of low carbon hydrogen, especially hydrogen produced using renewable electricity for electrolysis, will help the state achieve these goals particularly in industry and heavy transportation" said Colorado **Governor Jared Polis**. "Colorado's leadership in decarbonizing the electric sector using abundant wind and solar resources, existing gas supply chain and strong intellectual capital including universities and the National Renewable Energy Laboratory position Colorado to build the technology and workforce needed to scale hydrogen in the region and around the world."

"Utah's unique geography and innovative spirit position us as the best place in the nation for energy development projects, including clean hydrogen," said Utah **Governor Spencer J. Cox**. "In Utah, we keep energy prices low to keep quality of life high. Our natural resources and existing infrastructure, along with our talented workforce, enable us to maintain this commitment to our citizens. With Utah's resources and expertise in the development of a clean hydrogen hub, the possibility of affordable, reliable and clean hydrogen is not just a possibility, it's inevitable."

"Hydrogen has tremendous potential for energizing the next generation and Wyoming is particularly well-situated to develop, export and utilize hydrogen. Several businesses have already targeted Wyoming as a potential hydrogen production center and our university, state agencies and legislature are leading the development of hydrogen policy and technology both locally and nationally," said Wyoming **Governor Mark Gordon**. "This coalition represents a shared vision for the future of hydrogen in the mountain west region, expands the resources beyond what each state has individually and reaffirms Wyoming's commitment to supply hydrogen to consumers throughout the Western States."

The signatory states will work together to develop a Western Inter-State Hydrogen Hub with supporting facilities in each state in response to the RFP that the U.S. Department of Energy is expected to release in May 2022.

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MEMORANDUM OF UNDERSTANDING

Western Inter-States Hydrogen Hub

This Memorandum of Understanding (MOU) made on this 23rd day of February, 2022, by and between the states of Colorado, New Mexico, Utah, and Wyoming establishes a framework for coordinating and developing a regional clean hydrogen hub (Hydrogen Hub) as contemplated by the 2021 Infrastructure Investment and Jobs Act, Pub. Law 117-58 (Act). The States of Colorado, New Mexico, Utah, and Wyoming may be referred to collectively as "States" or "Parties" and individually as "State" or "Party."

WHEREAS.... Clean hydrogen has the potential to advance the interests of Western States in clean air, reduction of greenhouse gas emissions, jobs, rural and urban economic development, and a just transition.

WHEREAS.... The 2021 Act allocates \$8 billion in funding for four or more regional hydrogen hubs.

WHEREAS.... The States of Colorado, New Mexico, Utah and Wyoming are uniquely qualified and situated to serve as a Hydrogen Hub with a thriving hydrogen economy given the presence of high-quality wind, solar, biomass and other energy resources; a sophisticated oil and natural gas industry; a robust energy transportation infrastructure; an established carbon management infrastructure and favorable geology; early stage public and private hydrogen economy development initiatives; world-leading national labs and academic institutions; and multiple industrial operations and large urbanized areas that are potential early adopters of clean hydrogen technologies.

WHEREAS.... Addressing the shared challenges of a healthy environment and modern energy economy require regional collaboration.

WHEREAS.... Western states have a long history of coordination on regional issues and opportunities.

WHEREAS.... The success of a Hydrogen Hub rests firmly on the collaboration, leadership, and innovation of states, researchers, and private businesses with diverse expertise and talents.

WHEREAS.... A cost-effective strategy with the ability to scale the production, transportation, storage, and utilization of clean hydrogen benefits from interstate collaboration and coordination.

WHEREAS.... The States of Colorado, New Mexico, Utah and Wyoming share a mutual interest in the demonstration and growth of clean hydrogen production, transport, and utilization together to advance our individual and collective goals.

NOW, THEREFORE, the Governors of the undersigned States agree as follows:

I. Commitment

The Signatory States agree to work together to develop a Western Inter-State Hydrogen Hub with supporting facilities in each state in response to the Act. The goal is to develop a proposal(s) to a Request For Proposals (RFP) that the U.S. Department of Energy (DOE) is expected to issue by May 2022 for development of four or more regional hydrogen hubs and collaborate on the response to the Request for Information (RFI) issued on February 15, 2022. Each State commits that this is the only proposal(s) that they will participate in for a hydrogen hub, and that they will not submit to the DOE their own standalone proposal or a proposal in cooperation with other states or entities other than the signatories of this MOU. Consistent with the commitments to collaborate and submit a sole response to the RFI and RFP, individual States are encouraged to enter into separate agreements with other entities that further hydrogen development in their states consistent with the goals and obligations herein.

The Signatory States agree to prepare an application(s) that advances a compelling vision for a hydrogen economy, including production and use in the Western United States. States agree to work with academic, research, industry, and community partners and stakeholders to ensure the proposal(s):

- Drives economic growth and development for each of the participating states and the region.
- Incorporates the latest science, research, and technology for cost-effective generation, transportation, and use of clean hydrogen.
- Ensures protections for and the participation of frontline and disadvantaged communities, including safeguards around public health, safety, and labor.
- Develops a pathway for workforce development and training.
- Provides for information exchange and collaborative research, including engagement with research and educational institutions, to monitor emissions and Hydrogen Hub performance, and thoughtfully plan expansion of the Hydrogen Hub and the use of Hydrogen technology over time.

- Addresses pipeline safety, leak minimization, and pathways for new pipeline construction.
- Proactively addresses the potential impacts of hydrogen production on western water use, and seeks opportunities to use water that is currently used for or generated by other industrial or power generation purposes.
- Engages key stakeholders including end-users in the industrial, buildings, aviation, power generation, transportation, and other sectors.
- Addresses the air quality impacts of hydrogen use and combustion, including emissions of nitrogen oxides.
- Identifies current and possible State resources, incentives, policies, and plans that can be leveraged in support of a flourishing and competitive hydrogen economy among the participating States.
- Respects the unique needs and policy approaches of each participating State.

II. Workgroup

The signatory States will each appoint up to three representatives to a workgroup, who will coordinate the states' collective work on development of the regional hydrogen hub proposal(s). At least two of the three representatives to the workgroup shall be employees or representatives of a state agency, official board, or other state body or research institution in the respective States.

Each signatory State agrees to commit resources to the extent permitted by law to support the analysis, consulting, convening, and writing that may be needed to successfully complete an application for Hydrogen Hub funding.

Each signatory state agrees, to the extent practicable, that any formal external written communication about the regional Hydrogen Hub collaboration, including press releases, op-eds, or information placed on state websites specific to Hydrogen Hub collaboration will be shared with the workgroup in advance. This obligation does not extend to communications required by public information laws

By the deadline required by the U.S. Department of Energy, the workgroup will develop a multistate action proposal(s) to successfully accelerate commercialization of, and demonstrate the production, processing, delivery, storage, and end-use of clean hydrogen.

In developing the Proposal, the workgroup shall consult with and solicit input from key partners and stakeholders.

III. Timeline

The workgroup's collective work will meet deadlines for Federal funding opportunities for regional hydrogen hubs.

IV. Additional Member States

Upon agreement of all States, additional western States may be added to this group, subject to the provisions of this MOU, to enhance the ability to establish a Hydrogen Hub.

V. Duration

This MOU is at-will and may be terminated by any State upon written notice to the other States. The MOU will continue following any such termination, so long as the remaining States agree.

Governor Jared Polis State of Colorado

Governor Spencer Cox State of Utah

Michelle hujan Lisham

Governor Michelle Lujan Grisham State of New Mexico

Mars Gordon

Governor Mark Gordon State of Wyoming