Washington Gas
A WGL Company

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February 1, 2024

Council President Friedson
Council Vice-President Stewart
Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue
Rockville, MD 20850

RE: Letter of Support – Hydrogen Projects in Recommended FY25-30 Capital Improvement Program and Recommended FY 25 Capital Budget

Dear Council President Friedson, Council Vice-President Stewart and Members of the County Council,

Washington Gas Light Company ("Washington Gas") appreciates the opportunity to provide this letter of support for County Executive Marc Elrich's budget proposal related to the **purchase of hydrogen fuel cell buses and developing a hydrogen refueling station for those buses**, aiding in the transition to 100 percent zero-emissions bus fleet by 2035.

Washington Gas is the local natural gas company providing safe, reliable natural gas service to more than 1.2 million customers in Maryland, Virginia, and the District of Columbia. The company has been providing energy to residential, commercial, government, and industrial customers for more than 175 years. Washington Gas is focused on reducing greenhouse gas emissions through energy efficiency and demand response programs to lower customer energy use, deploying lower emitting end-use technologies like fuel cell applications and lower carbon fuels like hydrogen, and modernizing our gas infrastructure to improve safety while reducing methane emissions.

As stated in our letter from October 17, 2023, in relation to the CIP budget amendment, we welcome the County Council to prioritize hydrogen transportation in future budget cycles to help meet the County's aggressive 80% GHG reduction goal by 2027.

Washington Gas supports the County's hydrogen fuel cell electric bus project and hydrogen adoption in general. We are a partner in the National Capital Hydrogen Center[1] , which developed a "Hydrogen Greenprint" in 2022 outlining hydrogen opportunities for the region.[2] Washington Gas also explores hydrogen pilot projects for production, distribution, and end-use applications like transportation. **We continue to build expertise and gain more in-depth experience on hydrogen, and we stand by to assist the County in achieving its GHG reduction goals through hydrogen applications.** We especially see hydrogen as an excellent zero-emission fuel to displace diesel without imposing undue operational changes or restrictions for fleet owners and operators.[3]

On October 13, 2023, the Biden administration awarded $7 billion for hydrogen hubs[4], including the Appalachian Regional Clean Hydrogen Hub (ARCH2) located in West Virginia, Ohio, and Pennsylvania and the Mid-Atlantic Clean Hydrogen Hub (MACH2) located in Pennsylvania, Delaware, and New Jersey. Over $1.7 billion will be available for hydrogen projects in these regions around Maryland and

[1] National Capital Hydrogen Center. Retrieved from https://www.connecteddmv.org/hydrogen
[2] Connected DMV, "DMV Hydrogen Greenprint." Retrieved from https://www.hydrogengreenprint.org/
[3] California Hydrogen Business Council, "Class 8 Fuel Cell Electric Truck Info Page." Retrieved from https://californiahydrogen.org/resources/fcet-info-page/
[4] Regional Clean Hydrogen Hubs Selections for Award Negotiations, retrieved from https://www.energy.gov/oced/regional-clean-hydrogen-hubs-selections-award-negotiations

Montgomery County, which may be leveraged to support projects in the region as hydrogen infrastructure is deployed.

Furthermore, on October 19, 2023, the Federal Highway Administration announced the designations for hydrogen fueling corridors.[5] Washington Gas partnered with the State of Virginia and other entities to designate hydrogen corridors in the Commonwealth. That application was successful, and all major interstates in Virginia, including the I-95 and I-81, are now designated hydrogen corridors[6], which makes them eligible for federal infrastructure funding. Maryland's I-495 "beltway" around D.C., which includes a section in Montgomery County, is also a designated hydrogen corridor and thus eligible for federal funding if an application were to be pursued by the County, the State, or another eligible entity.

Designated DOT FHA Hydrogen-Pending Corridors in the D.C. Region (red dotted lines)

On January 11, 2024, four hydrogen transportation applications received $98 million in grant funding to build out ten hydrogen fueling sites along hydrogen corridors in Texas, Colorado, and California.[7] We, therefore, would support Montgomery County in exploring federal grant programs, such as the Low-No[8] program and CFI program[9], to leverage federal dollars that can assist in deploying early hydrogen fueling infrastructure. This early infrastructure deployment is vital to allow off-takers, such as fleets, to consider hydrogen as one of the two available zero-emission transportation options. The 2023 UC Davis report: "California Hydrogen Analysis Project: The Future Role of Hydrogen in a Carbon-Neutral California - Final Synthesis Modeling Report"[10] highlighted that "**strong early investment is needed**" to develop hydrogen transportation markets. The County could apply for those grants directly or leverage its role in regional organizations like MWCOG to lead such applications, and Washington Gas would continue offering its hydrogen expertise to build successful proposals.

Recent news also highlights the importance of pursuing multiple options in adopting zero-emission transportation technology. Reports of idle battery bus fleets due to manufacturers' financial difficulties, "software issues, mechanical problems, and an inability to obtain replacement parts"[11] highlight the need to increase flexibility by adopting battery and hydrogen fuel cell zero-emission technology. So, while expanding the EV charging network is vital, which Montgomery County is doing admirably, we urge the Council to help seed a hydrogen transportation sector in the region. Since Maryland has adopted the Advanced Clean Cars II rule and the Advanced Clean Truck rule, reducing barriers for early adopters of

[5] FHWA Announces Round 7 Alternative Fuel Corridor Designations, retrieved from https://driveelectric.gov/news/fhwa-announces-round-7-alternative-fuel-corridor-designations
[6] ARCGIS Map of Hydrogen Corridors can be accessed at https://hepgis-usdot.hub.arcgis.com/apps/e1552ac704284d30ba8e504e3649699a/explore
[7] Biden-Harris Administration Announces $623 Million in Grants to Continue Building Out Electric Vehicle Charging Network, retrieved from https://highways.dot.gov/newsroom/biden-harris-administration-announces-623-million-grants-continue-building-out-electric
[8] Low-No Program overview at https://www.transit.dot.gov/lowno
[9] CFI Program overview at https://www.fhwa.dot.gov/bipartisan-infrastructure-law/charging.cfm
[10] Fulton, L.; Jenn, A.; Yang, C.; Burke, A.; Acharya, T.; Li, X., et al. (2023). California Hydrogen Analysis Project: The Future Role of Hydrogen in a Carbon-Neutral California: Final Synthesis Modeling Report. UC Davis: Hydrogen Pathways Program. Retrieved from https://escholarship.org/uc/item/27m7g841
[11] Fox Business: "Electric buses are sitting unused in cities across the US; here's why." Retrieved from https://www.foxbusiness.com/politics/electric-buses-sitting-unused-cities-across-the-us

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these early technologies, including hydrogen, will be vital to ensure the State is successful in achieving its mandates.

We appreciate your time and offer to meet to explore hydrogen opportunities in Montgomery County further.

Respectfully Submitted,

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