



## HB 4 Hydrogen Hub Development Act Re-emerges as SB 194 Additional Energy Acts Definitions

**IMPORTANT UPDATE, 2-3-22:** The Governor's Hydrogen Hub (HB 4) has been re-introduced in a new bill: SB 194. The arguments in opposition to HB 4 are the same for SB 194. We have clarified what is different in SB 194 and updated our speaking points.

**HB 4 Summary:** This bill would have initiated a number of efforts to “provide economic and administrative efficiencies in connection with the development of hydrogen hub.” HB 4 would have established criteria and conditions under which a "clean hydrogen electric generation facility" may operate and defined what such a facility is. It outlined how a board would be formed to oversee hydrogen development and defined an array of tax credits and other financial incentives for operating a "clean hydrogen electric generation facility."

**SB 194 Summary:** While SB 194 does not include tax incentives like HB4, it was designed to authorize the expenditure of \$150M already set aside in the pending appropriations bill, HB 2. SB 194 maintains the same definitions of "clean" hydrogen that characterizes what a hydrogen production facility is and what it does. That definition allows emissions of up to 375 lbs. of CO<sup>2</sup> per 1MWh and describes that as "clean." SB 194 amends the existing Rural Electric Cooperative Act and the Renewable Energy Act to add "clean hydrogen electric general facility" to the approved sources of electricity.

### Why SB 194 (previously HB 4) Is Bad for New Mexico

**By SB 194's own definition, “clean” is not clean at all:** "clean hydrogen electric generation facility" means an electric power generation whose output can be controlled to aid in balancing electric supply and demand and “**emits no more than three hundred seventy-five pounds of carbon dioxide equivalent per megawatt hour.**”

SB 194 goes on to define clean hydrogen as “hydrogen produced with a **carbon intensity equal to or less than two kilograms of carbon dioxide equivalent per kilogram of hydrogen produced.**” Defining “clean hydrogen” as something that allows an unacceptable level of greenhouse gases (GHG), does not make it clean.

**SB 194, like HB 4, is not a climate bill; it is a bill to support the gas and oil industry,** and environmental groups are not fooled. From Western Environmental Law Center: “Let’s be crystal clear,” said Director Erik Schlenker-Goodrich of HB 4, “this bill isn’t a climate or clean energy bill. It’s a fossil fuels bill.” While the bill no longer includes tax incentives for gas and oil, it does provide them a market to continue to operate their extraction operations, essentially propping up a failing industry.

**Building grassroots power to successfully advocate for social, racial, environmental, and economic justice.**

Retake Our Democracy \* P.O. Box 32464 \* Santa Fe, NM \* 87594  
retakeourdemocracy.org \* retakeresponsenetwork.org \* email: retakeresponse@gmail.com

SB 194's proposed Blue Hydrogen, just as with HB 4's, **emits more GHGs than coal**. A dozen highly credible national environmental orgs. joined Food and Watch in a letter to U.S. Sen. Schumer & Speaker Pelosi against blue hydrogen and carbon capture: [bold emphasis ours] **“New research from scientists at Cornell and Stanford outlines how fossil fuel based hydrogen, coupled with carbon capture and storage has larger greenhouse gas emissions than coal. This hydrogen is generally referred to as blue hydrogen, and sometimes referred to as low-carbon or decarbonized hydrogen. Despite the huge emissions of blue hydrogen, the fossil fuel industry is pitching blue hydrogen as a way to make sustainable hydrogen from fossil fuels. By ignoring the impacts to climate change, public health and the environment, proponents of blue hydrogen are essentially pushing for more fossil fuel development, including fracking, pipelines and harms to Black, Indigenous, and other people of color, often hurt first and worst because of the systemic patterns of industrial development built alongside marginalized communities.”**

**Blue Hydrogen Is Not a Prudent Financial Investment:** Energy researchers project that within the decade, the cost to produce “green hydrogen” (authentically clean hydrogen), will be lower than the blue hydrogen proposed by our Gov. From *Academia*: “developments in this field are so fast that the price for green hydrogen will drop in this decade below that of blue hydrogen. The implication is that most heavy industry can switch directly to green hydrogen rather than invest in blue hydrogen, because installations for its [blue hydrogen] production and CO<sup>2</sup> capture and storage could soon become ‘stranded assets.’”

**In other words, not only is “clean hydrogen” not clean, but within a few years it will be uneconomical and NM’s investments in the hydrogen hub will be worthless.** Hydrogen hubs will succeed only in states with plentiful water or on the ocean where desalination processes can produce vast amounts of water needed to create green hydrogen.

### **What Should the Legislature Do?**

Vote NO on SB 194. Refuse to invest in a dirty production process that will be unprofitable by the time the infrastructure is in place. Instead, invest in development of energy storage coupled with wind and solar energy, of which NM has an abundant supply. The Dept. of Energy has set a goal of reducing the cost of long-term storage by 90% within the decade. This is the clear path to a more diverse, sustainable NM economy.

**Building grassroots power to successfully advocate for social, racial, environmental, and economic justice.**

Retake Our Democracy \* P.O. Box 32464 \* Santa Fe, NM \* 87594  
retakeourdemocracy.org \* retakeresponsenetwork.org \* email: retakeresponse@gmail.com