

The Fuel Cell and Hydrogen Infrastructure for America Act of 2014

America leads the world in fuel cell and hydrogen energy technology, an industry which supports domestic manufacturing jobs. Fuel cells are clean, highly efficient, and can be used in a variety of settings, from stationary applications to fuel cell electric vehicles. The Fuel Cell and Hydrogen Infrastructure for America Act will accelerate the deployment of this technology and will ensure that the United States remains the world leader in fuel cells and hydrogen energy.

Section 1: HYDROGEN INFRASTRUCTURE TAX CREDIT – Increases the tax credit for hydrogen refueling properties from 30% to 50%, removes the dollar limit, and expands eligibility to hydrogen refueling properties for material handling equipment, such as forklifts.

- Building hydrogen refueling infrastructure is the largest barrier to widespread commercialization of fuel cell electric vehicles (FCEVs). The current credit for refueling property, limited to \$30,000, is insufficient to spur investment in properties that can cost upwards of \$1 million.
- Honda, Toyota, Hyundai, and Daimler all plan to introduce commercial FCEVs by 2015, and California plans to have 20,000 fuel cell vehicles on the road within the next ten years. The tax credit will provide a bridge while infrastructure is not yet being utilized to full capacity.
- Hydrogen is primarily derived from domestic sources and increasing the use of FCEVs will reduce our dependence on foreign oil.
- FCEVs are highly efficient and can achieve the equivalent of 80mpg of gasoline. They create zero emissions and have a low environmental impact.

Section 2: ENHANCED FUEL CELL INVESTMENT TAX CREDIT – The bill would create a tiered investment tax credit to reward highly efficient fuel cells utilizing combined heat and power (CHP) systems.

Tier I: A tax credit of 50% limited to \$5,000/kilowatt hour of capacity for fuel cell systems achieving an efficiency rating of at least 70%.

Tier II: A tax credit of 40% limited to \$4,000/kilowatt hour of capacity for fuel cell systems achieving efficiency of at least 60%.

Tier III: (current law) A tax credit of 30% limited to \$3,000/kilowatt hour of capacity for any other fuel cell system as long as they achieve 30% efficiency.

- Stationary fuel cells can achieve up to 90% efficiency through Combined Heat & Power (CHP), however current federal policy does not fully incentivize this highly efficient technology.
- Stationary fuel cells produce clean energy by dramatically reducing carbon emissions and by producing virtually no other pollutants.
- Using fuel cells for distributive power generation reduces stress on the grid and requirements for investments in transmission lines.
- As countries such as Korea, Japan, Germany, and China invest in fuel cells, it is paramount that we continue to be the leader in this clean energy technology.

