

Fossil Energy and

OVERVIEW OF DOE/FECM CLEAN HYDROGEN /SYNGAS PRODUCTION PROGRAMS

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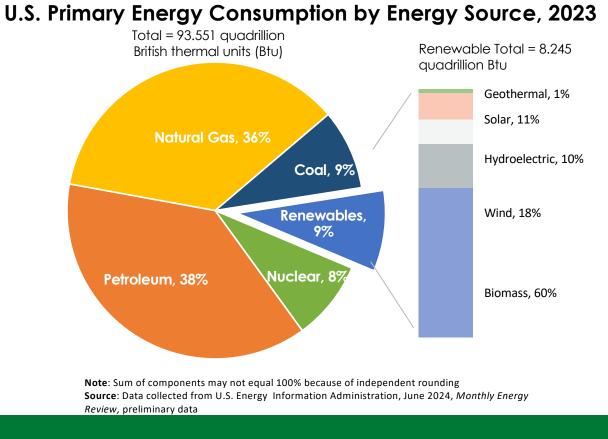
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Fossil Energy and Carbon Management (FECM)

Office of Fossil Energy and Carbon Management

- Administration Goals:
 - 50% emissions reduction by 2030
 - CO₂ emissions-free power sector by 2035
 - Net zero emissions economy by no later than 2050





Fossil Energy and Carbon Management

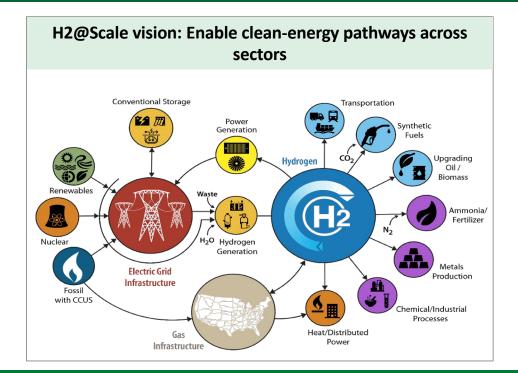
DOE Hydrogen Program

Hydrogen is a key element of a portfolio of solutions to decarbonize the economy.

Hydrogen Program

Coordinated across DOE on research, development, demonstration, and deployment (RDD&D) to address:

- The entire H₂ value chain from production through end use
- H₂ production from <u>all</u> resources (renewables, nuclear, and fossil + CCS)





DOE Efforts on Hydrogen Programs

EERE HYDROGEN

Feedstocks:

· Renewables and Water

Technologies:

- Electrolysis Low- and High-Temperature
- Advanced Water Splitting Solar/High-Temp Thermochemical, Photoelectrochemical
- Biological Approaches

FECM HYDROGEN

Feedstocks:

· Fossil Fuels, Solid Wastes and Water

Technologies:

- Gasification, Reforming, Methane Pyrolysis
- Electrolysis High temperatures (RSOFC)
- Natural Gas to Solid Carbon plus Hydrogen

NE HYDROGEN

Feedstocks:

• Nuclear Fuels and Water

Technologies:

- Electrolysis Systems for Nuclear
- Advanced Nuclear Reactors
- Systems Integration and Controls LWRs and Advanced Reactors

Areas of Collaboration

Reversible Fuel Cells, Biomass, Municipal Solid Waste, Plastics, Polygeneration including Co-Gasification with Biomass, High-Temperature Electrolysis, Systems Integration

Cross-Cutting R&D Offices: Office of Science (SC) and ARPA-E

Foundational research and innovation; user facilities and tools, materials and chemical processes (e.g., catalysis, separations), artificial intelligence/machine learning, databases and validation, high risk-high impact R&D, and other crosscutting activities

ENERGY Fossil Energy and Carbon Management

Hydrogen Energy Earthshot Initiative (HEEI)

Cost of Clean Hydrogen to \$1 per 1 kg in 1 Decade (1-1-1)

- Goal to accelerate innovations and spur demand of clean hydrogen
- · Enable decarbonization of high-polluting heavy-duty transportation and industrial sectors, while delivering good-paying clean energy jobs and realizing a net-zero economy by 2050.

Goals for Clean Hydrogen Production Systems of FECM

- Gasification of biomass, waste streams, and recovered coal waste with CCS for net-zero carbon
- Reforming with CCS for near net-zero carbon
- Methane emissions reduction in the upstream natural gas supply chain
- Renewable natural gas sources
- Solid Oxide Electrolysis Cell (SOEC) or Reversible Solid oxide fuel cell (R-SOFC)

HEEI Goals:

- \$1/kg H₂
- One decade (i.e., 2030)
- "1. 1. 1"





Fossil Energy and Carbon Management

Hydrogen Provisions in Recent Legislation

Bipartisan Infrastructure Law

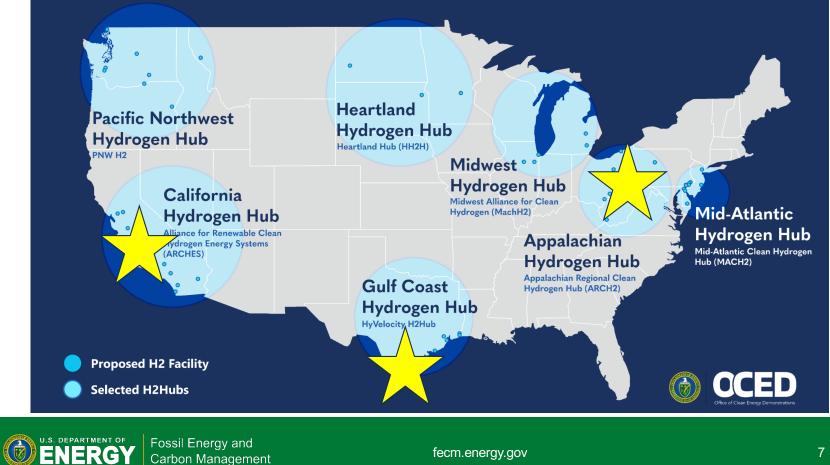
- Covers \$9.5B for clean hydrogen:
 - \$8B for at least four regional clean hydrogen hubs
 - \$1B for electrolysis research, development and demonstration
 - \$500M for clean hydrogen technology manufacturing and recycling R&D
- Aligns with Hydrogen Shot priorities by directing work to reduce the cost of clean hydrogen to \$2 per kilogram by 2026
- Requires developing a National Hydrogen Strategy and Roadmap



President Biden Signs the **Bipartisan Infrastructure Bill** on November 15, 2021. Photo Credit: Kenny Holston/Getty Images

Inflation Reduction Act Includes production tax credit for clean Hydrogen Image: State of the state of the

Selected Regional Clean Hydrogen Hubs-\$7B



Carbon Management

Inflation Reduction Act – 45Q Modifications

	Old	New
Commence Construction	January 1, 2026	January 1, 2033
DAC Facility	100,000 metric tons/year*	1,000 metric tons/year
Electric Generator	500,000 metric tons/year*	18,750 metric tons/year
All other facilities	100,000 metric tons/year*	12,500 metric tons/year
Saline Storage Credit	\$50/metric ton	\$85/metric ton (industry and power); \$180/metric ton (DAC)
EOR and Conversion Credit	\$35/metric ton	\$60/metric ton (industry and power); \$130/metric ton (DAC)

* Non-EOR Conversion facilities were previously 25,000 metric tons/year regardless of facility/source.

Notes: New Modifications allows up to 5 years for direct pay (up to 12 years certain entities)



Inflation Reduction Act – Clean H2 Production Tax Credit

Commence Construction	January 1, 2033
kg of CO2 per kg of H2	Credit Value (\$/kg)
4 to 2.5	0.60
2.5 to 1.5	0.75
1.5 to 0.45	1.00
0.45 to 0	3.00

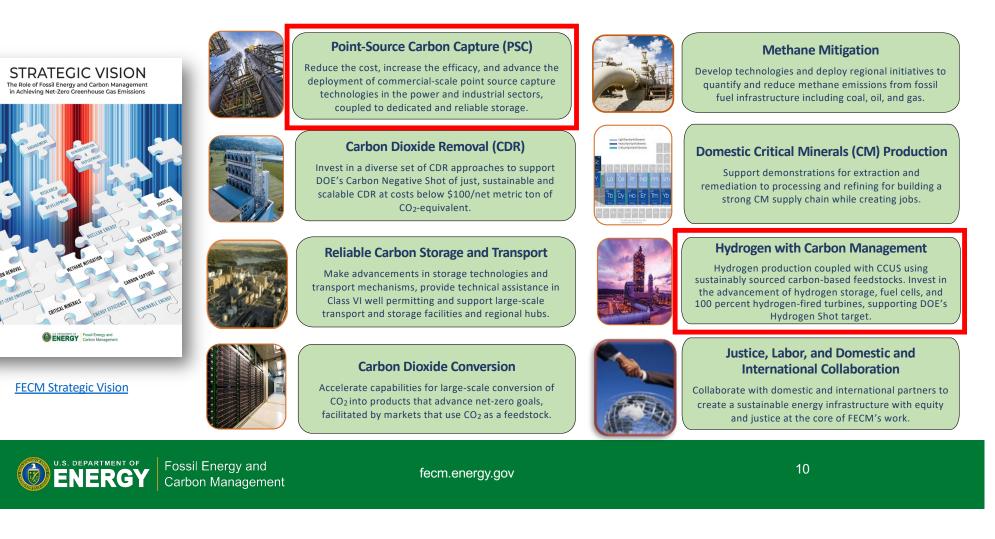
Clean hydrogen: lifecycle greenhouse gas emissions rate of no greater than 4 kilograms of CO2 equivalent ("**CO2e**") gas per kilogram of hydrogen. Section 45V of the Act creates a new tax credit for the production of qualified clean hydrogen (the "**Clean Hydrogen Production Credit**").

As an alternative to the Clean Hydrogen Production Credit, taxpayers may elect the Section 48 Investment Tax Credit (the "**ITC**") with respect to clean hydrogen production facilities, receiving an ITC of up to 30% depending on the carbon intensity of the production process.

The Clean Hydrogen Production Credit is not available, however, for clean hydrogen produced at a facility that also includes carbon capture equipment for which the Section 45Q carbon capture tax credit is allowed to any taxpayer.



FECM Priorities with New Strategic Vision



FECM Hydrogen Program R&D

- Clean hydrogen production using gasification, natural gas reforming, methane pyrolysis and solid oxide electrolysis cell technologies (SOEC/RSOFC)
- Hydrogen end use in electricity and other energy sectors
 - Solid Oxide Fuel Cells
 - Hydrogen Turbines
- Safe and reliable hydrogen production, transport, storage and utilization
- FECM also collaborates with EERE's Hydrogen and Fuel Cell Technologies Office and Bioenergy Technology Office.

Hydrogen with Carbon Management

 Program elements include Advanced Gasification, Advanced Turbines, and Reversible Solid Oxide Fuel Cells, Sensors and Controls, Computational Science

Methane Mitigation Technologies

 Focus areas for the program include advancing technologies for the carbonneutral production, transport, and storage of hydrogen sourced from natural gas



Gasification Systems Program Goals

FECM Gasification Systems Goals

- Cost-effective clean hydrogen production for fuels synthesis and decarbonization (especially industry)
- Remediate/utilize wastes (unrecyclable plastics, MSW, coal waste)
- Blend carbon-neutral biomass: reduce GHG emissions
- Modular gasification in disadvantaged areas: provide jobs, remediate legacy sites
- Reduces disposal burden of wastes in landfills
- Gasification with capture: carbon neutrality/negative carbon potential



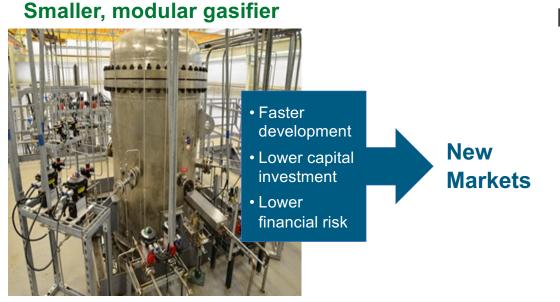






Gasification Systems Approach

Modular Technology: Helping Gasification Access New Markets

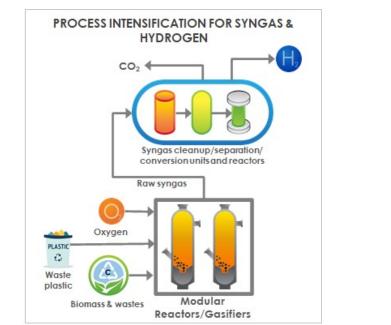


Business Impacts:

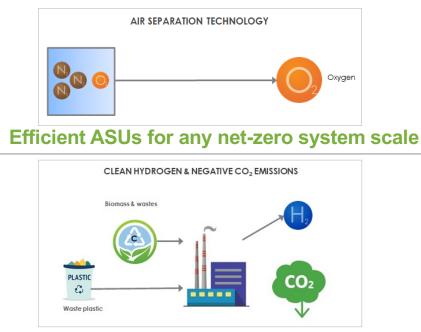
- <u>CapEx/OpEx reduction</u>: through process intensification, plant-wide cost reduction opportunities
- **Reduce investment risk:** reduce the cost of functional prototypes
- <u>Regional opportunities:</u> enable local markets to quickly and costeffectively utilize local feedstocks (including biomass and wastes)



Gasification Systems Program Areas



Innovative gasifiers and zero emissions systems



Biomass blending enables Bioenergy with Carbon Capture & Storage (BECCS)

Feedstock-flexible systems accommodate seasonal/limited supply of biomass and MSW/plastics



FECM Funding Opportunities – FY24

Gasification of Alternative Feedstocks (FOA3394)

- R&D Towards Demonstration of Entrained Flow Gasification Technologies for Alternative Feedstocks
- R&D Towards Demonstration of Fluidized Bed Gasification Technologies for Alternative Feedstocks

https://www.energy.gov/fecm/funding-notice-gasificationalternative-feedstocks

- Issue Date: 9/20/2024
- Application Submittal Deadline: 11/22/2024
- Selection Notifications: February 2025
- Awards: TBD





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Questions?

Thank You!

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