

Pulse Check: Hydrogen

Video

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E. Dee Martin, partner and co-head of Bracewell's Policy Resolution Group, and Rebecca Brown, a PRG principal, discuss the future of the hydrogen industry during the second Trump administration.

Transcript:

Dee Martin: Through the bipartisan infrastructure law and the Inflation Reduction Act, Congress and the administration invested billions in the proliferation of hydrogen to advance the energy transition. Two key investments were in the Department of Energy hydrogen hub program and in the 45V hydrogen production tax credit, which, of course, is not yet final.

Here's what we know. Number one, the new president is going to enter his second term with a mandate which arguably gives him more leeway. Two, personnel is policy which is going to dictate, in part, what happens with these programs. And three, hydrogen as an energy vector has bipartisan support.

So, I'm going to first ask my strategic communications colleague Rebecca Brown a question to frame our analysis. Rebecca, you were a senior official at DOE during the Trump administration. You were part of the comms leadership team for the secretary. Given what you know, can you tell us what characteristics you're expecting in a new DOE secretary?

Rebecca Brown: Thanks, Dee. Yeah, I think there are a few qualities and skill sets that are going to drive decision making for President Trump and his team. And I think we can certainly use the leadership of former Secretaries of Energy Rick Perry and Dan Brouillette as guideposts.

The first, setting aside energy for a moment, is the job itself. Under the first Trump administration, DOE was nicknamed the Department of Everything

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because its mission is so vast and incredibly varied, from the program offices to the personnel to the national labs. Managing the breadth and reach of DOE is a massive undertaking in and of itself, someone with executive or CEO level experience is necessary, which is what we saw in the selections of Secretaries Perry and Brouillette.

Coming back to energy, the Trump administration is really going to value someone who's able to look at the full chess board of the American energy landscape and understand how energy markets work, not only in strengthening our domestic supply chains, but also in how US Energy interacts with global energy markets, its role with our trading partners, especially in Europe, and its role in enhancing our leadership abroad. Both Secretary Kerry and Secretary Brouillette brought enormous expertise to the table, and importantly, both had an in depth knowledge of and deep ties to Texas and Louisiana, which is not only an energy hub, but a leading industrial basin that gave them an understanding for the role of the energy industry in driving our economy and how important that sector is to the US workforce.

Finally, and this is related, but I think worth highlighting separately, we should remember that the Trump administration has a deep appreciation for the nexus of energy security with national security. President Trump's approach to energy in his first term was absolutely guided by the principle that we are more energy secure and regionally safe if we have access to a diverse array of energy sources and by leveraging technology to drive energy innovation.

So, I think President Trump's selection for secretary of energy will almost certainly have demonstrated leadership in those arenas.

Now, having said that, what do you think, Dee, are the prospects for does hydrogen hub program and 45V?

Dee Martin: So, the two are intertwined, 45V and the hydrogen hub program. And we have to remember that specific to the hydrogen hubs, there are several important data points that favor the program. One, bipartisan support in Congress for the program, as evidenced by public comments and letters from members, particularly to the Biden administration. Two, there are seven hydrogen hubs that cover 20 states in the United States. Of those 20 states, a majority of them are states that Trump won in the election. Those hubs, as you mentioned, are centered around major industrial basins and rely really on a robust local workforce. So, in other words, the hubs mean more energy jobs, which President Trump has historically not only supported, but championed. And three, those hubs also strengthen our domestic energy security that you mentioned, which, of course, is one of the key priorities for President Trump.

On 45V, we're still awaiting the final rule, and it's supposed to be finalized by the end of the year. As it stands, Trump has been elected president, and the Senate will be controlled by Republicans. The House appears to be poised to be Republican controlled. In the event of a trifecta. There's more range of motion for Congress to change the actual underlying statute, the inflation

Reduction Act that created 45V. There are also authorities to amend 45V through regulatory mechanisms by any new administration. So, there's certainly a risk that a new administration could target 45V, and in fact, we've been told that everything IRA related is on the tape, and we've heard that from both chambers of Congress and from both parties. But that risk would have to be balanced against the backdrop of what I and you mentioned earlier, energy jobs and domestic energy security, particularly in Republican states.

So, here's the bottom line: We anticipate that 2025 will be an unprecedented year for work, meeting with relevant members of Congress, members of the administration, and our team is as you know, second to none on all things hydrogen energy policy energy tax policy comes and, of course, legal.