



**HYDROGEN STUDY TASK FORCE**  
Funding Working Group #1  
Meeting Minutes<sup>1</sup>

Tuesday, September 27, 2022  
4:00 p.m. – 5:00 p.m.

The first meeting of the Hydrogen Study Task Force Funding Working Group was held on September 27, 2022.

All the participants joined via the Teams conference call.

**Task Force Members Present:** Eric Annes (DEEP), Samantha Dynowski (Sierra Club), Bryan Garcia (CT Green Bank), Shannon Laun (Conservation Law Foundation), Lidia Ruppert (Designee –DEEP), Becca Trietch (Designee – DEEP),

**Others Present:** Taylor Amato (Day Pitney), Lily Backer (Strategen) Binu Chandy (DECD), Erin Childs (Strategen), Evan Dantos (Robinson + Cole), Alexandra Daum (DECD), Brian Farnen (CT Green Bank), Barbara Fernandez (UCONN), Jennifer Gorman (Strategen), Kaiqi Hu (Strategen), Alex Judd (Day Pitney)

**1. Call to Order**

- Lily Backer, a Green Hydrogen Project Manager at Strategen providing technical support for the Funding Task Force, called the meeting to order at 4:01 p.m.

**2. Welcome and Introductions**

- Ms. Backer provided an overview of the meeting agenda which included a review of working group charter, an overview of federal funding opportunities and participation requirements, an overview of the targeted brownfield development program, and a discussion of the Working Group research plan and next steps.
- Ms. Backer provided an overview of Strategen's role. She noted that the Strategen team will be managing Working Group logistics and will be providing technical support to accomplish the Working Group objectives.
- Ms. Backer prompted attendees to introduce themselves. Each participant introduced their name and organization and provided a brief overview regarding their involvement and interest in the Working Group.

**3. Review of the Working Group Charter**

- Ms. Backer shared that the objective of the Funding Working Group is to review existing hydrogen funding mechanisms and incentives, such as the Infrastructure Investment and Jobs Act (IIJA) and determine how Connecticut

can be best positioned to participate in these programs and potentially develop new opportunities. The Funding Working Group will also recommend additional funding sources for developing a hydrogen ecosystem with particular focus on the Targeted Brownfield Development Loan program.

#### **4. Overview and Discussion of Federal Funding Opportunities for Hydrogen**

- Ms. Backer noted recent passage of federal legislation that has created a tipping point of action in the hydrogen ecosystem, specifically referring to the Bipartisan Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA). She shared that the IIJA has \$8 billion for clean hydrogen hubs and the IRA includes a 10-year production tax credit which will offset the upfront cost of hydrogen infrastructure investments. Ms. Backer emphasized that together, the IIJA and IRA include \$479 billion in new climate and energy spending.
  - Ms. Backer pointed out that the IIJA also includes funding for electrolysis research and development, clean hydrogen technology manufacturing, and funds allocated specifically for tribal communities.
  - Ms. Backer noted that the Department of Energy's (DOE) clean hydrogen hub request for proposals (RFP) had been recently launched at the Clean Energy Ministerial Conference in Pittsburgh. This RFP included an application timeline and guidance for potential applicants.
  - Ms. Backer shared that the DOE aims to develop 4-8 regional clean hydrogen hubs that: 1) aid achievement of the clean hydrogen production standard; 2) demonstrate production, processing, delivery, storage, and end use; and 3) can be developed into a national clean hydrogen network. The DOE intends for these hubs to reflect diversity in terms of end-uses, geography, and feedstocks.
  - Ms. Backer clarified that the Working Group's goal will not be to produce a federal funding application, but rather to identify recommendations for the state legislature that will help Connecticut to be as competitive as possible for funding opportunities.
  - Ms. Backer highlighted the importance of the Justice40 Executive Order which requires that 40% of the overall benefits of certain federal investments flow to disadvantaged communities.
  - Ms. Backer noted that 20% of the clean hydrogen hubs RFP will be weighted based on the applicant's Community Benefits plan. This component is important not only to create a durable, inclusive, and just transition within any hub, but also to capture federal funding.
  - Ms. Backer shared that to be considered a disadvantaged community under Justice40, a census tract must rank in the 80th percentile of the cumulative sum of thirty-six (36) burden indicators- such as fossil dependence and environmental and climate hazards- and have at least 30% of households classified as low-income. She included that federally recognized tribal lands and US territories are categorized as disadvantaged communities.
  - Ms. Backer explained that in order to be competitive for IIJA funding, Connecticut must: 1) identify opportunities to create benefit for environmental justice communities; 2) determine opportunities for state-level match funding; and 3) identify Connecticut's unique strengths to leverage, such as fuel cell manufacturing.

- Ms. Backer presented a series of discussion questions for stakeholders related to perspectives on Connecticut's comparative advantages and positioning for federal funding.
  - Bryan Garcia noted that Bridgeport, Connecticut, was awarded a Communities LEAP grant by the DOE. Mr. Garcia suggested that the Funding Working Group engage further with the Bridgeport community to understand their community benefits agreement.
  - Shannon Laun noted that environmental justice advocates and allies have been concerned that Justice40 does not include race as a criterion to assess disadvantaged communities. She shared that race is one of the best predictors of which communities face disproportionate environmental burdens.
  - Mr. Garcia noted that because of the fuel cell manufacturing capabilities in Connecticut, the clean hydrogen production tax credit could provide significant benefits. He recommended that the Working Group research how this legislation will apply to fuel cells.

## **5. Overview and Discussion of Connecticut's Brownfield Grant and Loan Program**

- Binu Chandy introduced herself as the lead of the office of Brownfield Remediation and Development. She noted that her office provides a "one stop" state resource for information on the programs and services available for brownfield redevelopment in Connecticut.
  - Ms. Chandy emphasized that understanding the wide range of funding opportunities for brownfield sites is crucial when considering hydrogen developments. She shared that four types of funding opportunities – grants, low-interest loans, liability relief programs, and the Brownfield Land Bank Program - could be applicable for hydrogen developments at brownfields.
  - Regarding the Municipal Grant Program for Assessment and Clean-Up, Ms. Chandy shared that the program had received an average of \$15 million annually over the last few years. She also noted that the DECD would be requesting \$50 million for fiscal year 2023 and 2024, just as in fiscal year 2021 and 2022, to fund both the grant and loan programs. She explained that the eligible entities include municipalities, municipal entities, and land banks. The scoring criteria for projects include shovel-readiness and merits of projects, economic development impacts, and economic conditions of the development area. She emphasized the program's focus on public-private partnerships such as a scenario in which a developer partners with municipality or municipal-like entity. Ms. Chandy noted that the program limits remediation grants to \$2 million and assessment-only grants to \$200,000.
  - Ms. Chandy explained the Targeted Brownfield Development Loan Program. She pointed out that entities that apply should have no direct or related liability for the conditions of the brownfield. She shared that the loan program is available based on a periodic funding announcement. Ms. Chandy noted that the program has provided loans of up to \$4 million and requires a minimum 10% developer equity. The Targeted Brownfield Development Loan Program provides low interest (3%) loans and allows for flexible deferred repayment to match projected cash flow with a maximum 30-year term. Participation in the

Targeted Brownfield Development Loan Program requires that 1) the site in question is a brownfield as per C.G. S. Sec. 32-760; 2) the applicant and potential development partners have no direct or related liability for the conditions of the brownfield; 3) the applicant has access or will have access to the property, site control or path to site control; and the potential development partner is registered to do business in the State of Connecticut and is in good standing with no pending lawsuits, liens filed and tax arrears.

- Ms. Chandy noted that the brownfield definition includes any abandoned or under-utilized site where redevelopment, reuse, or expansion has not occurred due to the presence or potential presence of pollution at the property or soil or groundwater that requires investigation or remediation before or in conjunction with the redevelopment, reuse, or expansion of the property
- Ms. Chandy explained that there is no restriction on geographical regions that can participate in the Targeted Brownfield Development Loan Program. She noted that the program is competitive, so projects that appear to be more realistic and shovel ready are often selected.
- Ms. Chandy introduced the Liability Relief Programs which provides a protection to a developer to prevent them from having to clean up land beyond the brownfield property.
- Ms. Chandy introduced the Brownfield Land Bank Program. She noted that the DECD is authorized to certify Connecticut non-stock corporations as Connecticut Brownfield Land Banks. These entities can acquire, manage, clean up, and reposition or sell brownfield site on behalf of municipalities. Ms. Chandy shared that three Connecticut Brownfield Land Banks had been certified to date.
- Mr. Garcia expressed his appreciation for Ms. Chandy's thorough presentation. Mr. Garcia noted that Ms. Chandy had addressed a key component of Special Act 22-8 with her presentation. Mr. Garcia noted that there was a former brownfield in Connecticut that received DECD funding and developed a significant fuel cell project.
  - Mr. Garcia recommended that the Strategen team work with Ms. Chandy to summarize this information for the legislative report.
- Mr. Garcia inquired whether there was a map that demonstrates the locations of brownfield sites.
  - Ms. Chandy explained that there was not an existing map but could be created. She also noted that DEEP had a map of voluntarily reported brownfields but that may differ from the DECD's.
  - Deputy Commissioner Alexandra Daum shared that the DECD has a partial list, but because of the broad definition of a brownfield, it is impossible to create a comprehensive list.

## **6. Discussion of Work Plan and Next Steps**

- Ms. Backer shared the Funding Working Group meeting schedule. She noted that the upcoming meeting on October 26 would discuss hypotheses on areas of strength for federal funding within Connecticut.
- Mr. Garcia pointed out the difference in the typical use of the terms funding and financing. He noted that the former connotes grants, and the latter connotes

money that has to be paid back. He noted that there is a spectrum of funding and financing at the initial stages of entrepreneurship and innovative technology development, which needs to be differentiated in our process.

#### **7. Adjourn**

- The first Hydrogen Study Task Force Funding Working Group meeting was adjourned by Ms. Backer at 5:01 p.m.