



ALBERTA

Energy

Office of the Minister

AR42201

November 10, 2022

Her Worship Cathy Heron
Mayor
President of Alberta Municipalities
300, 8616 51 Avenue
Edmonton, AB T6E 6E6
president@abmunis.ca

Dear Mayor Heron:

Thank you for your October 25, 2022, letter to me highlighting Alberta Municipalities' resolution to advance the hydrogen economy in Alberta.

As Minister of Energy, I am pleased to see interest from Alberta municipalities regarding this exciting opportunity. Our government is committed to the opportunities hydrogen will create to diversify the provincial economy.

As you know, in November 2021, our government released Alberta's Hydrogen Roadmap, which details how Alberta will incorporate hydrogen broadly across its provincial economy and supply clean hydrogen to the world. We have a strong hand in this global market. Hydrogen represents a premium market for our natural gas, will support good jobs for Albertans and offers an incredible investment opportunity for businesses.

Over the past year, Alberta has begun to implement core elements of the roadmap. For example, we have supported natural gas-based clean hydrogen production projects through the Alberta Petrochemicals Incentive Program (APIP). This program is part of our plan to encourage investment in large petrochemicals and hydrogen projects, and create jobs in Alberta. As you are likely aware, under APIP, companies will receive grant funding covering 12 per cent of eligible capital costs once their facility is up and running. These facilities will create employment opportunities for Albertans and produce valuable products such as clean hydrogen for Alberta, Canada, and the world.

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On October 8, 2022, our government announced more than \$161 million in funding from the APIP program to support Air Products' new natural gas to hydrogen production facility. The facility is designed to produce clean hydrogen using advanced natural gas conversion techniques and carbon capture utilization and storage (CCUS) technology to store the resulting carbon dioxide permanently.

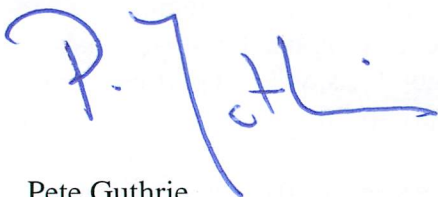
Our government also remains committed to positioning Alberta as a world leader in the innovative production, deployment and use of hydrogen across our economy. Funded by the Government of Alberta and hosted by Alberta Innovates, the C\$50 million Clean Hydrogen Centre of Excellence is a cross-government, multi-party effort that is helping to advance innovative clean hydrogen technologies towards commercialization. The Centre of Excellence will position Alberta companies and researchers to compete in the global hydrogen market with home-grown solutions.

In addition to the above, our innovation agencies have provided more than C\$72 million in grants to innovative projects, such as fuel cell trucks, buses and locomotives, as well as hydrogen blending into home heating, among others. We are also working to provide tenure rights for carbon sequestration from clean hydrogen production projects.

As committed in Alberta's Hydrogen Roadmap, we will continue to pursue actions that will develop the provincial hydrogen economy and facilitate partnerships to promote our hydrogen interests.

I look forward to our continued dialogue with Alberta municipalities on ways that the province can continue to advance its hydrogen economy.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Guthrie', with a long horizontal stroke extending to the right.

Pete Guthrie
Minister