

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **Fitch: US States Strategize for Clean Energy Transition**

Fitch Ratings-New York-13 April 2022: Many US states are positioning for growth of a green economy in the absence of definitive guidelines from the federal government, as the US transitions to carbon-free electricity by 2035 and net carbon neutrality by 2050, Fitch Ratings says. Energy diversification, development of sustainable industries and workforce planning would help broaden states' economic and tax bases. States are fostering emergent technologies such as hydrogen production, enacting clean energy legislation and developing the supports necessary to pivot from carbon-intensive industries, while expanding infrastructure to support the expected boom in electric vehicle (EV) sales.

The Infrastructure Investment and Jobs Act (IIJA) competitive \$8 billion allocation for four regional clean hydrogen hubs has led Nebraska, Oklahoma and Utah to enact legislation to foster hydrogen development and production and allow for receipt of associated federal funds. West Virginia officials indicated interest in a hub to be located amid its dense natural gas and pipeline resources. This hub would compete with a public/private proposal from the newly formed Northern Appalachian Industrial and Ohio Clean Hydrogen Hub that would leverage natural gas and industrial resources from Ohio, Pennsylvania and West Virginia.

Oklahoma partnered with Louisiana and Arkansas to form the HALO hydrogen hub coalition, which will repurpose depleted oil and gas reservoirs and use geological formations for hydrogen storage and carbon capture. Similar to the proposals from the northern Appalachian applicants, the HALO hub would clearly meet the IIJA's target of locating at least two of the hydrogen hubs in areas with the "greatest natural gas resources", as 95% of hydrogen in the US is derived from natural gas.

[Continue reading.](#)