

# OPPOSE HB 2676

Topic: Electric utilities; fuel cells in renewable energy definition.

Bill Patron: Del. Kilgore

## OVERVIEW:

The bill would add “fuel cells” to the definition of “renewable energy” in Va. Code § 56-576. It would also create redundant permission for regulated electric utilities to petition the SCC for a rate adjustment clause to recover the costs of *any* “renewable energy” facility, which would include fuel cell facilities.

## REASONS TO OPPOSE:

- Most fuel cell power plants rely on hydrogen that is derived from natural gas (methane).<sup>1</sup>
  - While the fuel cell’s chemical process itself typically produces no emissions, producing the required hydrogen *does* generate pollution.
  - Nearly all of the hydrogen produced in the U.S. today is derived from natural gas using a process called “steam-methane reforming.”<sup>2</sup>
  - Steam-methane reforming uses natural gas to produce hydrogen, carbon monoxide, and carbon dioxide.<sup>3</sup>
- While it is possible to produce hydrogen via the electrolysis of water (which produces only hydrogen and oxygen as byproducts)<sup>4</sup>, electrolysis is only carbon-free when it uses carbon-free electricity to power the process. This is known as “green hydrogen.”
  - HB 2676 does not require fuel cells to use green hydrogen.
- Policies expanding the use of natural gas (methane) in our energy system are incompatible with the goal of the VCEA to achieve a zero-carbon electricity grid by 2050.

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<sup>1</sup> “Most operating fuel cells use pipeline natural gas as the hydrogen source.” U.S. Energy Information Admin., Hydrogen Explained: Use of Hydrogen, <https://www.eia.gov/energyexplained/hydrogen/use-of-hydrogen.php> (last visited Jan. 27, 2025).

<sup>2</sup> U.S. Energy Information Admin., Hydrogen Explained: Production of hydrogen, [https://www.eia.gov/energyexplained/hydrogen/production-of-hydrogen.php#:~:text=In%20steam%2Dmethane%20reforming%2C%20high,carbon%20dioxide%20\(CO2\)](https://www.eia.gov/energyexplained/hydrogen/production-of-hydrogen.php#:~:text=In%20steam%2Dmethane%20reforming%2C%20high,carbon%20dioxide%20(CO2)). (last visited Jan. 27, 2025).

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*



# Appalachian Voices

Appalachian Voices  
Peter Anderson  
Director of State Energy Policy  
[peter@appvoices.org](mailto:peter@appvoices.org)  
(434) 249-6446



# VIRGINIA CONSERVATION NETWORK

Virginia Conservation Network  
Lillian Anderson  
Director of Clean Energy & Climate Justice  
Programs  
[lillian@vcnva.org](mailto:lillian@vcnva.org)  
(434) 960-7419

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This position was taken by Virginia Conservation Network (VCN)'s Legislative Committee and Board of Directors and is supported by Virginia's conservation community. For a complete list of VCN positions, visit [www.vcnva.org/bill-tracker](http://www.vcnva.org/bill-tracker). VCN is committed to building a powerful, diverse, and highly-coordinated conservation movement focused on protecting our Commonwealth's natural resources today and for tomorrow.