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Project Capable of Producing over 200 Metric Tons Per Day of Green Hydrogen, Powered by Approximately 1.4 Gigawatts of Renewable Electricity

Air Products and AES Announce Plans to Invest Approximately \$4 Billion to Build First Mega-scale Green Hydrogen Production Facility in Texas



December 8, 2022

LEHIGH VALLEY, PA and ARLINGTON, VA (December 8, 2022) – Air Products (NYSE: [APD](#)) and The AES Corporation (NYSE: [AES](#)) today announced plans to invest approximately \$4 billion to build, own and operate a green hydrogen production facility in Wilbarger County, Texas. This mega-scale renewable power to hydrogen project includes approximately 1.4 gigawatts (GW) of wind and solar power generation, along with electrolyzer capacity capable of producing over 200 metric tons per day (MT/D) of green hydrogen, making it the largest green hydrogen facility in the United States.

The facility, which is targeted to begin commercial operations in 2027, will serve growing demand for zero-carbon intensity fuels for the mobility market as well as other industrial markets. It will yield a totally clean source of energy on a massive scale, and, if all the green hydrogen were used in the heavy-duty truck market, it would eliminate more than 1.6 million metric tons of carbon dioxide (CO₂) emissions annually when compared to diesel use in heavy-duty trucks. Over the project lifetime, it is expected to avoid more than 50 million metric tons of CO₂, the equivalent of avoiding emissions from nearly five billion gallons of diesel fuel.

Air Products and AES* will jointly and equally own the renewable energy and electrolyzer assets, with Air Products serving as the exclusive off-taker and marketer of the green hydrogen under a 30-year contract.

The project would create more than 1,300 construction and 115 permanent operations jobs, as well as about 200 transportation and distribution jobs. It is also expected to generate approximately \$500 million in tax benefits to the state over the course of the project's lifetime, while extending Texas' energy leadership.

"We are very pleased to announce this exciting joint venture with AES, which is one of the leading renewable energy companies in America. The new facility in Texas will be, by far, the largest mega-scale clean hydrogen production facility in the U.S. to use wind and sun as energy sources. We have been working on the development of this project with AES for many years and it will be competitive on a world-scale while bringing significant tax, job and energy security benefits to Texas. We are excited to move forward and make clean green hydrogen available to U.S. customers in the near future," said [Seifi Ghasemi](#), Air Products' Chairman, President and Chief Executive Officer.

AES President and Chief Executive Officer [Andrés Gluski](#) stated, "This project will capitalize on AES' position as one of the nation's largest renewable energy developers and its global leadership in innovations such as energy storage systems and supplying around the clock clean energy to data centers. We are very pleased to partner with the world leader in hydrogen, Air Products, for this first of its kind mega-scale green hydrogen facility in the United States. We will build more than 1 GW of new solar and wind facilities to provide zero carbon energy for electrolysis and related production facilities. AES believes that green hydrogen has a key role to play in decarbonizing transportation and accelerating the future of energy."

Demand for green hydrogen for mobility and industrial applications is expected to grow exponentially across the United States over the next decade. The growth in demand is supported by green hydrogen's role in net-zero ambitions announced by several states and major corporations. The project is subject to receipt of local permits, and local, state and federal incentives.

*Alberta Investment Management Corporation (AIMCo) is an investor in AES' clean energy business in the United States with 25% ownership in the business'

growth projects.

About Air Products

Air Products (NYSE: [APD](#)) is a world-leading industrial gases company in operation for over 80 years focused on serving energy, environmental, and emerging markets. The Company has two growth pillars driven by sustainability. Air Products' base business provides essential industrial gases, related equipment and applications expertise to customers in dozens of industries, including refining, chemicals, metals, electronics, manufacturing, and food. The Company also develops, engineers, builds, owns and operates some of the world's largest industrial gas and carbon-capture projects, supplying world-scale clean hydrogen for global transportation, industrial markets, and the broader energy transition. Additionally, Air Products is the world leader in the supply of liquefied natural gas process technology and equipment, and globally provides turbomachinery, membrane systems and cryogenic containers.

The Company had fiscal 2022 sales of \$12.7 billion from operations in over 50 countries and has a current market capitalization of over \$70 billion. More than 21,000 passionate, talented and committed employees from diverse backgrounds are driven by Air Products' higher purpose to create innovative solutions that benefit the environment, enhance sustainability and reimagine what's possible to address the challenges facing customers, communities, and the world. For more information, visit www.airproducts.com or follow us on [LinkedIn](#), [Twitter](#), [Facebook](#) or [Instagram](#).

Air Products Cautionary Note Regarding Forward-Looking Statements

Cautionary Note Regarding Forward-Looking Statements: This release contains "forward-looking statements" within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's expectations and assumptions as of the date of this release and are not guarantees of future performance. While forward-looking statements are made in good faith and based on assumptions, expectations and projections that management believes are reasonable based on currently available information, actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors, including the risk factors described in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022, and other factors disclosed in our filings with the Securities and Exchange Commission. Except as required by law, we disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect any change in the assumptions, beliefs or expectations or any change in events, conditions or circumstances upon which any such forward-looking statements are based.

About AES

The AES Corporation (NYSE: [AES](#)) is a Fortune 500 global energy company accelerating the future of energy. Together with our many stakeholders, we're improving lives by delivering the greener, smarter energy solutions the world needs. Our diverse workforce is committed to continuous innovation and operational excellence, while partnering with our customers on their strategic energy transitions and continuing to meet their energy needs today. Learn more at www.aes.com/green-hydrogen.

AES Safe Harbor Disclosure

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This news release contains forward-looking statements within the meaning of the Securities Act of 1933 and of the Securities Exchange Act of 1934. Such forward-looking statements include, but are not limited to, those related to future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES' current expectations based on reasonable assumptions.

Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to, our expectations regarding accurate projections of future interest rates, commodity price and foreign currency pricing, continued normal levels of operating performance and electricity volume at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as the execution of PPAs, conversion of our backlog and growth investments at normalized investment levels, rates of return consistent with prior experience and the COVID-19 pandemic.

Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in AES' filings with the Securities and Exchange Commission (the "SEC"), including, but not limited to, the risks discussed under Item 1A: "Risk Factors" and Item 7: "Management's Discussion & Analysis" in AES' 2021 Annual Report on Form 10-K and in subsequent reports filed with the SEC. Readers are encouraged to read AES' filings to learn more about the risk factors associated with AES' business. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Any AES Stockholder who desires a copy of the Company's 2021 Annual Report on Form 10-K filed February 28, 2022, with the SEC may obtain a copy (excluding the exhibits thereto) without charge by addressing a request to the Office of the Corporate Secretary, The AES Corporation, 4300 Wilson Boulevard, Arlington, Virginia 22203. Exhibits also may be requested, but a charge equal to the reproduction cost thereof will be made. A copy of the Annual Report on Form 10-K may be obtained by visiting the Company's website at www.aes.com.



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