



March 20, 2024

Shane Khoury, Cabinet Secretary
Arkansas Department of Energy and Environment
5301 Northshore Drive
North Little Rock, AR 72118

Re: Climate Pollution Reduction Grants – Implementation Grants Letter of Support

Secretary Khoury:

LSB Industries ("LSB") is pleased to offer this letter of support for your US Environmental Protection Agency's Climate Pollution Reduction Grant (CPRG) Implementation Grant General Competition coalition application with the Oklahoma Department of Environment Quality. LSB is the fifth largest ammonia producer in North America and produces various other chemicals for the agricultural and industrial sectors. LSB currently owns and operates three facilities located in Arkansas, Oklahoma and Alabama and is involved in developing a large scale low-carbon ammonia plant in Texas. LSB has two ongoing decarbonization projects in Arkansas and Oklahoma; these projects are capital intensive and result in significantly higher production costs. Our green hydrogen/ammonia project at Pryor, Oklahoma is currently on hold despite the 45V tax credits incentives as additional funding support is required to move it forward.

LSB believes that the projects outlined therein are critical for kickstarting the transition of heavy-duty diesel fleets to new zero-tailpipe-emissions (battery and fuel cell electric) technologies in our region. We strongly support the proposal to fund heavy-duty hydrogen fueling and electric vehicle charging infrastructure in Arkansas and Oklahoma and to offer incentives to mitigate the cost differential between diesel and zero-tailpipe-emission trucks. The Interstate 40 and Highway 412 Hydrogen Corridor Connector proposal is a strategic use and efficient use of CPRG implementation dollars that will connect major manufacturing, shipping, and logistics organizations in Arkansas and Oklahoma interested in transitioning their fleets to planned hydrogen and electric vehicle corridors along Interstate 44 and 40. The proposal will also enable the states to support further the build-out of hydrogen fueling and electric vehicle charging infrastructure throughout Arkansas and Oklahoma.

We appreciate your leadership and dedication to advancing energy innovation in our state that enhances our energy security, reduces emissions of harmful air pollutants, and supports shared goals for a sustainable and prosperous future. We are eager to support this and ongoing efforts to ensure clean, reliable transportation solutions that benefit our region and the entire country.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Behrman", written over a light blue horizontal line.

Mark Behrman
President & Chief Executive Officer
LSB Industries, Inc.