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Plug Power Inks Deal To Supply Amazon With Hydrogen; Is PLUG Stock A Buy?



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Yahoo Finance reports news on Plug Power, Inc. from *Investors Business Daily* and discusses the state of hydrogen development as an alternative to fossil fuels. It's happening...

Plug Power ([PLUG](#)), a leading maker of hydrogen fuel cells, is trying to rebound as momentum in renewable energy lifts shares. Is PLUG stock a buy right now?

Latham, N.Y.-based Plug Power supplies hydrogen fuel cells mainly for forklifts in large warehouses. Its fuel cells replace conventional batteries in equipment and vehicles powered by electricity. Plug Power clients include retail giants Amazon ([AMZN](#)), Walmart ([WMT](#)), Nike ([NKE](#)) and Home Depot ([HD](#)). PLUG stock went public in 2002.

The company aims to produce more than half of its hydrogen energy from entirely renewable sources by 2024. It also aims to branch out from forklifts to heavy-duty vehicles to serve ports in the U.S. and Europe, as well as stationary fuel cells to power data centers and distribution hubs.

Currently, Plug Power has five pedestal customers: Amazon, HomeDepot, Walmart, Stellantis and Mercedes.

Amazon Deal

On Aug. 25, Plug announced it will begin supplying Amazon liquid hydrogen starting in 2025. Plug will supply 10,950 tons per year of liquid green hydrogen to fuel Amazon's transportation and building operations. This agreement is expected to help Plug achieve its \$3 billion revenue goal by 2025, Plug management said in a joint statement.

Since 2016, Plug has helped Amazon to deploy more than 15,000 fuel cells to replace batteries in forklifts across 70 distribution centers.

Alongside this deal, Plug has granted Amazon a warrant to acquire up to 16 million shares of Plug's common stock (warrant shares). Amazon would vest the warrant in full if it spends \$2.1 billion over the seven-year term of the warrant across Plug products, the statement said.

"Landing a green hydrogen supply deal with a customer like Amazon validates our multi-year investment and strategic expansion into green hydrogen," said CEO Andy Marsh.

Plug already has a deal with another one of its key clients, Walmart. It has an option to deliver up to 20 tons per day of liquid green hydrogen to power material handling lift trucks across Walmart distribution and fulfillment centers in the U.S.

Walmart has worked with Plug Power to adopt and expand hydrogen fuel cells throughout its facilities for over a decade, beginning with a 50-fleet pilot in 2012 and expanding to a fleet of 9,500 and growing.

Clean-Energy Stocks Rebound

As hydrogen becomes cheaper to make, experts say it will increasingly be seen as a low-cost alternative to petroleum-based fuel and batteries. That's fueled interest in new energy stocks recently, as oil prices remain

high and even as investors rotate out of growth stocks amid rising interest rates.

Additionally, on Aug. 16, President Biden signed expansive climate, health and tax policy. The package invests \$375 billion to fight climate change, the most significant federal investment in history of its kind.

Belgium Plant

Meanwhile, Plug Power is in growth mode elsewhere too. It will build a 35-tons-per-day green hydrogen generation plant at Port of Antwerp-Bruges in the heart of Europe. It signed a 30-year concession agreement to build the plant at the Belgian port, the second largest in Europe, the company said in a statement.

Plug plans to erect a 100-megawatt green hydrogen plant, using its own electrolyzer and liquefaction technology, on 28 acres of land leased under the agreement. It will produce up to 12,500 tons per year of liquid and gaseous green hydrogen for the European market.

Construction of the plant is expected to begin in late 2023. And initial production of green hydrogen is expected in late 2024, while plant commissioning will be in 2025.

European, Asian Partnerships

Previously, Plug's expansion plans in Europe included a Denmark project. Hydrogen company H2 Energy Europe on May 17 awarded Plug Power an order to deliver a one gigawatt electrolyzer.

Earlier, on Nov. 30, 2021, Plug and Spanish energy firm Acciona Energia finalized their 50-50 joint-venture. Incorporated as AccionaPlug, the joint-venture is headquartered in Madrid and will develop, operate and maintain green hydrogen projects throughout Spain and Portugal.

Elsewhere, Plug and French carmaker Renault on June 3 said their Hyvia joint venture to make hydrogen-powered vans was under way. The partnership plans to begin building three types of fuel-cell vans at existing Renault plants in France by the end of this year. The three models will be based on the Renault Master platform of vans and use the same electric motors that now power the all-electric version of the Master.

The project also includes the installation of hydrogen charging stations across Europe, supply of carbon-free hydrogen as well as maintenance and management of fleets.

Meanwhile, on Feb. 25, 2021, South Korean conglomerate SK Group closed its \$1.6 billion investment into a joint venture with Plug Power to expand hydrogen energy in Asia. The partnership will provide hydrogen fuel cell systems, hydrogen fueling stations and electrolyzers to South Korea and other Asian markets.

And on Dec. 15, 2021, Plug Power announced an agreement with South Korea's Edison Motors to develop and market a hydrogen fuel cell-powered electric city bus in 2022. The buses will use Plug Power's ProGen fuel-cell system. The buses will be mass produced and distributed in South Korea by the first half of 2023.

Meanwhile, Plug announced on Sept. 14, 2021, that it's expanding operations with a European headquarters in Germany. The 70,000-square foot facility will house an innovation center with engineering labs and technical supports, among other features. The facility is expected to open at the start of 2022.

Expanding Footprint

Back in the U.S., Plug Power got a regulatory green light on Feb. 7 to build a 350,000-square-foot fuel-cell factory in the towns of Bethlehem and New Scotland, outside Albany in upstate New York. Governor Kathy

Hochul [announced](#) the groundbreaking of the \$55 million project on March 8, 2022.

Plug Power announced on Sept. 20, 2021, it would open a production facility in Fresno County, Calif. As the largest of its kind, the plant will produce 30 metric tons of liquid green hydrogen per day. The plant will serve the West Coast of the U.S., as well as Vancouver, B.C., in Canada. Plug expects to break ground for the project in 2023 and open the facility in 2024.

On Aug. 10, 2021, Plug Power said it broke ground on its \$84 million plant in Camden County, Georgia. The plant will produce 15 tons per day of liquid green hydrogen intended to fuel transportation applications, including material handling and fuel cell electric vehicle fleets. The plant is expected to open in 2022.

On March 30, 2021, Plug Power said it planned to open a green hydrogen production plant in south-central Pennsylvania with Brookfield Renewable Partners. PLUG stock jumped 11% on the news. The plant is expected to be online by late 2022.

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