

# DRAFT

## SUMMARY

Establishes grant program within State Department of Energy to provide grants to fund replacement of generators that use diesel or fossil fuels with renewable hydrogen-fueled generators. Directs department to prioritize awarding grants for emergency shelters and infrastructure, facilities and buildings related to provision of critical public services, health care and utilities. Appropriates moneys from General Fund to Renewable Hydrogen-Fueled Generator Grant Fund.

Directs department to develop planning goals for development of hydrogen production and storage and other hydrogen-related infrastructure. Directs department to incorporate planning goals into updated state energy strategy.

## A BILL FOR AN ACT

Relating to hydrogen.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** (1) As used in this section:

(a)(A) “Green electrolytic hydrogen” means hydrogen produced through electrolysis.

(B) “Green electrolytic hydrogen” does not include hydrogen manufactured using steam reforming or any other conversion technology that produces hydrogen from a fossil fuel feedstock.

(b) “Renewable hydrogen” means hydrogen produced using energy sources that do not emit greenhouse gases.

(c) “Renewable hydrogen-fueled generator” means a backup electrical system that uses green electrolytic hydrogen or renewable hydrogen to generate electric power.

**(2) The Renewable Hydrogen-Fueled Generator Grant Program is**

1 established within the State Department of Energy to provide grants  
2 from the Renewable Hydrogen-Fueled Generator Grant Fund estab-  
3 lished under section 2 of this 2023 Act to be used to fund the replace-  
4 ment of backup electrical systems or generators that use diesel or  
5 other fossil fuels to generate electric power with renewable hydrogen-  
6 fueled generators. The department shall give priority when awarding  
7 grants to:

8 (a) Buildings designated to provide emergency shelter;

9 (b) Infrastructure, facilities and buildings that provide critical  
10 public services;

11 (c) Hospitals and health care facilities; and

12 (d) Infrastructure, facilities and buildings used in the provision of  
13 utilities, such as water, sewage, energy or telecommunications.

14 (3) The department shall administer the grant program and estab-  
15 lish:

16 (a) Grant application procedures;

17 (b) Criteria for grant approval; and

18 (c) Grant amounts to be awarded.

19 (4) The department may adopt rules to administer the grant pro-  
20 gram.

21 **SECTION 2.** The Renewable Hydrogen-Fueled Generator Grant Fund  
22 is established in the State Treasury, separate and distinct from the  
23 General Fund. Interest earned by the Renewable Hydrogen-Fueled  
24 Generator Grant Fund shall be credited to the fund. Moneys in the  
25 Renewable Hydrogen-Fueled Generator Grant Fund are continuously  
26 appropriated to the State Department of Energy for the purposes of  
27 making grants as part of the Renewable Hydrogen-Fueled Generator  
28 Grant Program described in section 1 of this 2023 Act.

29 **SECTION 3.** (1) The State Department of Energy shall develop  
30 planning goals for the development of hydrogen production and stor-  
31 age and other infrastructure related to the wide-scale adoption and

1 use of hydrogen fuel in this state.

2 (2) The department shall update the state energy strategy and in-  
3 corporate the planning goals developed under subsection (1) of this  
4 section into the state energy strategy.

5 SECTION 4. In addition to and not in lieu of any other appropri-  
6 ation, there is appropriated to the State Department of Energy, for the  
7 biennium beginning July 1, 2023, out of the General Fund, the amount  
8 of \$5,000,000 to be deposited into the Renewable Hydrogen-Fueled Gen-  
9 erator Grant Fund established under section 2 of this 2023 Act.