

SB 124 A STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

Action Date: 03/16/23

Action: Do pass with amendments. Refer to Ways and Means by prior reference. (Printed A-Eng).

Vote: 4-0-1-0

Yeas: 4 - Findley, Golden, Lieber, Sollman

Exc: 1 - Hayden

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/16, 3/16

WHAT THE MEASURE DOES:

Establishes Renewable Hydrogen-Fueled Generator Grant Program (Grant Program) within Oregon Department of Energy (ODOE) to provide grants to fund replacement of backup electrical systems or generators that use diesel or other fossil fuels with renewable hydrogen-fueled generators. Directs ODOE to prioritize awarding grants for: buildings designated to provide emergency shelters; infrastructure, facilities, and buildings that provide critical public services; hospital and health care facilities; and infrastructure, facilities, and buildings used to provide utilities. Establishes reporting requirements for grant recipient. Appropriates \$5 million from General Fund to Renewable Hydrogen-Fueled Generator Grant Fund.

ISSUES DISCUSSED:

- Definitions for purpose of Act
- Role of renewable hydrogen fuel in future
- Priority of potential uses

EFFECT OF AMENDMENT:

Replaces definitions for "green electric hydrogen" and "renewable hydrogen." Removes direction to Oregon Department of Energy to develop planning goals for the development of hydrogen production and storage. Requires grant recipient who receives award under Act to submit: 1) a report of total amount of green electrolytic hydrogen and renewable hydrogen purchased for the generators purchased, leased, or acquired using grant moneys; and 2) a declaration stating no fuel other than green electrolytic hydrogen and renewable hydrogen were used in the generators for the calendar year the grant is awarded and the next three subsequent years. Exempts grant recipient from reporting requirement under certain circumstances. Authorizes Environmental Quality Commission to adopt rules around reporting requirements.

BACKGROUND:

Hydrogen is the most abundant element in the universe, but on earth it rarely occurs naturally in its pure state. Instead, hydrogen is usually combined with other elements such as oxygen or carbon. When produced from wind or other renewable resources, hydrogen can store carbon-free energy that can later be used to generate electricity or power vehicles. Currently, most hydrogen is produced from fossil fuels, specifically natural gas. Electricity—from the grid or from renewable sources such as wind, solar, geothermal, or biomass—is also currently used to produce hydrogen. According to the United States Department of Energy's Office of Energy Efficiency and Renewable Energy, in the longer term, solar energy and biomass can be used more directly to generate hydrogen.

Senate Bill 124 A would establish the Renewable Hydrogen-Fueled Generator Grant Program within the Oregon Department of Energy for the purpose of providing grants to fund the replacement of backup electrical systems or

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generators that use diesel or other fossil fuels with renewable hydrogen-fueled generators. The Act would appropriate \$5 million from the General Fund to the Renewable Hydrogen-Fueled Generator Grant Fund.