

**A-Engrossed**  
**Senate Bill 125**

Ordered by the Senate March 20  
Including Senate Amendments dated March 20

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Energy and Environment)

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Directs Department of Transportation to establish grant program for [*fuel cell electric vehicle and hydrogen fueling*] demonstration projects **that demonstrate use of fueling stations for green electrolytic hydrogen and renewable hydrogen and dispensing to medium-duty or heavy-duty fuel cell electric vehicles**. Appropriates moneys from General Fund to department for grant program.

Requires department to study existing state statutes, regulations, rules and policies that may impede or hinder wide-scale adoption and use of fuel cell electric vehicles and hydrogen fueling. Directs department to submit findings and recommendations to interim committees of Legislative Assembly related to energy and economic development not later than September 15, 2024.

**A BILL FOR AN ACT**

1  
2 Relating to hydrogen.

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

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

5 (a) **"Fuel cell electric vehicle" means a fully electric vehicle that generates its own elec-**  
6 **tricity by combining oxygen from the air with hydrogen from an onboard storage tank,**  
7 **emitting only water vapor and heat from the vehicle.**

8 (b)(A) **"Green electrolytic hydrogen" means hydrogen produced through electrolysis us-**  
9 **ing:**

10 (i) **A renewable energy source as defined in ORS 469A.005;**

11 (ii) **Nonemitting electricity that is not derived from a fossil fuel; or**

12 (iii) **Electricity that has a carbon intensity that is equal to or less than the average**  
13 **carbon intensity of the electricity served in this state in the calendar year in which con-**  
14 **struction or expansion of the facility that produces the green electrolytic hydrogen began.**

15 (B) **"Green electrolytic hydrogen" does not include hydrogen manufactured using any**  
16 **conversion technology or steam reforming that produces hydrogen from a fossil fuel**  
17 **feedstock.**

18 (c) **"Nonemitting electricity" has the meaning given that term in ORS 469A.400.**

19 (d) **"Renewable hydrogen" means hydrogen produced using:**

20 (A) **A renewable energy source as defined in ORS 469A.005;**

21 (B) **Nonemitting electricity that is not derived from a fossil fuel; or**

22 (C) **Electricity that has a carbon intensity that is equal to or less than the average car-**  
23 **bon intensity of the electricity served in this state in the calendar year in which construction**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 or expansion of the facility that produces the renewable hydrogen began.

2 (2) The Department of Transportation shall establish a program to award grants to public  
3 and private entities for projects that demonstrate the potential for wide-scale adoption and  
4 use of fuel cell electric vehicles and hydrogen fueling in the state's transportation sector.

5 (3)(a) A grant awarded under this section shall be used to plan and develop a project that  
6 demonstrates the use of public or private fueling stations for green electrolytic hydrogen and  
7 renewable hydrogen and dispensing to medium-duty or heavy-duty fuel cell electric vehicles.  
8 The project may include one or more of the following:

9 (A) Production of green electrolytic hydrogen or renewable hydrogen;

10 (B) Storage of green electrolytic hydrogen or renewable hydrogen;

11 (C) Utilization by a fleet of medium-duty or heavy-duty fuel cell electric vehicles, such  
12 as at a port or warehouse or by a public transportation system or commercial medium-duty  
13 or heavy-duty fuel cell electric vehicles; or

14 (D) Utilization by individual or privately owned medium-duty or heavy-duty fuel cell  
15 electric vehicles.

16 (b) The department shall give priority when awarding grants to demonstration projects  
17 that provide public access to and use of fueling stations for green electrolytic hydrogen and  
18 renewable hydrogen.

19 (4)(a) The department shall adopt rules to administer the grant program and establish:

20 (A) Grant application procedures and criteria for grant approval; and

21 (B) Procedures for revocation of grants to recipients failing to comply with the criteria  
22 established by the department pursuant to this section.

23 (b) At a minimum the rules must provide for the Director of Transportation to:

24 (A) Convene an advisory committee to evaluate applications and recommend grant  
25 awards under this section;

26 (B) After reviewing the recommendation from the advisory committee, approve or deny  
27 an application for a grant and set the amount of the grant awarded to the grant recipient;

28 (C) Monitor grant recipients for compliance with grant criteria established by the de-  
29 partment pursuant to this section; and

30 (D) Evaluate the efficacy of completed demonstration projects.

31 **SECTION 2.** (1) As used in this section, "fuel cell electric vehicle" means a fully electric  
32 vehicle that generates its own electricity by combining oxygen from the air with hydrogen  
33 from an onboard storage tank, emitting only water vapor and heat from the vehicle.

34 (2) The Department of Transportation shall conduct a study of existing state statutes,  
35 regulations, rules and policies that may impede or hinder the wide-scale adoption and use  
36 of fuel cell electric vehicles and hydrogen fueling in this state.

37 (3) The study shall include, but is not limited to, the following evaluations:

38 (a) The use of hydrogen fuel for transportation in this state, assuming no restrictions for  
39 transportation through tunnels or bridges or by ferry;

40 (b) The process for permitting and siting hydrogen fueling infrastructure, including hy-  
41 drogen fueling stations;

42 (c) The permitting process to convert existing vehicle maintenance structures, such as  
43 vehicle repair shops, to be able to maintain or repair fuel cell electric vehicles;

44 (d) Existing length and weight restrictions for medium and heavy-duty vehicles and me-  
45 dium and heavy-duty fuel cell electric vehicles; and

1 (e) Existing statutory definitions of zero-emission vehicles, alternative fuel vehicles and  
2 electric vehicles, and whether existing statutory definitions cover fuel cell electric vehicles.

3 (4) The department shall provide recommendations on the wide-scale adoption and use  
4 of hydrogen fuel for transportation in this state and for changes to existing state statutes,  
5 regulations, rule and policies that may enable or support the use of fuel cell electric vehicles  
6 and hydrogen fueling.

7 (5) The department shall provide the findings and recommendations of the study in a  
8 report that may include recommendations for legislation, in the manner provided in ORS  
9 192.245, to the interim committees of the Legislative Assembly related to energy and eco-  
10 nomic development no later than September 15, 2024.

11 **SECTION 3.** Section 2 of this 2023 Act is repealed on January 2, 2025.

12 **SECTION 4.** In addition to and not in lieu of any other appropriation, there is appropri-  
13 ated to the Department of Transportation, for the biennium beginning July 1, 2023, out of the  
14 General Fund, the amount of \$25,000,000, for the fuel cell electric vehicle and hydrogen fuel-  
15 ing demonstration projects grant program established pursuant to section 1 of this 2023 Act.  
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