



**Testimony on Senate Bills 124 and 125
Senate Environment and Energy Committee
February 16, 2023**

Good afternoon, Chair Sollman, Vice Chair Findley and Members of the Committee. My name is Michelle Detwiler and I am the Executive Director of the Renewable Hydrogen Alliance.

RHA is a Pacific NW regional non-profit trade association that advocates using renewable energy to produce hydrogen and other carbon neutral fuels. RHA's membership represents the full value chain of the hydrogen ecosystem – fuel cell and fuel cell vehicle manufacturers, project developers, an Oregon tribe and a tribal member owned energy company, public transit agencies, labor unions and many others with an interest in the renewable and green electrolytic hydrogen sector.

RHA is here today to testify in support of Senate Bill 124 and Senate Bill 125. We expect to bring an amendment that alters the definitions in SB 124 to match consensus language. We are thankful that the Committee introduced these as Committee bills and to the bipartisan bicameral sponsors of the identical versions of this legislation in the House.

- Recent state reports such as ODOT's 2022 Hydrogen Pathway Study and ODOE's Renewable Hydrogen Study affirm the importance and need for hydrogen as a clean energy and clean fuels pathway for Oregon to meet its ambitious climate goals.
- SB 124 and SB 125 seek to make recommendations taken from those ODOE and ODOT hydrogen studies actionable and implementable through the pilot grant funding programs they would stand up.
 - SB 124 would establish a \$5 million grant fund to facilitate transitioning away from the use of fossil fueled backup power by reducing the cost of acquiring hydrogen fuel cell backup generators. These, clean, non emitting fuel cell generators would replace diesel powered generation systems, with a priority on installing the systems at public emergency shelters and other state designated critical infrastructure, like hospitals and water utilities.
 - Supporting non emitting fuel cell backup generation technology is important to provide a clean alternative to diesel backup power, and better resiliency to communities particularly at risk for extreme weather, wildfires or seismic events.
 - Tackling this segment in a pilot project aligns with ODOE's renewable hydrogen study's recommendation on identifying sectors for support where decarbonization is not amenable to direct electrification which is obvious for backup power needs.

- SB 125 would establish a \$25 million grant fund to deploy fuel cell vehicles and fueling infrastructure demonstration projects which will be critical for and the only way Oregon will meet the advanced clean cars mandate just adopted in the state. This proposal would seek to implement recommendations made by ODOT in its Hydrogen Pathway Study for the state to support, develop and invest in hydrogen transportation demonstration and pilot projects.
 - Oregon needs to catch up with its Western state neighbors and fill in the gap on hydrogen transportation vehicles and fueling infrastructure between California that has the infrastructure and the vehicles and Washington that will have the vehicles and the infrastructure in the next 18 to 24 months.
 - State support for vehicles and infrastructure is important to solve the “chicken and egg” problem that ODOE noted about hydrogen supply and demand in their Renewable Hydrogen study.
 - The funding asks associated with these programs were based as closely as possible on current costs in the market and industry for fuel cell backup generation units, fuel cell vehicles and refueling infrastructure. As well as projections and time frames for their declining costs.
- Taking these steps to build Oregon’s clean hydrogen economy also means jobs - the USDOE has estimated that for every \$1 million invested in clean hydrogen, 8 jobs would be created. Average pay for a hydrogen fueling station operation and maintenance employee is about \$84,000/year (excluding benefits) and for a hydrogen production facility employee is over \$91,000/year. It is why electrical workers, ironworkers and building trades among other labor organizations strongly support the clean hydrogen sector.
 - It is also worth noting that the definitions of “renewable hydrogen” and “green electrolytic hydrogen” that will be embodied in the amendment I mentioned are the result of significant collaboration among stakeholders. RHA worked with numerous stakeholders including Climate Solutions and Sustainable NW on definitions that will facilitate the creation of what we refer to as the Make, Move, and Use hydrogen ecosystem in the state.
 - To specify which sources of electricity or energy would be eligible to produce hydrogen we generally relied upon the Oregon RPS statute as it had a comprehensive list of what is considered a renewable energy resource in Oregon. And our goal is to differentiate green electrolytic hydrogen from renewable hydrogen by defining renewable hydrogen that is inclusive of production methods that are renewable but don’t rely on electricity.
 - These definitions will produce alignment with our West Coast neighbors, while taking into account the difference in regulations among the states. These definitions help lay the foundation for a clean hydrogen economy in Oregon.
 - Thank you and happy to answer any questions.