STATE OF NEW YORK

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IN SENATE

September 21, 2020

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the energy law, in relation to establishing a program for eligible renewable hydrogen

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The energy law is amended by adding a new article 13 to read as follows:

ARTICLE 13

RENEWABLE HYDROGEN INCENTIVE AND FINANCING PROGRAM

Section 13-101. Definitions.

13-102. Renewable hydrogen incentive and financing program.

§ 13-101. Definitions. As used in this article:

1. "Eligible renewable hydrogen" shall mean hydrogen (a) produced with electricity generated from renewable energy systems as defined by section sixty-six-p of the public service law, as added by chapter one hundred six of the laws of two thousand nineteen; (b) which is physically located within the jurisdiction of the New York independent system operator; and (c) delivered to a customer in New York state, where such delivery shall be subject to independent verification by the New York state energy research and development authority or a qualified independent party.

2. "Eligible curtailed renewable hydrogen" means hydrogen (a) produced with electricity generated from a renewable energy system as defined by section sixty-six-p of the public service law, as added by chapter one hundred six of the laws of two thousand nineteen, which has seen its electricity output curtailed; (b) which is physically located within the jurisdiction of the New York independent system operator; and (c) delivered to a customer in New York state, where such delivery shall be subject to independent verification by the New York state energy research and development authority or a qualified independent party.

§ 13-102. Renewable hydrogen incentive and financing program. Notwithstanding any other provision of law to the contrary, including, but not limited to, any order, rule or regulation promulgated pursuant

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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to the public service law, the public authorities law, and/or the state administrative procedure act, the public service commission, in consultation with the New York state energy research and development authority, shall adopt a program within one year of the effective date of this section to provide support to and for eligible renewable hydrogen and, at a greater rate, eligible curtailed renewable hydrogen, through a proceeding to engage stakeholders in order to design and implement a competitive program for eligible renewable hydrogen production for the purpose of meeting the state's clean energy and greenhouse emissions reductions targets. The program shall require:

1. administration by the New York state energy research and development authority;

2. a diversity of project sizes, geographic distribution, and participation among customer classes, subject to cost-effectiveness considerations;

3. incentive or financing structures that maximize cost-effectiveness and practicality through competitive procurements, standing-offers, production incentives or capacity incentives at the wholesale or retail level as, in the judgment of the commission, provide for the most effective program;

4. program designs that take into consideration the avoidance of long-term costs to the transmission and distribution system and minimization of peak load in constrained areas;

5. annual reports on the achievements and effectiveness of the program; and

6. such other issues deemed appropriate by the commission.

§ 2. This act shall take effect immediately.