

STATE OF NEW YORK

3281

2021-2022 Regular Sessions

IN SENATE

January 28, 2021

Introduced by Sens. PARKER, MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

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:

1 Section 1. The energy law is amended by adding a new article 13 to
2 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:

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

17 2. "Eligible curtailed renewable hydrogen" means hydrogen (a) produced
18 with electricity generated from a renewable energy system as defined by
19 section sixty-six-p of the public service law, as added by chapter one
20 hundred six of the laws of two thousand nineteen, which has seen its
21 electricity output curtailed; (b) which is physically located within the
22 jurisdiction of the New York independent system operator; and (c) deliv-
23 ered to a customer in New York state, where such delivery shall be

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

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1 subject to independent verification by the New York state energy
2 research and development authority or a qualified independent party.

3 § 13-102. Renewable hydrogen incentive and financing program.

4 Notwithstanding any other provision of law to the contrary, including,

5 but not limited to, any order, rule or regulation promulgated pursuant

6 to the public service law, the public authorities law, and/or the state

7 administrative procedure act, the public service commission, in consul-

8 tation with the New York state energy research and development authori-

9 ty, shall adopt a program within one year of the effective date of this

10 section to provide support to and for eligible renewable hydrogen and,

11 at a greater rate, eligible curtailed renewable hydrogen, through a

12 proceeding to engage stakeholders in order to design and implement a

13 competitive program for eligible renewable hydrogen production for the

14 purpose of meeting the state's clean energy and greenhouse emissions

15 reductions targets. The program shall require:

16 1. administration by the New York state energy research and develop-
17 ment authority;

18 2. a diversity of project sizes, geographic distribution, and partic-
19 ipation among customer classes, subject to cost-effectiveness consider-

20 ations;

21 3. incentive or financing structures that maximize cost-effectiveness
22 and practicality through competitive procurements, standing-offers,

23 production incentives or capacity incentives at the wholesale or retail
24 level as, in the judgment of the commission, provide for the most effec-

25 tive program;

26 4. program designs that take into consideration the avoidance of long-
27 term costs to the transmission and distribution system and minimization

28 of peak load in constrained areas;

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

31 6. such other issues deemed appropriate by the commission.

32 § 2. This act shall take effect immediately.