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:

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

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

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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 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.