

# 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.