

STATE OF NEW YORK

378--A

2023-2024 Regular Sessions

IN SENATE

(Prefiled)

January 4, 2023

Introduced by Sens. PARKER, HOYLMAN-SIGAL -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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; (b) which is physically
11 located within the jurisdiction of the New York independent system oper-
12 ator; and (c) delivered to a customer in New York state, where such
13 delivery shall be subject to independent verification by the New York
14 state energy research and development authority or a qualified independ-
15 ent party.

16 2. "Eligible curtailed renewable hydrogen" means hydrogen (a) produced
17 with electricity generated from a renewable energy system as defined by
18 section sixty-six-p of the public service law which has seen its elec-
19 tricity output curtailed; (b) which is physically located within the
20 jurisdiction of the New York independent system operator; and (c) deliv-

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

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1 ered to a customer in New York state, where such delivery shall be
2 subject to independent verification by the New York state energy
3 research and development authority or a qualified independent party.

4 § 13-102. Renewable hydrogen incentive and financing program.

5 Notwithstanding any other provision of law to the contrary, including,
6 but not limited to, any order, rule or regulation promulgated pursuant
7 to the public service law, the public authorities law, and/or the state
8 administrative procedure act, the public service commission, in consul-
9 tation with the New York state energy research and development authori-
10 ty, shall adopt a program within one year of the effective date of this
11 section to provide support to and for eligible renewable hydrogen and,
12 at a greater rate, eligible curtailed renewable hydrogen, through a
13 proceeding to engage stakeholders in order to design and implement a
14 competitive program for eligible renewable hydrogen production for the
15 purpose of meeting the state's clean energy and greenhouse emissions
16 reductions targets. The program shall require:

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

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

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

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

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

32 6. the owner of the eligible renewable production or eligible
33 curtailed renewable hydrogen production supported and facilitated by the
34 program pursuant to this section, or a third party acting on such
35 owner's behalf, to comply with the provisions of section sixty-six-r of
36 the public service law and section two hundred twenty-four-d of the
37 labor law; and

38 7. such other requirements as deemed appropriate by the commission.

39 § 2. This act shall take effect immediately.