STATE OF NEW YORK

8455--A

IN SENATE

January 31, 2024

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public authorities law, in relation to authorizing the New York state energy research and development authority to administer a program to provide funds related to enabling clean hydrogen projects

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

Section 1. This act shall be known and may be cited as the "H2 energy scale up act".

§ 2. Section 1854 of the public authorities law is amended by adding a new subdivision 27 to read as follows:

27. (a) To administer a program, using funds provided for such purpose, to provide grants, loans or other services, based on standards and guidelines established by the authority, or any other entity authorized by law to award such funding, for the costs related to the demonstration or scale up of the production, processing, delivery, storage, or end use of clean hydrogen. The primary purpose of such funding shall be to aid the conversion or retrofitting of fossil fuel facilities, functioning and nonfunctioning, to improve the completion and expedition of hydrogen projects. Such standards and guidelines shall include, but not be limited to, an evaluation of (i) the clean energy supply and the balance of green hydrogen projects and blue hydrogen projects, (ii) whether the hydrogen project will yield hourly matching, and (iii) whether the deliverability of a project supports substantial deployment of clean energy in this decade while being efficiently and responsibly interconnected to the current generation systems. Projects shall be approved by the authority prior to completion in order to receive the funds authorized by this subdivision. A participating entity shall only continue to receive funding if it meets the completion and effectiveness and efficiency requirements established by the authority.

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

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(b) (i) No later than December thirty-first, two thousand twenty-five, and annually thereafter, each participating entity shall report to the authority on the completion of its clean hydrogen project and the efficiency of its scale up.

(ii) No later than April first, two thousand twenty-six, and annually thereafter, the authority shall report to the governor, the temporary president of the senate, the speaker of the assembly, the chair of the senate energy and telecommunications committee and the chair of the assembly energy committee on the results of such program including the information provided to the authority in subparagraph (i) of this paragraph, any funds disbursed, projects completed and the effectiveness and efficiency of such projects. Information on the effectiveness of funding and expediting each hydrogen project shall be based on year over year data starting after the first full cycle of renewable energy production from the funded hydrogen project.

(iii) The authority shall make the report required pursuant to subparagraph (ii) of this paragraph available to the public on its website.

(c) For the purposes of this subdivision:

(i) "green hydrogen project" means renewable hydrogen, obtained by electrolysis of water. Such projects shall be powered entirely by renewable energy and generate no polluting emissions into the atmosphere; and

(ii) "blue hydrogen project" means hydrogen produced mainly from natural gas, using a steam reforming process. The output of such process is hydrogen with carbon dioxide produced as a by-product.

§ 3. This act shall take effect immediately.