74th OREGON LEGISLATIVE ASSEMBLY - 2007 Regular Session **MEASURE: HB 2625-A**
STAFF MEASURE SUMMARY **CARRIER:**
House Committee on Energy and the Environment

REVENUE: May have revenue impact, statement not yet issued
FISCAL: Fiscal statement issued

Action:		Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Revenue and then to the Committee on Ways and Means by Prior Reference
Vote:		7 - 0 - 0
	Yeas:	Beyer, Burley, Cannon, Jenson, Macpherson, Smith G., Dingfelder
	Nays:	-
	Exc.:	-
Prepared By:		Cat McGinnis, Administrator
Meeting Dates:		3/9, 3/14

WHAT THE MEASURE DOES: For the biennium beginning July 1, 2007, authorizes issuance of lottery bonds for grants to agencies in the executive department and private companies headquartered in Oregon to acquire and use fuel cell systems. Describes benefits of enhancing Oregon's fuel industry. Caps use of lottery bonds at $985,000 plus bond-related costs and caps individual grants at $50,000. Establishes the Power Fuel Cell Pilot Program Account continually appropriated to the Oregon Department of Energy (ODE). Directs ODE to award grants within six months of funds being available or by December 31, 2007, (whichever is later), to deploy 35 to 50 fuel cell systems across the state. Authorizes grants of up to 50 percent of deployment costs of a fuel cell system for private businesses, and up to 100 percent of costs for agencies. Specifies qualifying uses for funds and qualifying vendors. Allows use of other incentives in addition to the grants. Directs that net proceeds of the lottery bonds be deposited in the Power Fuel Cell Pilot Program Account by October 15, 2007. Sunsets January 2, 2010. Declares an emergency, effective on passage.

ISSUES DISCUSSED:
- Value to Oregon of requiring that qualifying fuel cell systems be certified by the Western States Contracting Alliance (WSCA).
- Ability of new and growing companies to compete in light of WSCA certification requirement

EFFECT OF COMMITTEE AMENDMENT:
- Extends grant eligibility to fuel cell systems used for purposes other than backup power
- Establishes that fuel systems eligible for funding must be certified by either the Western States Contracting Alliance (WSCA) or approved by ODE
- Sets a limit of $50,000 per grant

BACKGROUND: Currently, hydrogen fuel cell technology is used primarily for alternative battery power systems for back-up power generation in markets such as telecommunications and utilities. These systems utilize commercial grade hydrogen or hydrogen derived from reformed methanol. Hydrogen and air are combined inside the fuel cell system to produce electricity with water vapor as the only emission. Hydrogen fuel cells can also operate on renewable fuels including biomethanol, ethanol, and biodiesel, and match well with solar energy applications.