

SB 125 -2 STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/16, 3/16

WHAT THE MEASURE DOES:

Directs Oregon Department of Transportation (ODOT) to establish grant program to award grants to public and private entities for projects that demonstrate the potential for wide-scale adoption and use of fuel cell electric vehicle and hydrogen fueling in the state's transportation sector. Requires ODOT to give priority to projects that reflect all stages of hydrogen fuel market from production to end use when awarding grants. Requires ODOT to adopt rules to administer program which include, convening an advisory committee to evaluate applications and recommend grant awards; approve, deny and set the amount of grant award after reviewing advisory committee recommendations; monitor recipients' compliance; and evaluate efficacy of completed project. Appropriates \$25,000,000 from General Fund to ODOT for grant program. Requires ODOT to study existing state statutes, regulations, rules and policies that may impede or hinder wide-scale adoption and use of fuel cell electric vehicles and hydrogen fueling. Directs ODOT to submit findings and recommendations to interim committees of Legislative Assembly related to energy and economic development not later than September 15, 2024.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Defines "green electric hydrogen" and "renewable hydrogen." Replaces allowable uses of grant funds to include to plan and develop a project that demonstrates the use of public or private fueling stations to dispense green electric hydrogen and renewable hydrogen to medium-duty or heavy-duty fuel cell electric vehicles. Stipulates project is authorized to include production, storage, or utilization by fleet or individual for medium or heavy-duty fuel cell electric vehicles. Requires Department of Transportation to prioritize demonstration projects that provide public access to and use of fueling stations when awarding grants.

- Fiscal Statement Issued
- Revenue Statement Issued

BACKGROUND:

Hydrogen is the most abundant element in the universe, but on earth it rarely occurs naturally in its pure state. Instead, hydrogen is usually combined with other elements such as oxygen or carbon. When produced from wind or other renewable resources, hydrogen can store carbon-free energy that can later be used to generate electricity or power vehicles. Currently, most hydrogen is produced from fossil fuels, specifically natural gas. Electricity—from the grid or from renewable sources such as wind, solar, geothermal, or biomass—is also currently used to produce hydrogen. According to the United States Department of Energy's Office (U.S. DOE) of Energy Efficiency and Renewable Energy, in the longer term, solar energy and biomass can be used more directly to generate hydrogen.

According to the U.S. DOE a fuel cell uses the chemical energy of hydrogen or other fuels to cleanly and efficiently produce electricity. Fuel cells can provide power for applications across multiple sectors, including transportation, industrial/commercial/residential buildings, and long-term energy storage for the grid in reversible systems.

Senate Bill 125 would direct the Oregon Department of Transportation (ODOT) to establish a grant program for fuel cell electric vehicle and hydrogen fueling demonstration projects and requires ODOT to study existing state

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statutes, regulations, rules, and policies that may impede or hinder wide-scale adoption and use of fuel cell electric vehicles and hydrogen fueling.

PRELIMINARY