

SB 685 A STAFF MEASURE SUMMARY

Carrier: Sen. Pham

Senate Committee On Energy and Environment

Action Date: 04/09/25

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 4-1-0-0

Yeas: 4 - Golden, Pham, Smith DB, Sollman

Nays: 1 - Robinson

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

Prepared By: Beth Reiley, LPRO Analyst

Meeting Dates: 2/10, 2/12, 4/9

WHAT THE MEASURE DOES:

The measure requires a natural gas utility to provide notice to affected customers and the Public Utility Commission (PUC) if the utility plans to increase the amount of hydrogen that is blended with natural gas and the amount of hydrogen the utility is planning to blend results in the ratio of the volume of hydrogen to natural gas exceeding 2.5 percent. The Act specifies information required in the PUC notice and on the utility websites.

Detailed Summary:

Requires a natural gas utility (utility) to provide notice to affected customers and Public Utility Commission (PUC) if the utility plans to increase the amount of hydrogen that is blended with natural gas that the utility delivers through its distribution system and this is the first time that the amount of hydrogen the utility plans to blend results in a ratio of the volume of hydrogen gas to the volume of natural gas, expressed as a percentage, exceeding 2.5 percent.

Requires utility, at least 60 days prior to beginning blending hydrogen at specified percentage, to:

- Provide notice to each customer affected by the planned action; and
- File notice with PUC that includes the reason for the increased amount of hydrogen, required siting or permitting approvals, description of public outreach conducted by utility, and any other information requested by PUC.

Requires utility with hydrogen blending program to maintain information on its website regarding the program and on how a customer can communicate with the utility about the program.

Requires utility to provide notice to customers if by June 30, 2030, the utility has a program for blending hydrogen with natural gas and has not provided notice required in Act.

ISSUES DISCUSSED:

- Current hydrogen blending operations in Portland, OR
- Effects of hydrogen on pipeline distribution infrastructure
- Potential pathways for providing consumer notice

EFFECT OF AMENDMENT:

The amendment replaces the measure.

BACKGROUND:

Hydrogen can be produced from a variety of resources, including natural gas, nuclear power, biomass, and renewable energy sources like solar and wind. According to the 2024 Oregon Biennial Energy Report (Report), the vast majority of hydrogen production remains carbon intensive. According to the Report, more than 99 percent of

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hydrogen is derived from fossil fuels, primarily through steam methane reforming, and less than 1 percent is produced with low or no carbon emissions. Hydrogen produced through the use of renewable energy can be injected into natural gas pipelines, and the resulting blends can be used to generate heat and power with lower emissions than using natural gas alone. In 2022, researchers at the National Renewable Energy Laboratory, Sandia National Laboratories, and Pacific Northwest National Laboratory co-authored a technical report, [Hydrogen Blending into Natural Gas Pipeline Infrastructure: Review of the State of Technology](#). The Report examined potential challenges related to hydrogen blending, including increased material fatigue in pipeline systems and operational issues like reduced energy transmission capacity due to hydrogen's lower energy density compared to natural gas.