

Senate Bill 685

Sponsored by Senators PHAM K, GOLDEN; Senators CAMPOS, GORSEK, MANNING JR, TAYLOR, Representatives CHOTZEN, GAMBIA, NOSSE (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Makes a public utility that wants to make or carry out a project with hydrogen to first get approval from the PUC. (Flesch Readability Score: 61.4).

Requires a public utility to obtain authorization from the Public Utility Commission to develop or carry out a project that involves the production or use of hydrogen in this state. Provides criteria that the commission shall use to evaluate a proposed project.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to hydrogen; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 757.**

5 **SECTION 2. (1) A public utility may not develop or carry out a project that involves the**
6 **production or use of hydrogen in this state without first obtaining from the Public Utility**
7 **Commission, upon application, an order authorizing the project.**

8 (2)(a) An applicant shall give notice of an application filed under this section to:

9 (A) The governing body and health authority of each city and county affected by the
10 proposed project;

11 (B) The State Fire Marshal and local fire authority of each city and county affected by
12 the proposed project; and

13 (C) Residences within the hazard area, as determined by the commission, of the proposed
14 project, including any facility or pipeline to be used to carry out the project.

15 (b) Notice must include a detailed map of the location of the proposed project and any
16 facility or pipeline to be used to carry out the project.

17 (3) An application required under this section must provide, as applicable, information
18 on a proposed project's production method, transportation plans and intended blend ratio of
19 hydrogen and other fuels or substances. An application must address the following:

20 (a) State energy and climate policies;

21 (b) Safety and maintenance;

22 (c) Cost effectiveness;

23 (d) Health and environment impacts; and

24 (e) Emergency management.

25 (4) The commission shall evaluate a proposed project based on the following criteria:

26 (a) The project's conformity with state energy and climate policies, including this state's
27 goals for reducing greenhouse gas emissions. The commission shall conduct a life-cycle
28 emissions analysis for the project and an impact analysis on utility infrastructure affected

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 by the project.

2 (b) The project’s safety and maintenance standards. The safety and maintenance stan-
3 dards must address risks to utility infrastructure, risks of hydrogen leakage, corrosion pre-
4 ventation measures, leakage detection and emergency response. The commission shall conduct
5 an analysis on the project’s impact on utility infrastructure integrity, including pipes and
6 equipment that are located behind the meter.

7 (c) The project’s cost effectiveness. The commission shall require an applicant to conduct
8 a cost-benefit analysis and demonstrate that the project is economically prudent and does
9 not result in an undue financial burden for ratepayers. The analysis may compare the use
10 of hydrogen to other methods for providing energy or energy efficiencies.

11 (d) The project’s impact on health or the environment. The commission shall evaluate
12 the potential health risks of the project associated with potential hydrogen leakage and with
13 using or burning hydrogen in residential dwelling or buildings.

14 (e) Emergency management. The commission shall require an applicant to provide notice
15 of the project and maintain insurance and bond in an amount sufficient in case of an explo-
16 sion, property damage or injury or loss of life.

17 (5) The commission shall engage with stakeholders in the commission’s evaluation of a
18 proposed project.

19 (6) The commission shall issue an order granting the application if the commission de-
20 termines that the project meets the requirements of the commission. The commission may
21 condition an order authorizing a project upon an applicant’s satisfactory performance or
22 adherence to specific requirements. The commission otherwise shall issue an order denying
23 the application. The applicant shall bear the burden of showing that the project meets the
24 requirements of the commission.

25 **SECTION 3.** This 2025 Act being necessary for the immediate preservation of the public
26 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect
27 on its passage.

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