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VIA ONLINE PORTAL:

<https://olis.oregonlegislature.gov/liz/2025R1/Testimony/SEE/SB/685/0000-00-00-00-00?area=Measures>

Oregon State Legislature
900 Court St NE,
Salem, OR, 97301

Re: 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.

Dear Senate Committee on Energy and Environment,

We appreciate the opportunity to share our thoughts on SB 685 Relating to hydrogen; declaring an emergency. The United States Hydrogen Alliance (USHA) is a non-profit association of members advocating for the development, deployment and utilization of clean hydrogen in all 50 states. We serve the hydrogen industry through state and federal policy advocacy, market development, and community building. Our mission is to leverage the unique attributes of hydrogen to reduce emissions across traditional sectors, increase energy resiliency and diversity, enhance local economies and workforces, and protect the nation domestically and abroad.

We write to express our opposition unless amended, as we believe that SB 685, in its current form, introduces regulatory complexities that could hinder the growth of Oregon's hydrogen industry and potentially dissuade investment in this critical sector.

While we recognize the importance of regulatory oversight and public safety, we are concerned that the additional approval processes outlined in SB 685 could significantly delay hydrogen projects. This bill places undue burdens on public utilities seeking to incorporate hydrogen into their infrastructure,



especially considering that hydrogen blending is already federally regulated by the Pipeline and Hazardous Materials Safety Administration and locally managed through existing Oregon statutes. Expanding Public Utility Commission oversight in this manner risks stifling innovation and deterring much-needed private and public investment.

Furthermore, the bill's premise that hydrogen blending poses new, unaddressed safety risks does not align with over 50 years of global experience and established safety regulations. There is no evidence to suggest that blending hydrogen creates greater safety concerns compared to other energy practices already in place.

We also believe that the different treatment of hydrogen in this bill, compared to other renewable energy sources, sends a negative signal to the industry. By creating additional hurdles for hydrogen projects, we risk portraying clean hydrogen as a less legitimate renewable resource, which contradicts our shared goals of advancing clean energy.

The recent rulemaking for Section 45V Credit for Production of Clean Hydrogen under the Inflation Reduction Act significantly disadvantages Oregon in developing clean hydrogen projects due to the 36-month expiration of the tax credit. Given the complexity and time required to build such projects, meeting this deadline is challenging. While states like California and Washington benefit from an exemption to this expiration due to their cap-and-trade programs, Oregon does not have this advantage. This places Oregon at a competitive disadvantage when trying to attract investment in clean hydrogen projects. With the Legislature now considering additional approval processes and extended timelines for project development, the practical outcome could be that developers choose to build these projects elsewhere, where conditions are more favorable, ultimately leaving Oregon behind in the clean energy transition.

We acknowledge and appreciate the efforts being made to adjust the language of the bill and look forward to working together to ensure the framework supports the responsible, timely development of



hydrogen in Oregon. We remain committed to collaborating on meaningful amendments that balance regulation with the need for an attractive, competitive environment for hydrogen projects.

We at the United States Hydrogen Alliance thank you for your time and consideration. Please reach out to us if you have any questions.

Respectfully,

R. Bekemohammadi

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