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Feb 10, 2025

Senate Committee on Energy and Environment
Oregon State Capitol
900 Court St. NE
Salem Oregon 97301

RE: SB 685 Additional Amendment Needed

Dear Chair Sollman, Vice-Chair Brock-Smith, and Members of the Committee,

My name is Erin Childs and I serve as the Executive Director of the Renewable Hydrogen Alliance (RHA). RHA is a regional non-profit trade association enabling access to safe, affordable, and renewable hydrogen for communities across the Pacific Northwest. Our 80+ members represent the full value chain of the hydrogen ecosystem – hydrogen technology and service providers, equipment manufacturers, project developers, public transit agencies, labor unions, utilities, and many others with an interest in the clean and renewable hydrogen sector. Thank you for the opportunity to provide testimony on SB 685 on behalf of RHA and its members.

While RHA appreciates the improvements of the -1 amendments relative to the base bill, we remain opposed to the language as written. Additional amendments to SB 685 are needed to achieve appropriate regulatory oversight, permitting processes, and community transparency for hydrogen projects. Burdensome and unneeded requirements unique to hydrogen will drive these essential projects out of Oregon. RHA is thankful for continued conversation with the Chief Sponsor to offer refinement and clarification on the -1 amendment that will support the balanced regulatory environment our industry needs.

**Clean and renewable hydrogen are essential for Oregon's energy transition.**

Low carbon-intensity hydrogen is an essential part of Oregon's transition to a clean energy economy. Hydrogen will serve as a transportation fuel for long-route and heavy-duty vehicles; an input for sustainable fuels and locally produced fertilizer; and a critical component of resilient, reliable, efficient energy systems. Recent analysis by Washington Department of Commerce estimates that 27% of the state's total energy use will be met by hydrogen. The Oregon Department of Energy's State Energy Strategy interim findings have already shown that hydrogen will play a critical role in clean fuels supply and electric sector decarbonization.

Hydrogen is unique for its compatibility with existing fossil fuel workforce and infrastructure. Local hydrogen development is necessary to support businesses and workers impacted by the energy transition, retain family wage jobs, and enable a healthy regional economy.

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Oregon and Washington's clean energy leadership has helped to secure $5 billion of committed public and private funding to launch Oregon's nascent renewable and electrolytic hydrogen industry. Successful development of hydrogen projects and pilots relies on clear regulatory processes; reasonable treatment of safety and permitting; and transparent procedural opportunities for notice, feedback, and engagement.

**Hydrogen safety is grounded in international science- and engineering-based standards**

Hydrogen is a colorless, odorless, tasteless, flammable gas with many decades of safe use in industrial applications. Hydrogen safety codes, standards, and regulations are established and maintained by national and international organizations[1] based on application. Although hydrogen has been used in industry for decades, its use as a fuel for vehicles or in consumer environments is relatively new and community interest is expected. Safety standards and community notice expectations should be based on the scientific characteristics of hydrogen, appropriate risk management and mitigation, and community education needs.

**Burdensome and unclear regulation will hamstring utility clean energy programs**

Hydrogen blending by gas distribution utilities is regulated by the state through ORS 757.390-398 (as established in SB 98) and existing rate schedules, which allow blending of renewable hydrogen specifically. Governor Brown's Executive Order No. 20-04 (2020) required the PUC to update utility IRP guidelines to more explicitly consider the costs and risks of meeting the state's GHG emission reduction targets under the new timelines set forth in EO 20-04. The gas utility IRP remains the venue for consideration of the role of renewable hydrogen and other clean fuels in achieving state GHG emissions reduction targets.

As utilities move to implement the state's climate and clean energy objectives using maturing technologies like hydrogen, it is essential to establish clear and reasonable expectations for utility customer engagement. Adding significant additional burdensome or unclear reporting requirements will drive up the costs to develop and implement hydrogen projects, impacting end-use customer affordability and regional energy supply.

We urge establishing effective regulation to support renewable hydrogen market formation that benefits all Oregonians.

[1] Building Codes: International Code Council and National Fire Protection Agency
Hydrogen fuel standards: National Institute of Standards & Technology Handbook 44 and 130; Society of Automotive Engineers; National Highway Traffic Safety Administration
Pipeline: American Society of Mechanical Engineers B31.12, Pipeline and Hazardous Materials Safety Administration Part 192

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Thank you for your consideration,

Erin Childs
Executive Director
Renewable Hydrogen Alliance

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