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MEMORANDUM IN SUPPORT OF
S.3281 (Parker)/A.3788 (Cusick)
In Relation to establishing a renewable hydrogen
incentive and financing program

May 18, 2021

The Alliance for Clean Energy New York (ACE NY) supports S.3281 (Parker)/A.3788 (Cusick) and urges its immediate passage.

This legislation would amend the Energy Law, in relation to establishing a renewable hydrogen incentive and financing program for eligible renewable hydrogen. The program, which would be administered by the New York State Energy Research and Development Authority (NYSERDA), would engage stakeholders to design and implement a competitive program for renewable hydrogen production for the purpose of meeting the state's clean energy and greenhouse gas emissions reductions targets. Hydrogen created by fossil fuels would be ineligible. The program would provide additional incentives for hydrogen created using renewable electricity that would otherwise be curtailed to ensure New York is maximizing the use of renewable electricity made in NYS.

Green hydrogen can complement the renewable energy economy in two ways. First, it can use wind and solar power during times of low demand to create hydrogen, which avoids curtailment of wind and solar facilities. Then, hydrogen can be used in fuel cells or combusted to create electricity at times when wind and solar projects are not producing electricity. In this way, green hydrogen is essentially an electricity storage technology. Green hydrogen could also be used in transportation, in fuel cell vehicles for example.

In this bill, "eligible renewable hydrogen" and "eligible curtailed renewable hydrogen" is "produced with electricity generated from renewable energy systems" (as defined by the Climate Leadership and Community Protection Act) located in New York State.

To achieve NY's ambitious climate goals, we need to consider a full range of technologies, including renewable hydrogen. The stakeholder process in this bill also ensures that the program can help achieve clean energy goals while ensuring that disadvantaged communities receive both environmental and economic benefits.

For the above reasons, ACE NY supports this legislation. For more information contact Deb Peck Kelleher, Director of Policy Analysis & Operations, at (c) 518-698-3211. All of ACE NY's memos on legislation are available at <https://www.aceny.org/legislative-info>.