

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.

HB23-1281 be amended as follows:

1 Amend the Energy and Environment Committee Report, dated April 20,
2 2023, page 1, strike lines 14 through 19.

3 Page 2, strike lines 1 through 14 and substitute:

4 "Page 4 of the printed bill, strike lines 12 through 27.

5 Strike pages 5 and 6.

6 Page 7 of the bill, strike lines 1 through 5 and substitute:

7 **"40-2-138. Projects for the production of clean hydrogen -**
8 **proceeding - hydrogen hub projects - rules - definitions.** (1) AS USED
9 IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

10 (a) "CLEAN HYDROGEN" MEANS:

11 (I) GREEN HYDROGEN, AS DEFINED IN SECTION 40-3.2-108 (2)(j);

12 OR

13 (II) HYDROGEN THAT IS PRODUCED THROUGH A PROCESS THAT
14 RESULTS IN LIFECYCLE GREENHOUSE GAS EMISSIONS RATES THAT ARE
15 WITHIN THE LIFECYCLE GREENHOUSE GAS EMISSIONS RATE RANGES SET
16 FORTH IN 26 U.S.C. SECS. 45V (b)(2)(C) AND 45V (b)(2)(D), AS
17 AMENDED.

18 (b) (I) "CLEAN HYDROGEN PROJECT" MEANS A PROJECT THAT
19 RESULTS IN THE PRODUCTION OR USE OF CLEAN HYDROGEN BY AN
20 INVESTOR-OWNED UTILITY.

21 (II) "CLEAN HYDROGEN PROJECT" MAY INCLUDE PIPELINES,
22 ELECTROLYZERS, ENVIRONMENTAL CONTROLS, MONITORING EQUIPMENT,
23 DEDICATED RENEWABLE ENERGY SOURCES FOR ELECTROLYSIS, THE
24 PURCHASE OF CLEAN HYDROGEN FROM THIRD PARTIES, AND AN UPGRADE
25 TO A TURBINE AT AN ELECTRIC GENERATING STATION IF THAT UPGRADE IS
26 PART OF A STATE OR FEDERAL APPLICATION FOR A REGIONAL CLEAN
27 HYDROGEN HUB UNDER 42 U.S.C. 16161a.

28 (c) "CUMULATIVE IMPACTS" MEANS THE INCREMENTAL EFFECTS,
29 INCLUDING THE END USES OF CLEAN HYDROGEN, ON THE ENVIRONMENT,
30 INCLUDING EFFECTS ON AIR QUALITY, WATER QUALITY, WATER RESOURCE
31 AVAILABILITY, GREENHOUSE GAS EMISSIONS, AND PUBLIC HEALTH, THAT
32 CLEAN HYDROGEN PRODUCTION HAS WHEN ADDED TO THE IMPACTS FROM
33 OTHER PAST, PRESENT, AND REASONABLY FORESEEABLE FUTURE ACTIONS
34 IN THE RELEVANT AREA, AS DETERMINED BY RULE BY THE COMMISSION.

35 (d) "DISPROPORTIONATELY IMPACTED COMMUNITY" HAS THE
36 MEANING SET FORTH IN SECTION 24-4-109 (2)(b)(II).

1 (e) (I) "HARD TO DECARBONIZE END USE" MEANS INDUSTRIAL USES
2 THAT INCLUDE:
3 (A) THE GENERATION OF HEAT OF AT LEAST ONE HUNDRED FIFTY
4 DEGREES CELSIUS FOR INDUSTRIAL PURPOSES; AND
5 (B) ADDITION AS FEEDSTOCK FOR INDUSTRIAL PURPOSES,
6 INCLUDING MANUFACTURE OF STEEL, AMMONIA, FERTILIZER, AND
7 CHEMICALS.
8 (II) "HARD TO DECARBONIZE END USE" DOES NOT INCLUDE THE
9 DIRECT USE OF HYDROGEN FOR RESIDENTIAL OR COMMERCIAL HEATING.
10 (f) "HYDROGEN HUB PROJECT" MEANS A PROJECT THAT IS PART OF
11 AN APPLICATION FOR FEDERAL FUNDING BY A PARTNERSHIP OF REGULATED
12 UTILITIES, PRIVATE PARTNERS, AND COMPANIES AND MAY INCLUDE STATE
13 OR FEDERAL GOVERNMENT AGENCIES IN COLLABORATION WITH OTHER
14 STATES THAT IS DESIGNED TO UTILIZE AVAILABLE FEDERAL FUNDS AND
15 TAX CREDITS, WHICH MAY INCLUDE THE PRODUCTION, TRANSPORT, AND
16 USE OF CLEAN HYDROGEN.
17 (g) "LIFECYCLE GREENHOUSE GAS EMISSIONS RATE" MEANS
18 LIFECYCLE GREENHOUSE GAS EMISSIONS, AS DEFINED IN 26 U.S.C. SEC.
19 45V (c)(1)(A), AS AMENDED, MEASURED IN ACCORDANCE WITH ANY
20 APPLICABLE FEDERAL INTERNAL REVENUE SERVICE REGULATIONS OR
21 GUIDANCE.
22 (h) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN
23 SECTION 24-38.5-101.
24 (i) "QUALIFIED USE" MEANS THE USE OF CLEAN HYDROGEN IN THE
25 STATE FOR:
26 (I) HARD TO DECARBONIZE END USES;
27 (II) THE OPERATION OF A HEAVY-DUTY MOTOR VEHICLE, AS
28 DEFINED IN SECTION 25-7.5-102 (11); AND
29 (III) AVIATION.
30 (2) THE COMMISSION SHALL INITIATE A PROCEEDING, NO LATER
31 THAN AUGUST 1, 2023, TO CONSIDER:
32 (a) THE POTENTIAL FOR CLEAN HYDROGEN PROJECTS OPERATED BY
33 INVESTOR-OWNED UTILITIES SUBJECT TO REGULATION BY THE COMMISSION
34 TO CONTRIBUTE TO MEETING THE GREENHOUSE GAS EMISSION REDUCTION
35 GOALS DESCRIBED IN SECTION 25-7-102 (2)(g), INCLUDING LIFECYCLE
36 GREENHOUSE GAS EMISSIONS RATES, WITH A PREFERENCE FOR QUALIFIED
37 USES;
38 (b) THE IMPACT OF CLEAN HYDROGEN PROJECTS ON THE EMISSION
39 OF AIR POLLUTANTS OTHER THAN GREENHOUSE GASES AND HUMAN
40 HEALTH;
41 (c) POTENTIAL MARKETS FOR CLEAN HYDROGEN IN COLORADO;
42 (d) THE IMPACT OF CLEAN HYDROGEN PRODUCTION ON WATER
43 QUALITY AND QUANTITY IN COLORADO;
44 (e) THE POTENTIAL IMPACTS OF PIPELINE LEAKAGE AND BEST
45 PRACTICES FOR MITIGATION;

1 (f) THE POTENTIAL FOR THE DEVELOPMENT OF CLEAN HYDROGEN
2 TO HELP CREATE OR SUSTAIN JOBS IN COLORADO, INCLUDING UTILITY
3 JOBS;
4 (g) THE COST, CAPABILITIES, AND MARKET AVAILABILITY OF
5 CLEAN HYDROGEN TECHNOLOGIES, INCLUDING PIPELINE INVESTMENTS;
6 (h) AN APPROPRIATE ROLE FOR INVESTOR-OWNED UTILITIES IN THE
7 PRODUCTION, SALE, OR USE OF CLEAN HYDROGEN, INCLUDING
8 CONSIDERING WHETHER COSTS MAY BE RECOVERED FROM RATEPAYERS;
9 (i) THE POTENTIAL IMPACT OF INVESTOR-OWNED UTILITY
10 INVESTMENTS IN A CLEAN HYDROGEN PROJECT ON RATEPAYERS,
11 INCLUDING ON BILLS, RATES, AND RATE STABILITY, AND OPTIONS FOR
12 AVOIDING POTENTIAL CROSS-SUBSIDIZATION AND COST SHIFTING ACROSS
13 RATE CLASSES;
14 (j) PRINCIPLES AND REQUIREMENTS FOR ANY TARIFFS FOR THE
15 SALE OF CLEAN HYDROGEN TO THIRD PARTIES, INCLUDING PRINCIPLES AND
16 REQUIREMENTS TO ENSURE THAT COSTS ARISING FROM THE DEVELOPMENT,
17 PRODUCTION, TRANSPORT, AND DELIVERY OF THE CLEAN HYDROGEN
18 UNDER THOSE TARIFFS ARE NOT BORNE BY CUSTOMERS WHO DO NOT TAKE
19 SERVICE FROM THOSE TARIFFS;
20 (k) THE PROCESS AND DATA NECESSARY AND AVAILABLE TO
21 IMPLEMENT A REQUIREMENT FOR THE ADOPTION OF METHODS FOR:
22 (I) THE MEASUREMENT OF LIFECYCLE GREENHOUSE GAS EMISSIONS
23 RATES, INCLUDING FOR HOURLY MATCHING OF ELECTRICITY USED;
24 (II) THE TRACKING OF THE DEPLOYMENT OF NEW RENEWABLE
25 ENERGY RESOURCES OR USE OF CURTAILED RENEWABLE ENERGY TO MEET
26 ELECTRICITY REQUIREMENTS FOR PRODUCTION OF CLEAN HYDROGEN IN
27 THE SAME LOAD BALANCING AREA; AND
28 (III) THE COMMISSION TO DETERMINE WHEN AT LEAST TWO
29 HUNDRED MEGAWATTS OF ELECTROLYZERS ARE OPERATIONAL IN THE
30 STATE;
31 (l) THE PROCESS AND DATA NECESSARY FOR AN INVESTOR-OWNED
32 UTILITY TO CONDUCT A CUMULATIVE IMPACT ANALYSIS OF A CLEAN
33 HYDROGEN PROJECT AND ANY PROCESS NECESSARY TO AVOID ADVERSE
34 CUMULATIVE IMPACTS ON DISPROPORTIONATELY IMPACTED COMMUNITIES,
35 IF ANY, WHICH MAY INCLUDE THE COMMISSION CONSIDERING:
36 (I) THE TIME FRAME OVER WHICH A CUMULATIVE IMPACT
37 ANALYSIS SHOULD BE CONDUCTED;
38 (II) THE GEOGRAPHICAL SCOPE OF A CUMULATIVE IMPACT
39 ANALYSIS; AND
40 (III) WHETHER THE CUMULATIVE IMPACT ANALYSIS SHOULD BE
41 COMPARED TO ALTERNATIVE PROJECTS;
42 (m) REQUIREMENTS FOR AN APPLICATION FOR A CLEAN HYDROGEN
43 PROJECT, IN ADDITION TO THE REQUIREMENTS DESCRIBED IN SUBSECTION
44 (3)(a)(V) OF THIS SECTION;
45 (n) ANY DATA OR INFORMATION NECESSARY OR AVAILABLE TO

1 EVALUATE A CLEAN HYDROGEN PROJECT AGAINST ALTERNATIVE
2 PROJECTS, INCLUDING HOW TO MEASURE, TRACK, AND REPORT LIFECYCLE
3 GREENHOUSE GAS EMISSIONS RATES, CUMULATIVE IMPACTS, AND THE
4 CUMULATIVE IMPACTS AND INDIVIDUAL IMPACTS ON JOBS, LOCAL
5 ECONOMIC BENEFITS, AND WATER USE BY CLEAN HYDROGEN PROJECTS
6 UNDER THE COMMISSION'S JURISDICTION;
7 (o) OPPORTUNITIES TO ENCOURAGE NON-UTILITY PRODUCTION OF
8 CLEAN HYDROGEN IN COLORADO, INCLUDING OPPORTUNITIES FOR AN
9 INVESTOR-OWNED UTILITY TO PROPOSE A TARIFF FOR THE SALE OF
10 RENEWABLE ENERGY THAT WOULD OTHERWISE BE CURTAILED; AND
11 (p) ANY OTHER RELEVANT ISSUES THAT THE COMMISSION
12 DETERMINES ARE NECESSARY TO CONSIDER.
13 (3) (a) NO LATER THAN DECEMBER 1, 2024, UNLESS THE OFFICE
14 FILES A NOTICE WITH THE COMMISSION STATING THAT THE FEDERAL
15 DEPARTMENT OF ENERGY HAS EXTENDED OR OTHERWISE ALTERED THE
16 DEADLINE REGARDING FUNDING FOR A HYDROGEN HUB PROJECT, THE
17 COMMISSION SHALL ADOPT RULES THAT:
18 (I) UNLESS THE COMMISSION DETERMINES THAT INVESTOR-OWNED
19 UTILITIES SHOULD NOT DEVELOP CLEAN HYDROGEN PROJECTS FOR COST
20 RECOVERY FROM RATEPAYERS, ESTABLISH REQUIREMENTS FOR THE
21 PRESENTATION OF A CLEAN HYDROGEN PROJECT TO THE COMMISSION FOR
22 THE COMMISSION'S APPROVAL;
23 (II) ESTABLISH REQUIREMENTS FOR LIFECYCLE GREENHOUSE GAS
24 EMISSIONS RATE ACCOUNTING FOR CLEAN HYDROGEN PROJECTS;
25 (III) ADDRESS THE APPROPRIATE ROLE OF INVESTOR-OWNED
26 UTILITIES IN THE PRODUCTION, SALE, AND USE OF CLEAN HYDROGEN,
27 INCLUDING WHETHER COSTS MAY BE RECOVERED FROM RATEPAYERS;
28 (IV) ADDRESS HOW INVESTOR-OWNED UTILITIES MAY USE
29 COMPETITIVE SOLICITATIONS IN A CLEAN HYDROGEN PROJECT AND ANY
30 LIMITATIONS FOR THE USE OF COMPETITIVE SOLICITATIONS TO DEVELOP
31 THE CLEAN HYDROGEN PROJECT;
32 (V) ESTABLISH A REQUIREMENT THAT ANY PLANNED OR
33 POTENTIAL USE FOR THE CLEAN HYDROGEN IN BUILDINGS OR GAS
34 DISTRIBUTION SYSTEMS OF AN INVESTOR-OWNED UTILITY BE PROPOSED TO
35 AND APPROVED BY THE COMMISSION THROUGH A CLEAN HEAT PLAN, AS
36 DEFINED IN SECTION 40-3.2-108 (2)(b); AND
37 (VI) ADDRESS WHAT IS REQUIRED IN AN APPLICATION BY AN
38 INVESTOR-OWNED UTILITY FOR A CLEAN HYDROGEN PROJECT, INCLUDING:
39 (A) A COMPARISON OF A CLEAN HYDROGEN PROJECT TO
40 ALTERNATIVE PROJECTS, INCLUDING AN ANALYSIS OF THE COSTS AND
41 BENEFITS OF THE CLEAN HYDROGEN PROJECT COMPARED TO ALTERNATIVE
42 PROJECTS;
43 (B) A DESCRIPTION OF HOW THE INVESTOR-OWNED UTILITY WILL
44 MEASURE AND TRACK THE ANNUAL AND CUMULATIVE LIFECYCLE
45 GREENHOUSE GAS EMISSIONS RATES AND THE EMISSION OF OTHER AIR

1 POLLUTANTS IN ACCORDANCE WITH THE RULES ADOPTED PURSUANT TO
2 SUBSECTION (3)(a)(II) OF THIS SECTION;

3 (C) A DESCRIPTION OF HOW THE INVESTOR-OWNED UTILITY WILL:
4 MINIMIZE THE LIFECYCLE GREENHOUSE GAS EMISSIONS RATES OF THE
5 CLEAN HYDROGEN PROJECT; CONDUCT LEAK DETECTION THROUGHOUT THE
6 LIFE OF THE CLEAN HYDROGEN PROJECT; AND CONDUCT A CUMULATIVE
7 IMPACT ANALYSIS OF THE CLEAN HYDROGEN PROJECT;

8 (D) AN ASSESSMENT OF THE ANNUAL WATER VOLUME THAT WILL
9 BE USED IN THE CLEAN HYDROGEN PROJECT, INCLUDING THE SOURCE OF
10 WATER TO BE USED;

11 (E) A DESCRIPTION OF ANY PLANNED USES, INCLUDING POTENTIAL
12 END USES BY THE INVESTOR-OWNED UTILITY'S CUSTOMERS, OF THE CLEAN
13 HYDROGEN PRODUCED THROUGH THE CLEAN HYDROGEN PROJECT, WITH A
14 PREFERENCE FOR QUALIFIED USES;

15 (F) A DESCRIPTION OF ANY PLANNED SALES OF CLEAN HYDROGEN
16 TO NON-UTILITY CUSTOMERS, WITH A PREFERENCE FOR QUALIFIED USES;

17 (G) A DESCRIPTION OF THE PROPOSED METHOD OF COST RECOVERY
18 FOR THE CLEAN HYDROGEN PROJECT, INCLUDING INFORMATION
19 REGARDING WHICH RATE CLASSES WILL COVER THE COSTS OF THE CLEAN
20 HYDROGEN PROJECT;

21 (H) A DESCRIPTION OF THE TOTAL REVENUE REQUIREMENT FOR
22 THE CLEAN HYDROGEN PROJECT;

23 (I) A DESCRIPTION OF THE RATE AND BILL IMPACTS OF THE CLEAN
24 HYDROGEN PROJECT;

25 (J) A DESCRIPTION OF ANY TARIFFS FOR THE SALE OF CLEAN
26 HYDROGEN PRODUCED BY THE CLEAN HYDROGEN PROJECT;

27 (K) A PROPOSAL FOR THE ALLOCATION OF REVENUES RECEIVED
28 FROM THE SALE OF CLEAN HYDROGEN PRODUCED BY THE CLEAN
29 HYDROGEN PROJECT TO NON-UTILITY CUSTOMERS AMONG CUSTOMERS
30 AND THE INVESTOR-OWNED UTILITY, INCLUDING WHICH PARTY BEARS THE
31 RISK THAT THE AMOUNT OF REVENUE ANTICIPATED FROM THE CLEAN
32 HYDROGEN PROJECT IS NOT ULTIMATELY RECEIVED;

33 (L) IF THE COMMISSION, AS PART OF THE PROCEEDING DESCRIBED
34 IN SUBSECTION (2) OF THIS SECTION, DETERMINES A CUMULATIVE IMPACT
35 ASSESSMENT FRAMEWORK, OR IF THE STATE CREATES A CUMULATIVE
36 IMPACT ASSESSMENT FRAMEWORK, A CUMULATIVE IMPACT ANALYSIS
37 THAT COMPLIES WITH THE APPLICABLE ASSESSMENT FRAMEWORK; AND

38 (M) IF THE INVESTOR-OWNED UTILITY PLANS TO USE A
39 COMPETITIVE SOLICITATION PROCESS AS PART OF THE CLEAN HYDROGEN
40 PROJECT, A DESCRIPTION OF HOW THE PLANNED COMPETITIVE
41 SOLICITATION PROCESS WILL BE USED AND IN WHAT CIRCUMSTANCES THE
42 PROCESS WILL BE USED.

43 (b) (I) THE RULES ADOPTED BY THE COMMISSION PURSUANT TO
44 SUBSECTION (3)(a)(II) OF THIS SECTION MUST INCLUDE REQUIREMENTS
45 FOR:

1 (A) THE MATCHING OF ELECTROLYZER ENERGY CONSUMPTION
2 WITH ELECTRICITY PRODUCTION ON AN HOURLY BASIS, IF THE
3 TECHNOLOGY IS AVAILABLE;

4 (B) THE IDENTIFICATION OF THE APPLICABLE ENERGY SOURCE, IF
5 THE INVESTOR-OWNED UTILITY IS REPORTING THE RENEWABLE ENERGY
6 SOURCE AS RESULTING IN ZERO EMISSIONS FOR CLEAN HYDROGEN
7 PRODUCTION, OR THE DEMONSTRATION THAT THE ELECTRICITY USED TO
8 PRODUCE THE CLEAN HYDROGEN HAS LOWER EMISSIONS THAN THE
9 AVERAGE SYSTEM OR GRID EMISSIONS OR THAT THE ENERGY SOURCE
10 COMES FROM NEW RENEWABLE ENERGY GENERATION, RENEWABLE
11 ENERGY THAT OTHERWISE WOULD HAVE BEEN CURTAILED ENERGY, OR
12 ANY ENERGY SOURCE WITH ZERO GREENHOUSE GAS EMISSIONS.

13 (C) THE DELIVERABILITY OF RENEWABLE ENERGY USED BY THE
14 ELECTROLYZER INTO THE SAME LOAD BALANCING AREA AS THE
15 ELECTROLYZER.

16 (II) THE COMMISSION SHALL MAKE THE RULES ADOPTED BY THE
17 COMMISSION PURSUANT TO SUBSECTION (3)(a)(II) OF THIS SECTION
18 EFFECTIVE NO LATER THAN JANUARY 1, 2028, OR NO LATER THAN ONE
19 YEAR AFTER THE DEPLOYMENT OF HYDROGEN ELECTROLYZERS IN THE
20 STATE EXCEEDS TWO HUNDRED MEGAWATTS, WHICHEVER IS EARLIER.

21 (c)(I) IN DEVELOPING THE RULES PURSUANT TO SUBSECTION (3)(a)
22 OF THIS SECTION, THE COMMISSION SHALL CONSIDER THE POTENTIAL FOR
23 FEDERAL FUNDING FOR CLEAN HYDROGEN PROJECTS AND THAT CLEAN
24 HYDROGEN PROJECTS IMPLEMENTED BY INVESTOR-OWNED UTILITIES MAY
25 BE NECESSARY TO SECURE FEDERAL FUNDING.

26 (II) IN DEVELOPING THE RULES PURSUANT TO SUBSECTION
27 (3)(a)(II) OF THIS SECTION, THE COMMISSION SHALL CONSIDER WHAT
28 INFORMATION AND MARKET MECHANISMS ARE NECESSARY AND
29 AVAILABLE FOR HYDROGEN PRODUCERS TO COMPLY WITH THE RULES. IF
30 THE FEDERAL INTERNAL REVENUE SERVICE ISSUES GUIDANCE THAT MEETS
31 OR EXCEEDS THE RULES, THE COMMISSION SHALL ADOPT RULES THAT
32 COMPLY WITH THE GUIDANCE.

33 (d) IF THE OFFICE FILES THE NOTICE DESCRIBED IN SUBSECTION
34 (3)(a) OF THIS SECTION WITH THE COMMISSION, THE COMMISSION SHALL
35 COORDINATE WITH THE OFFICE TO DETERMINE AN APPROPRIATE DATE FOR
36 THE ADOPTION OF THE RULES DESCRIBED IN SUBSECTION (3)(a) OF THIS
37 SECTION.

38 (4) (a) UNLESS THE COMMISSION DETERMINES THAT IT IS NOT IN
39 THE PUBLIC INTEREST FOR AN INVESTOR-OWNED UTILITY TO INVEST IN A
40 CLEAN HYDROGEN PROJECT THAT IS PART OF A HYDROGEN HUB PROJECT,
41 IF THE COMMISSION HAS NOT ADOPTED RULES BY DECEMBER 1, 2024
42 PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION, THE COMMISSION
43 SHALL ALLOW AN INVESTOR-OWNED UTILITY TO PRESENT TO THE
44 COMMISSION A STAND-ALONE APPLICATION FOR A CLEAN HYDROGEN
45 PROJECT FOR WHICH AN INVESTOR-OWNED UTILITY HAS APPLIED FOR

1 FEDERAL FUNDING AS PART OF A HYDROGEN HUB PROJECT.

2 (b) THE APPLICATION PROCESS DESCRIBED IN SUBSECTION (4)(a)
3 OF THIS SECTION MUST BE CONSISTENT WITH THE REQUIREMENTS OF
4 SUBSECTION (3) OF THIS SECTION. AN INVESTOR-OWNED UTILITY SEEKING
5 APPROVAL OF A CLEAN HYDROGEN PROJECT PURSUANT TO SUBSECTION
6 (4)(a) OF THIS SECTION SHALL ALSO DEMONSTRATE THAT A
7 TIME-SENSITIVE REVIEW OF THE INVESTOR-OWNED UTILITY'S APPLICATION
8 IS NECESSARY BASED ON THE TIMING REQUIREMENTS FOR OBTAINING
9 NECESSARY FUNDING, NOT INCLUDING TAX CREDITS, FROM, OR A
10 PARTNERSHIP WITH, A FEDERAL OR STATE AGENCY FOR THE ACQUISITION
11 OF NECESSARY FACILITIES AND THAT THE FUNDING OR PARTNERSHIP
12 CANNOT BE ACCOMPLISHED THROUGH ANY PENDING OR FUTURE ELECTRIC
13 RESOURCE PLANNING PROCESS.

14 (c) IF THE FUNDING OR PARTNERSHIP DESCRIBED IN SUBSECTION
15 (4)(b) OF THIS SECTION, INCLUDING ANY ASSOCIATED CONTRACTS,
16 AWARDS, OR TIMING REQUIREMENTS, ALLOWS FOR COMPETITIVE
17 SOLICITATIONS AS PART OF THE DEVELOPMENT OF THE CLEAN HYDROGEN
18 PROJECT, THE COMMISSION MAY DIRECT THE INVESTOR-OWNED UTILITY TO
19 ISSUE A SOLICITATION TO ACQUIRE THE NECESSARY PROJECTS OR
20 FACILITIES FOR THE CLEAN HYDROGEN PROJECT. THE COMMISSION SHALL
21 REVIEW ANY APPROVED COMPETITIVE SOLICITATION PROCESS AND BIDS
22 RECEIVED PRIOR TO THE INVESTOR-OWNED UTILITY'S ACQUISITION OF THE
23 NECESSARY FACILITIES FOR THE CLEAN HYDROGEN PROJECT. AN
24 INVESTOR-OWNED UTILITY THAT FILED THE CLEAN HYDROGEN PROJECT
25 APPLICATION PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION MAY
26 SUBMIT A BID IN RESPONSE TO A SOLICITATION PURSUANT TO THIS
27 SUBSECTION (4)(c).

28 (5) (a) IN REVIEWING, APPROVING, REJECTING, OR AMENDING AN
29 APPLICATION PURSUANT TO THIS SECTION, THE COMMISSION SHALL
30 CONSIDER, AT A MINIMUM:

31 (I) THE POTENTIAL CONTRIBUTION OF THE CLEAN HYDROGEN
32 PROJECT IN MEETING THE GREENHOUSE GAS EMISSION REDUCTION GOALS
33 DESCRIBED IN SECTION 25-7-102 (2)(g), INCLUDING LIFECYCLE
34 GREENHOUSE GAS EMISSIONS RATES;

35 (II) THE IMPACTS OF THE CLEAN HYDROGEN PROJECT COMPARED
36 TO ALTERNATIVE PROJECTS, INCLUDING:

37 (A) RATE AND BILL IMPACTS; AND

38 (B) THE IMPACTS ON RATE STABILITY;

39 (III) THE USE OF COMPETITIVE SOLICITATIONS, IF ANY;

40 (IV) IF THE CLEAN HYDROGEN PROJECT CONTEMPLATES THE SALE
41 OF CLEAN HYDROGEN, THE POTENTIAL FOR CROSS-SUBSIDIZATION AND
42 COST SHIFTING ACROSS RATE CLASSES;

43 (V) IF THE CLEAN HYDROGEN PROJECT IS LOCATED IN A
44 DISPROPORTIONATELY IMPACTED COMMUNITY, ANY CUMULATIVE IMPACTS
45 OF THE CLEAN HYDROGEN PROJECT AS DESCRIBED IN THE CUMULATIVE

1 IMPACT ANALYSIS SUBMITTED BY THE INVESTOR-OWNED UTILITY,
2 INCLUDING WHETHER THE CUMULATIVE IMPACTS OF THE CLEAN
3 HYDROGEN PROJECT, INCLUDING THE ECONOMIC IMPACTS AND ANY
4 MITIGATION MEASURES, WILL HAVE A POSITIVE IMPACT ON THE
5 DISPROPORTIONATELY IMPACTED COMMUNITY;

6 (VI) THE IMPACTS OF THE CLEAN HYDROGEN PROJECT ON THE
7 UTILITY WORKFORCE IN THE STATE, INCLUDING THE USE OF "BEST VALUE"
8 EMPLOYMENT METRICS PURSUANT TO SECTION 40-2-129;

9 (VII) THE IMPACTS OF THE CLEAN HYDROGEN PROJECT ON A
10 COMMUNITY'S TAX BASE AND REVENUES;

11 (VIII) THE USES OF THE CLEAN HYDROGEN PRODUCED BY THE
12 CLEAN HYDROGEN PROJECT, WITH A PREFERENCE FOR QUALIFIED USES;

13 (IX) THE PUBLIC HEALTH AND SAFETY IMPACTS OF THE CLEAN
14 HYDROGEN PROJECT; AND

15 (X) THE AVAILABILITY OF FEDERAL FUNDING FOR THE CLEAN
16 HYDROGEN PROJECT.

17 (b) THE COMMISSION SHALL REVIEW ANY CLEAN HYDROGEN
18 PROJECT APPLICATION SUBMITTED PURSUANT TO THIS SECTION IN
19 ACCORDANCE WITH ANY APPLICABLE ELECTRIC RESOURCE PLANNING
20 RULES.

21 (6) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
22 CONTRARY, AN INVESTOR-OWNED UTILITY SHALL PROVIDE NOTICE TO THE
23 COMMISSION OF ANY APPLICATION FOR FEDERAL FUNDING AS PART OF A
24 HYDROGEN HUB PROJECT, INCLUDING:

25 (a) ANY HYDROGEN HUB PROJECT MILESTONES;

26 (b) A DESCRIPTION OF ANY DEADLINES FOR SUBMISSION OF
27 MATERIALS TO SUPPORT THE APPLICATION, INCLUDING WHETHER ANY
28 ADDITIONAL FILINGS WILL BE REQUIRED; AND

29 (c) TO THE EXTENT KNOWN OR CONSISTENT WITH ANY
30 REQUIREMENTS OR LIMITATIONS OF THE FEDERAL DEPARTMENT OF ENERGY
31 OR ANY RELATED JOINT MEMORANDUMS OF UNDERSTANDING OR OTHER
32 CONTRACTS ENTERED INTO BY THE INVESTOR-OWNED UTILITY AND THE
33 STATE, INFORMATION REGARDING WHEN FUNDING AWARDS WILL BE
34 DETERMINED.

35 (7) (a) AN INVESTOR-OWNED UTILITY THAT OPERATES A CLEAN
36 HYDROGEN PROJECT APPROVED PURSUANT TO THIS SECTION SHALL SUBMIT
37 TO THE COMMISSION AN ANNUAL REPORT THAT SHOWS:

38 (I) THE LIFECYCLE GREENHOUSE GAS EMISSIONS RATES FROM THE
39 CLEAN HYDROGEN PROJECT;

40 (II) THE GREENHOUSE GAS EMISSIONS FROM THE CLEAN HYDROGEN
41 PROJECT;

42 (III) ANY EMISSION OF OTHER AIR POLLUTANTS FROM THE CLEAN
43 HYDROGEN PROJECT; AND

44 (IV) THE WATER USE OF THE CLEAN HYDROGEN PROJECT.

45 (b) IF THE CLEAN HYDROGEN PROJECT INCLUDES THE PRODUCTION

1 AND THE USE OR CONSUMPTION OF CLEAN HYDROGEN BY THE
2 INVESTOR-OWNED UTILITY, THE INVESTOR-OWNED UTILITY SHALL REPORT
3 THE LIFECYCLE GREENHOUSE GAS EMISSIONS RATES OF THE CLEAN
4 HYDROGEN PROJECT SEPARATELY BY EACH PRODUCTION FACILITY AND
5 USE.

6 (c) THE ANNUAL REPORT MUST INCLUDE INFORMATION THAT
7 ALLOWS THE OFFICE TO MAKE THE VERIFICATIONS REQUIRED PURSUANT TO
8 SECTION 39-22-549 (4)(a)(II).".

9 Page 2 of the report, strike lines 16 through 25 and substitute:

10 ""(c) "HARD TO DECARBONIZE END USE" HAS THE MEANING SET
11 FORTH IN SECTION 40-2-138 (1)(e).".

12 Page 2 of the report, strike lines 26 and 27 and substitute:

13 "Page 8 of the bill, strike lines 16 through 21 and substitute:

14 "(f) "QUALIFIED USE" HAS THE MEANING SET FORTH IN SECTION
15 40-2-138 (1)(i).".

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