

# HOUSE BILL REPORT

## SSB 5588

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### As Reported by House Committee On: Environment & Energy

**Title:** An act relating to authorizing the production, distribution, and sale of renewable hydrogen.

**Brief Description:** Authorizing the production, distribution, and sale of renewable hydrogen.

**Sponsors:** Senate Committee on Environment, Energy & Technology (originally sponsored by Senators Hawkins, Palumbo, Ericksen, Van De Wege, Fortunato, Short, Billig, Hobbs, Braun, Takko, Warnick, Sheldon, Wagoner, Hunt, Das, Zeiger, Wellman, King, Nguyen, Hasegawa, Kuderer, Bailey, Rivers, Holy, Wilson, L., Padden, Walsh, Dhingra, Frockt, Keiser, Liias, O'Ban and Wilson, C.).

#### **Brief History:**

##### **Committee Activity:**

Environment & Energy: 3/14/19, 3/21/19 [DP].

#### **Brief Summary of Substitute Bill**

- Authorizes a public utility district to produce, use, and sell renewable hydrogen.

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### HOUSE COMMITTEE ON ENVIRONMENT & ENERGY

**Majority Report:** Do pass. Signed by 9 members: Representatives Fitzgibbon, Chair; Lekanoff, Vice Chair; Shea, Ranking Minority Member; Dye, Assistant Ranking Minority Member; Boehnke, Doglio, Mead, Peterson and Shewmake.

**Staff:** Nikkole Hughes (786-7156).

#### **Background:**

Public utility districts (PUDs) are municipal corporations authorized to provide electricity, water, sewer, and wholesale telecommunications services. A PUD is authorized to produce and distribute biodiesel, ethanol, and ethanol fuel blends for use in internal operations and for sale or distribution. A PUD may also produce renewable natural gas (RNG) and use it in

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internal operations or sell it at wholesale or directly to certain end-use customers through a gas pipeline or in pressurized containers. A PUD may sell RNG at wholesale, or to an end-use customer through a pipeline directly from RNG production facilities to facilities that compress, liquefy, or dispense compressed natural gas or liquefied natural gas fuel for end use as a transportation fuel.

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**Summary of Bill:**

A PUD may produce renewable hydrogen and use it in internal operations or sell it at wholesale or directly to certain end-use customers through a gas pipeline or in pressurized containers. A PUD may sell renewable hydrogen at wholesale or to an end-use customer through a pipeline directly from renewable hydrogen production facilities to facilities that compress, liquefy, or dispense renewable hydrogen fuel for end use as a transportation fuel. A PUD may also sell renewable hydrogen at wholesale or to an end-use customer in pressurized containers directly from renewable hydrogen production facilities to facilities that utilize renewable hydrogen as a nonutility related input for a manufacturing process.

"Renewable hydrogen" means hydrogen produced using renewable resources both as the source for the hydrogen and the source for the energy input into the production process. "Renewable resource" includes water, wind, solar energy, RNG, renewable hydrogen, or biomass energy.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Several PUDs in Central and Eastern Washington have an excess of hydropower in the spring. They would like to use the surplus electricity to generate renewable hydrogen through electrolysis, but PUDs are only able to do what is specifically authorized by state law. This bill would give PUDs the authority to produce, distribute, and sell renewable hydrogen, thereby continuing the state's leadership in the development of clean energy technologies. Renewable hydrogen can be used as a transportation fuel for vehicles as well as in industrial processes. Renewable hydrogen is an emissions-free fuel source. Renewable hydrogen can be used to store excess renewable energy and mitigate spillage of excess and intermittent renewable energy sources such as wind and solar. This bill would help advance the state's goal of decarbonizing the economy. The bill would allow for an additional revenue stream for PUDs, which have been impacted by depressed wholesale electricity prices.

(Opposed) None.

**Persons Testifying:** Senator Hawkins, prime sponsor; Molly Simpson and Gary Ivory, Douglas County Public Utility District; and Ken Dragoon, Renewable Hydrogen Alliance.

**Persons Signed In To Testify But Not Testifying:** None.