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Proposed Amendment to LD 9, An Act To Promote Renewable Energy by Authorizing a Power-to- fuel Pilot Program

Governor’s Energy Office Edits are in red

Amend section 1, paragraph C of the bill as follows:

C. "Renewable energy" means electricity generated from a renewable resources, or renewable capacity resource including, but not limited to, wind, solar and tidal power.

Replace section 1, paragraph D of the bill with the following:

D. "Renewable capacity resource" has the same meaning as in section 3210, subsection 2, paragraph B-3.

Insert in section 1 of the bill, paragraphs E-G as follows:

E. "Renewable energy credit" has the same meaning as in section 3210, subsection 2, paragraph B-2.

F. "Renewable resource" has the same meaning as in section 3210, subsection 2, paragraph C.

G. "Thermal renewable energy credit" has the same meaning as in section 3210, subsection 2, paragraph E.

Replace section 2 of the bill as follows:

2. Power-to-fuel pilot program; criteria. Beginning January 15, 2022, and annually thereafter, the commission shall conduct a competitive solicitation for power-to-fuel projects **utilizing renewable energy** under this section over a period of not more than 2 months unless the commission determines additional time is needed to facilitate the solicitation process. The commission shall continue to annually conduct such a competitive solicitation until 2 power-to-fuel projects have been approved or until January 14, **2028 2026**, whichever is sooner. In implementing a power-to-fuel pilot program under this section, the commission shall:

A. Limit the capacity of a power-to-fuel project’s peak electricity demand to 10 megawatts;

B. ~~Prioritize~~ Require a power-to-fuel project to demonstrate low or zero with lower greenhouse gas emissions and other criteria air pollutants and air toxics, with emissions estimates. or which advance the viability of technology to reduce greenhouse gas emissions;

C. Prioritize a power-to fuel project that can reasonably be found to relieve congestion or integrate more renewable capacity resources on to the grid;

~~C. D.~~ Prohibit the purchase or sale of thermal renewable energy credits in relation to fuel produced by a power-to-fuel project;

~~D. E.~~ Authorize a power-to-fuel project only if the commission finds it is in the public interest and is reasonably likely to create only insignificant new costs for gas or electric ratepayers, and has low or zero greenhouse gas emissions;

~~E. F. G.~~ Require that the sponsor of a power-to-fuel project demonstrate technical and financial capacity to construct, operate and decommission the project;

~~G. H.~~ Select a power-to-fuel project only if it is located in the service territory of an investor-owned transmission and distribution utility;

~~H. I.~~ Require that a power-to-fuel project pay all interconnection costs; and

~~I. J.~~ Require that a power-to-fuel project acquire and retire renewable energy credits equivalent to the amount of electricity consumed by the project facility.

The commission may consult with the Department of Environmental Protection in evaluating emissions for a power-to-fuel project.

Amend section 3 of the bill, lines 30-32 as follows:

The exemptions provided under this subsection begin on the date of operation of a power to-fuel project and end 15 years after that date, except that the commission may approve continuation of the exemptions beyond 15 years on the basis of project need upon a finding that such continuation is in the public interest.

SUMMARY

This amendment does the following:

1. It clarifies the definition of renewable of energy to include electricity generated from a renewable capacity resource;

2. It clarifies the process the Public Utilities Commission must utilize in order to select a power-to-fuel project under the power-to-fuel pilot program;

3. It adds additional requirements for a power-to fuel project including requiring a power-to-fuel project to demonstrate low or zero greenhouse gas emissions and other criteria air pollutants and air toxics with emissions estimates; prioritize projects that can reasonably be found to relieve congestion or integrate more renewable capacity resources on to the grid; requiring that the project is in the public interest and is reasonably likely to create only insignificant new costs for gas or electric ratepayers; that the project demonstrate site control; that the project sponsor demonstrate technical and financial capacity to construct, operate and decommission the project; that the project pay all interconnection costs; and that the project acquire and retire renewable energy credits equivalent to the amount of electricity consumed by the facility; only allow the commission to select a project if it is located in the service territory of an investor-owned transmission and distribution utility; and

4. It allows exemption for sales of electricity to a power-to-fuel project to be extended beyond 15 years if the commission finds an extension is in the public interest.