

SENATE BILL NO. 451—SENATOR SPEARMAN

APRIL 17, 2023

Referred to Committee on Growth and Infrastructure

SUMMARY—Enacts provisions to promote the development and use of clean hydrogen technology in this State. (BDR 58-32)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to energy; requiring the Office of Energy within the Office of the Governor, the Public Utilities Commission of Nevada, the Office of Economic Development within the Office of the Governor and the Department of Transportation to coordinate and take certain actions to promote the development and use of clean hydrogen technology in this State; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the State Department of Conservation and Natural Resources to issue an annual report that includes a statewide inventory of greenhouse gas emissions and a projection of annual greenhouse gas emissions in this State for the 20 years immediately following the date of the report. Existing law requires the report to also include policies that could achieve reductions in greenhouse gas emissions and a qualitative assessment of whether such policies support long-term reductions of greenhouse gas emissions in this State to zero or near-zero by the year 2050. (NRS 445B.380)

This bill requires the Office of Energy within the Office of the Governor, the Public Utilities Commission of Nevada, the Office of Economic Development within the Office of the Governor and the Department of Transportation to coordinate and take action to promote the production, processing, delivery, storage and use of clean hydrogen in this State for the purpose of reducing greenhouse gas emissions in this State, promoting the energy independence of this State and facilitating the economic development and diversification of this State. This bill requires such actions to include, without limitation, applying for or facilitating applications for grants from the Federal Government for the purpose of incentivizing activities related to the development and use of clean hydrogen technology in this State, identifying and reducing regulatory barriers to the



20 development and use of such technology, and encouraging partnerships with
21 educational institutions in this State for activities related to the development and
22 use of clean hydrogen technology in this State.

1 WHEREAS, Senate Bill No. 254 of the 2019 Session of the
2 Nevada Legislature (Chapter 323, Statutes of Nevada 2019, at page
3 1970) established a statewide goal of reducing greenhouse gas
4 emissions to 28 percent below the 2005 level of such emissions by
5 2025, to 45 percent below the 2005 level of such emissions by 2030
6 and to zero or near-zero by 2050; and

7 WHEREAS, The State Climate Strategy establishes a plan for
8 achieving the targets established by Senate Bill No. 254 for the
9 reduction of greenhouse gas emissions and has identified clean
10 hydrogen and clean hydrogen technologies, including, without
11 limitation, hydrogen fuel cell vehicles and hydrogen fueling
12 stations, as opportunities to reduce greenhouse gas emissions in this
13 State; and

14 WHEREAS, Global economic activity involving the production,
15 processing, delivery, storage and use of clean hydrogen is currently
16 valued at more than \$100 billion per year in 2022 and is expected to
17 grow across the world as demand for clean energy increases; and

18 WHEREAS, The emergence of end-use applications for energy
19 produced from clean hydrogen, including, without limitation, in
20 transportation, seasonal energy storage and the global energy trade,
21 provide an opportunity for this State to meet its targets for the
22 reduction of greenhouse gas emissions while at the same time
23 enhancing economic development, job creation and the collection of
24 tax revenue in this State; and

25 WHEREAS, Encouraging the expansion of the use of clean
26 hydrogen will decrease the emission of greenhouse gases in this
27 State, which will have the effect of improving the health of
28 Nevadans through the improvement of air quality, especially for
29 economically disadvantaged Nevadans and communities of color;
30 now, therefore,

31
32 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
33 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:
34

35 **Section 1.** Chapter 701 of NRS is hereby amended by adding
36 thereto a new section to read as follows:

37 *1. The Office of Energy within the Office of the Governor,*
38 *the Public Utilities Commission of Nevada, the Office of*
39 *Economic Development within the Office of the Governor and the*
40 *Department of Transportation shall coordinate and take action to*
41 *promote the production, processing, delivery, storage and use of*



1 *clean hydrogen in this State for the purpose of reducing*
2 *greenhouse gas emissions in this State, promoting the energy*
3 *independence of this State and facilitating the economic*
4 *development and diversification of this State. Such actions must*
5 *include, without limitation:*

6 (a) *Applying for or facilitating applications for grants*
7 *available from the Federal Government and other sources which*
8 *have the express purpose of incentivizing the production,*
9 *processing, delivery, storage or use of clean hydrogen in this State.*

10 (b) *Identifying regulatory barriers to the production,*
11 *processing, delivery, storage or use of clean hydrogen in this State*
12 *and recommending or, if authorized by law, taking actions to*
13 *remove such barriers.*

14 (c) *Promoting increased opportunities for students in*
15 *community colleges, state colleges, universities and research*
16 *facilities within the Nevada System of Higher Education to study*
17 *subjects related to clean hydrogen and hydrogen technologies at*
18 *those institutions.*

19 (d) *Encouraging partnerships with the Nevada System of*
20 *Higher Education to promote the training of a workforce qualified*
21 *to develop, construct, improve, maintain and repair facilities used*
22 *to produce, process, deliver, store or use clean hydrogen in this*
23 *State.*

24 (e) *Encouraging partnerships among the Nevada System of*
25 *Higher Education, elementary and secondary schools in this State,*
26 *the National Renewable Energy Laboratory and the private sector,*
27 *including, without limitation, the energy businesses in this State,*
28 *to promote the production, processing, delivery, storage and use of*
29 *clean hydrogen as an energy resource in this State.*

30 (f) *Entering into agreements with the University of Nevada,*
31 *Reno, the University of Nevada, Las Vegas and the Desert*
32 *Research Institute for the gathering of data concerning the*
33 *assessment and development of clean hydrogen as an energy*
34 *resource and the production of a cost-benefit analysis of the*
35 *production, processing, delivery, storage and use of clean*
36 *hydrogen as an energy resource in this State.*

37 2. *The activities described in subsection 1 must be directed*
38 *toward incentivizing the production, processing, delivery, storage*
39 *and use of clean hydrogen as an energy resource in this State for*
40 *a variety of applications, including, without limitation:*

41 (a) *The use of clean hydrogen as fuel for the operation of zero-*
42 *emission light-duty and medium-duty vehicles, trucks, buses,*
43 *locomotives, off-road equipment, aircraft and watercraft, and the*
44 *establishment of fueling infrastructure to support such use.*



1 ***(b) The use of clean hydrogen to power commercial or***
2 ***industrial equipment.***

3 ***(c) The use of wastewater or wastewater treatment facilities to***
4 ***produce clean hydrogen.***

5 ***(d) The conversion of existing mines into resources for the***
6 ***production of clean hydrogen, including, without limitation, the***
7 ***production of clean hydrogen from water associated with inactive***
8 ***or abandoned mines.***

9 ***(e) The use of clean hydrogen microgrids as energy storage for***
10 ***microgrids and coupling clean hydrogen with distributed energy***
11 ***resources to strengthen the resilience of the power grid.***

12 ***3. As used in this section, “clean hydrogen” means hydrogen***
13 ***produced in compliance with greenhouse gas emissions standards***
14 ***established by the United States Secretary of Energy under 42***
15 ***U.S.C. § 16166.***

