

Senate Engrossed
hydrogen study committee

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

SENATE BILL 1396

AN ACT

ESTABLISHING THE HYDROGEN STUDY COMMITTEE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Hydrogen study committee; membership; duties;
3 report; delayed repeal

4 A. The hydrogen study committee is established consisting of the
5 following members:

6 1. Three members of the senate who are appointed by the president
7 of the senate, not more than two of whom are members of the same political
8 party. The president of the senate shall designate one of these members
9 to serve as cochairperson of the committee.

10 2. Three members of the house of representatives who are appointed
11 by the speaker of the house of representatives, not more than two of whom
12 are members of the same political party. The speaker of the house of
13 representatives shall designate one of these members to serve as
14 cochairperson of the committee.

15 3. The state land commissioner or the commissioner's designee.

16 4. The director of environmental quality or the director's
17 designee.

18 5. The director of water resources or the director's designee.

19 6. The director of the department of transportation or the
20 director's designee.

21 7. The director of the department of administration or the
22 director's designee.

23 8. The chief executive officer of the Arizona commerce authority or
24 the chief executive officer's designee.

25 B. Committee members who are not members of the senate or house of
26 representatives do not have voting privileges.

27 C. The committee shall:

28 1. Investigate and evaluate existing state and federal laws,
29 regulations and funding sources and recommend legislation related to the
30 production, use, distribution and storage of hydrogen.

31 2. Study the following:

32 (a) The production of hydrogen from any fuel source, including
33 clean energy, consistent with the natural resources of this state,
34 including groundwater impacts.

35 (b) The construction of a dedicated hydrogen pipeline or network of
36 pipelines to serve users of hydrogen in this state, including residential
37 and commercial use, power generation, transportation, manufacturing and
38 mining.

39 (c) The construction of facilities that result in the blending of
40 hydrogen into existing natural gas transmission and distribution systems
41 that serve residential, commercial and industrial customers in this state.

42 (d) Carbon capture and sequestration, including the long-term
43 liability and responsibility for sequestered carbon and potential pipeline
44 transportation infrastructure and the regulation of underground
45 sequestered carbon.

1 (e) Streamlined permitting processes for hydrogen facilities and
2 infrastructure, including other carbon use applications and any other
3 issues that the committee deems necessary.

4 (f) Cost-effective industrial rates for hydrogen production and
5 flexible energy generation configurations to maximize federal funding for
6 hydrogen facilities.

7 3. Review the safety standards regarding the production, use,
8 distribution and storage of hydrogen by state agencies, including:

9 (a) The Arizona department of homeland security.

10 (b) The Arizona department of forestry and fire management.

11 (c) The department of environmental quality.

12 (d) The department of water resources.

13 D. State agencies may take into consideration any applicable
14 international and national codes, regulations and standards after the
15 committee's review, including from the following:

16 1. American institute of aeronautics and astronautics.

17 2. American national standards institute.

18 3. American society of mechanical engineers.

19 4. ASTM international.

20 5. Compressed gas association.

21 6. CSA group.

22 7. International code council's building, fire, mechanical and fuel
23 gas codes.

24 8. National fire protection association NFPA 2 hydrogen
25 technologies code.

26 9. National fire protection association NFPA 1 uniform fire code.

27 10. SAE international.

28 11. Underwriters laboratories.

29 12. Pipeline and hazardous materials safety administration codes
30 and regulations.

31 13. Council on environmental quality.

32 14. United States department of energy.

33 E. The committee shall make recommendations with consultation from:

34 1. The state land department.

35 2. The bureau of land management.

36 3. The corporation commission.

37 4. The Indian tribes in this state.

38 5. The Arizona commerce authority.

39 6. The Arizona department of forestry and fire management.

40 7. The department of environmental quality.

41 8. The department of transportation.

42 9. The department of water resources.

43 10. The department of administration.

1 11. Stakeholder businesses, including representation from the
2 production, use, distribution and storage of hydrogen and technology
3 community.

4 12. At least one environmental group.

5 13. At least one professor specializing in the study of hydrogen.

6 14. At least one labor or workforce group.

7 15. At least one university under the jurisdiction of the Arizona
8 board of regents.

9 F. On or before September 1, 2023, the committee shall submit a
10 report regarding the committee's recommendations to the president of the
11 senate and the speaker of the house of representatives and shall provide a
12 copy of this report to the secretary of state. The report must include an
13 economic impact analysis of the potential hydrogen value chain in this
14 state.

15 G. This section is repealed from and after September 30, 2024.

16 (EMERGENCY NOT ENACTED)

17 Sec 2. Emergency

18 This act is an emergency measure that is necessary to preserve the
19 public peace, health or safety and is operative immediately as provided by
20 law.