

OFFICE OF FISCAL ANALYSIS

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sHB-6851

AN ACT IMPLEMENTING RECOMMENDATIONS OF THE HYDROGEN TASK FORCE.

As Amended by House "A" (LCO 8008)

House Calendar No.: 234

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Department of Energy and Environmental Protection	FF - Potential Revenue Gain	See Below	See Below
Department of Energy and Environmental Protection	GF - Potential Cost	See Below	See Below

Note: FF=Federal Funds; GF=General Fund

Municipal Impact: None

Explanation

The bill results in both a potential cost to the Department of Energy and Environmental Protection (DEEP) in the form of additional labor costs, and a potential gain of federal fund revenue. This would require DEEP to develop a hydrogen strategic plan to advance clean hydrogen energy in state.

The bill requires DEEP to find additional funding for these projects through existing federal resources. This would be done in part through the Department of Economic and Community Development (DECED) and would feature no additional cost to locate.

There is a potential cost to DEEP in the additional labor provisions that are provided by the bill. The extension of the usage of the "standard wage" requirement to hydrogen projects may lead to higher bid costs if they contractors and companies impacted choose to pass those costs

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onto the state.

House "A" has no impact by (1) removing the word clean from several reference points throughout the legislation; (2) removing the deadline for DEEP to adopt regulations and ; (3) clarifying the role of DECD to locate federal funds but not to supply matching funds for grants.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.