

A MEMORIAL

REQUESTING THAT THE NEW MEXICO HYDROGEN BUSINESS COUNCIL
CONVENE A SPECIAL COMMITTEE TO DEVELOP AND RECOMMEND A STATE-
OPERATED HYDROGEN ENERGY LIABILITY INSURANCE PROGRAM TO EASE
ECONOMIC BARRIERS TO HYDROGEN BUSINESSES IN NEW MEXICO.

WHEREAS, there is an urgent need to move the United
States' energy economy away from petroleum-based systems and
other limited resources of foreign fossil fuels for reasons of
national security; and

WHEREAS, continued use of fossil fuels adversely affects
the environment in two key ways: increased pollutants and the
production of greenhouse gases; and

WHEREAS, the nation's future energy source mix should
increasingly rely on clean, sustainable and renewable sources;
and

WHEREAS, extracted hydrogen will become an important
element of the nation's energy portfolio, because it can be
obtained from domestic sources and its use emits only water
vapor; and

WHEREAS, federal laboratories in the state of New Mexico
have, for nearly thirty years, participated in the evolution
of technologies that allow for the use of hydrogen for energy
purposes, making the state a technology leader; and

WHEREAS, the governor has proclaimed New Mexico the

"Clean Energy State" and desires the state to become a leader in hydrogen energy; and

WHEREAS, the deployment of hydrogen-energy-based systems and businesses has been recognized as an important component of the state's economic development strategy; and

WHEREAS, a major impediment to more rapid implementation of hydrogen-based systems is the absence of liability and property insurance for hydrogen energy installations; and

WHEREAS, the unwillingness of insurers to underwrite hydrogen systems, despite many significant and distinguished studies indicating their safety, exists because very few installations and very little data on their performance exist; and

WHEREAS, should first-tier indemnification be provided to a significant degree, insurers are likely to provide second-tier insurance; and

WHEREAS, the state of New Mexico has the opportunity to take the lead nationally, in remedying this situation by providing liability insurance to qualified hydrogen energy installations, thereby accelerating the introduction of this important energy source;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that, during the 2006 legislative interim, the New Mexico hydrogen business council be requested to convene a committee with appropriate

representation from state government and business interests to include the hydrogen technology partnership to develop draft legislation for the 2007 legislative session that creates a state-operated liability insurance program for certified hydrogen energy projects; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the secretary of economic development and the governor.