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HOUSE MEMORIAL 29

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Peter Wirth

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

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

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

9 WHEREAS, the governor has proclaimed New Mexico the "Clean
10 Energy State" and desires the state to become a leader in
11 hydrogen energy; and

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

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

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

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

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

6 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
7 REPRESENTATIVES OF THE STATE OF NEW MEXICO that, during the
8 2006 legislative interim, the New Mexico hydrogen business
9 council be requested to convene a committee with appropriate
10 representation from state government and business interests to
11 develop draft legislation for the 2007 legislative session that
12 creates a state-operated liability insurance program for
13 certified hydrogen energy projects; and

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