



**Hydrogen Europe  
Research**

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# **Policy Working Group**

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***17 February 2023***

# Agenda

1. Welcome & agenda
2. Updates on activities
  - The intranet is live – Policy Library available!
3. Latest updates on EU institutions' activities
  - Green Deal Industrial Plan
  - Delegated Acts on Hydrogen
  - Update on ongoing policy files
  - Funds – call for proposals
4. Data, reports and studies



Updates on  
▶ activities

# Activities

- **Horizon Consultation to be approved by the Board and uploaded.**
- **The intranet is live!** As member of the Working Group you should all have access to the Policy section



## European Policies

[CLICK HERE TO FIND EU LEGISLATION](#)

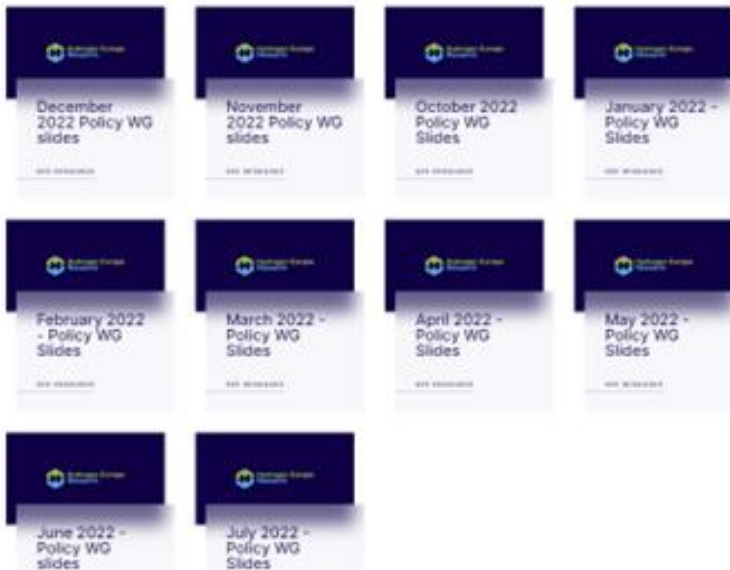


## Presentations from Working Group meetings

[CLICK HERE TO RETRIEVE THE PRESENTATIONS](#)

# Activities

## 2022 - Presentations Working Group meetings



## Delegated Acts on Hydrogen

Updated on 10 February 2022. The European Commission has adopted three delegated acts to implement the Hydrogen Regulation. The acts are: the Delegated Act on the definition of low-carbon hydrogen, the Delegated Act on the definition of low-carbon hydrogen, and the Delegated Act on the definition of low-carbon hydrogen.



## Green Deal Industrial Plan

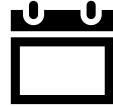
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# Latest updates on ▶ EU institutions' activities

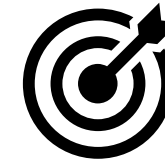
# Green Deal Industrial Plan



- 14 December EC president VdL sent a letter to MS to present a “four-point plan” to tackle high energy prices and the impact of the IRA.
- In Davos on 17 January, she presented her views for a **Green Deal Industrial Plan**
- Communication adopted on 1 February

## Scope - 4 Pillars:

1. a predictable and simplified regulatory environment (speed and access);
2. faster access to sufficient funding;
3. skills;
4. open trade for resilient supply chains.



**Goal: Providing a more supportive environment for the scaling up of the EU's manufacturing capacity of net-zero technologies and products.**

# Green Deal Industrial Plan



## i. A predictable and simplified regulatory environment

- Clean H2 identified as a strategic sector. **Net-Zero Industry Act** providing technological objectives.
- Critical Raw Materials Act and reform of the electricity market design as enablers

## ii. Speeding up access to finance

- Adaptation and softening of **state aid rules** (renewable H2 production / industry decarbonisation / manufacturing electrolysers) + targeted aid for production facilities (tax-breaks)
- Streamline and simplify the approval of IPCEI-related projects.
- **European Sovereignty Fund** - to be proposed before summer 2023.
- **Hydrogen Bank**: first auction to be launched in autumn 2023, indicative budget of EUR 800 million. It should be announced in June 2023 and will be followed by further auctions or other forms of support for hydrogen production and use. Winners of this auction shall receive a fixed premium for each kg of renewable hydrogen produced over a period of 10 years.



# Green Deal Industrial Plan



## iii. Enhancing skills

- Need for skilled workers to develop, build, and operate clean technologies:
- **Net-Zero Industry Academies to roll out up- and re-skilling programmes in strategic industries.**
- Facilitating the recognition of qualifications
- Attract talent from outside the EU

## iv. Open trade for resilient supply chains

- Continued development of EU's network of Free Trade Agreements and other cooperations;
- Initiatives:
  - **Critical Raw Materials club** working with like minded partners to collectively strengthen and diversify supply chains
  - **Clean Tech/Net-Zero Industrial Partnerships** promoting the adoption of net zero technologies globally and supporting the role of EU industrial capabilities in paving the way for the global clean energy transition.

# Green Deal Industrial Plan

- **Divided views among Member States**
  - Divisions on the European Sovereignty Fund (*fresh money against using existing resources*) and on the relaxation of State aids (ongoing consultation).
  - 9-10 February EU Council adopted [conclusions](#) in reaction to the proposal:
    - Agreed that the question of new European funding is not urgent and it is first of all a question of “*making flexible*” and exploiting existing funds that are not yet deployed
    - Consensus of the leaders around a “*relaxation of State aid which must be targeted, limited in time and coupled with more flexibility with existing means, to support the EU’s industrial and economic base*”
- **Divided views among political parties in the European Parliament**
  - General support to the Plan.
  - S&D, Renew, Greens/EFA: welcoming new funding opportunities (European sovereignty fund), divisions on the scope this should cover (only priority areas or further)
  - EPP: not in favour of developing new funds but would rather reallocate existing funding “not used at the moment” (RRF, etc.), found that it is too oriented towards the green transition not other sectors.
  - The EP adopted a [resolution](#) on the plan on 16 February following, with the opposition of the EPP

# Green Deal Industrial Plan



## Next steps:

- 14/03: Net-Zero Industry Act and CRM Act proposals
- 23 and 24/03: European Council

# Delegated Acts on Hydrogen

The 2 Delegated Acts on hydrogen were finally published by the European Commission (expected in December 2021).

**DA on Union methodology for  
RNFBOs  
“Additionality DA”**

Sets out conditions under which hydrogen, hydrogen-based fuels or other energy carriers can be considered as an RNFBO. *(conditions that must be met for the supply of electricity from RES to green hydrogen production facilities)*

**DA for a minimum threshold for  
GHG savings of recycled carbon  
fuels and annex**

Defines the **GHG emissions methodology** for the calculation of the lifecycle GHG footprint of green hydrogen (and derivatives), which must be below (approximately) **3kg CO<sub>2</sub>e / kg hydrogen** on a well-to-wheel basis to meet the GHG emissions reduction requirements under RED II for RNFBOs.

# Delegated Acts on Hydrogen

## DA on Union methodology for RNFBOs *Additionality DA*

### Direct Connection to a RES:

1. Provided the RES facility is **no older than 36 months** at start-up of the RFNBO facility (with extended periods for certain expansions); additionality

### Electricity provided through the grid:

1. where **the share of RES production was greater than 90%** in the relevant electricity market bidding zone as an average in the previous calendar year;
2. where **the grid average GHG emissions intensity is below 18gCO<sub>2</sub>e/MJ (today SE, FR)**. The RFNBO producer **must acquire a renewable PPA and satisfy the temporal and geographical requirements**, but the RES need not comply with the additionality test;
3. where that **RES would otherwise have been curtailed** without such production (proof of this needs to be obtained from the national TSO);
4. **from grid electricity provided through a PPA satisfying 3 criteria** (see next slide)

# Delegated Acts on Hydrogen

4. from grid electricity satisfying 3 criteria:
  - a) **Additionality** - the RES facility is **no older than 36** months at start-up of the RFNBO facility AND the RES has **not received support in the form of operating aid or investment aid** (with some limits) - in application as of 2028\*
  - b) **Temporal correlation** - monthly correlation then hourly correlation as of 2030  
*The electricity used in the ELY must be used in the same hour that it was produced in the RES.*
  - c) **Geographical correlation** - in the same bidding zone / interconnected bidding zone / offshore bidding zone (details to be analysed)

A review process must be carried out by the EC by 2028, regarding the introduction of an hourly correlation as of 2028.

\*A **grandfathering clause** will apply for installations that came into operation before 2028, the additionality criteria will not apply until 2038.

# Delegated Acts on Hydrogen

## Next steps:

- The European Parliament and the Council have now **2 months to scrutinise** the DAs and either accept or reject the proposals. At their request, the scrutiny period can be extended by 2 months. There is **no possibility for the Parliament or Council to amend the proposals.**
- Once published in the Official Journal the DAs will be **directly binding** in Member States, no local implementation is required.

# Update on ongoing policy files

- **ETS & CBAM** - the interinstitutional agreements were approved by the ENVI Committee on 9/02.
- **CO2 emission standards for new cars and vans** - interinstitutional agreement approved by the European Parliament on 14/02 - objective 100% reduction by 2035.
- **RED II Revision** - Trilogues are continuing. The question of renewable energy consumption targets is still not set. 9 Member States called - again - for including low-carbon hydrogen in these targets.
- **Gas Package** - On 9/02, the ITRE Committee adopted its position.
- **EPBD** - Energy Performance of Buildings Directive - an amendment on hybrid heating systems was criticized by the BEUC on opening the door to hydrogen boilers, seen a loophole for fossil fuel.



# Update on new policy files

- On 27 January, the European Commission unveiled a [roadmap](#) to support the climate transition of the European chemical industry. It collates actions around different themes, including the use of less polluting energies such as hydrogen.
- On 14/02 the European commission proposed [a text](#) to reduce CO2 emissions from trucks and buses by 90% by 2040.

# Funds - call for proposals



- On 2 February, the European Commission announced the opening of an office of the European research framework programme Horizon Europe in Kyiv, hosted at the National Research Foundation.
- Research Fund for Coal and Steel launches two €165 million calls for green transition - the deadline to apply is 4 May 2023.



# ▶ Reports and studies

# Data and Reports

- The ACER published [new recommendations](#) for setting electricity grid tariffs in Europe ([report](#))
- In 2022, wind and solar generated more electricity in the EU than fossil gas, according to the report from [Ember](#). They have partly filled the production gap from hydro and nuclear power plants.
- *Between 2020 and 2021*, according to [Eurostat](#):
  - Renewable electricity production in EU rose by almost 5% but its share in the gross final energy consumption decreased of 0,3% compared to 2020.
  - The share of renewable energy in transport went down by 1.2 percentage points in the EU
- Member States' combined targets for 2030 on offshore wind is almost double the EU's original ambition: from 60GW (EU strategy from 2020) to 112GW by 2030.



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**Thank you!**