



Hydrogen Europe
Research

Policy Working Group

9 November 2023

Agenda

1. Welcome & agenda

2. HER Activities

- Hydrogen Week
- PFAS

3. Latest updates on EU institutions' activities

- Launch of discussions on FP10
- Updated SET Plan
- Fit for 55 – a chapter closed
- Gas Package
- Electricity market design
- Net Zero Industry Act
- The European Commission on hydrogen
- ACER's publications

4. Data, reports, opportunities



▶ HER Activities

Programme Review Days & Hydrogen Week

15-16 November - Programme Review Days online - have a look at the [agenda!](#)

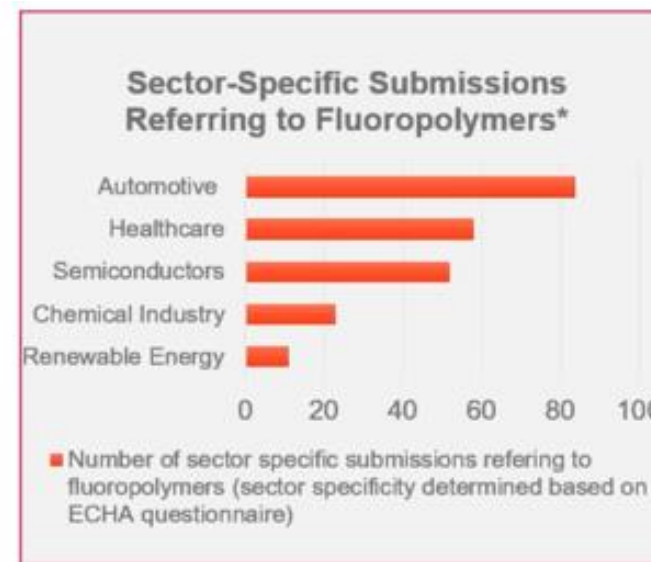
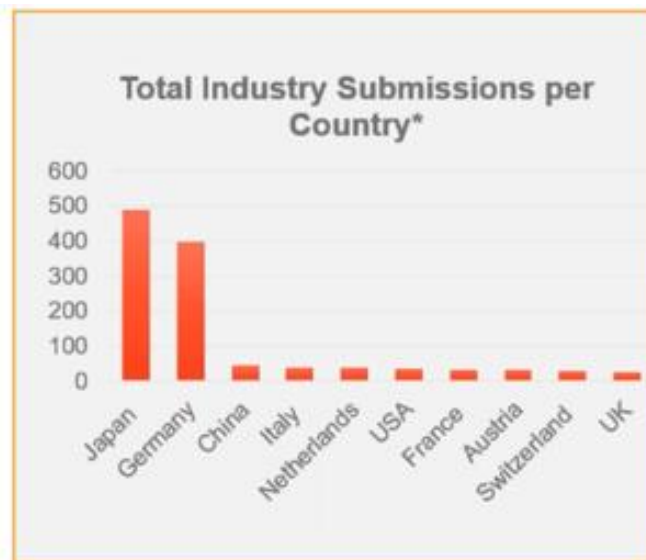
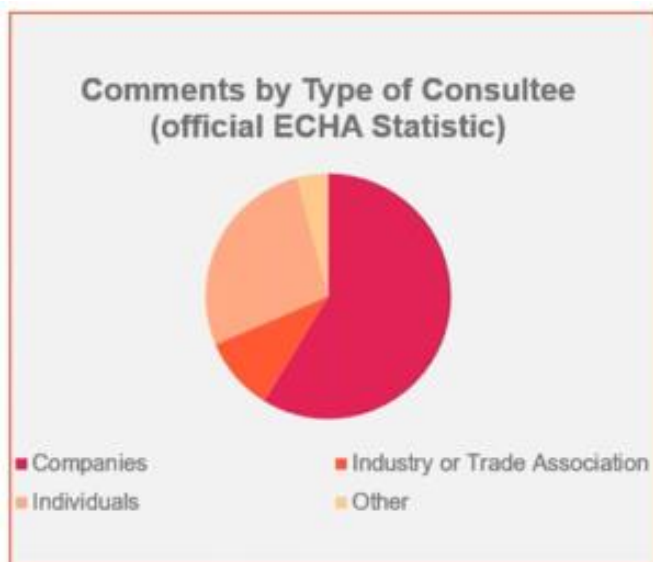
20-24 November - [Hydrogen Week](#) at Brussels Expo

- 21 November afternoon - Hydrogen Europe Research General Assembly
- 22 November at 5 pm - Hydrogen Europe Research awards ceremony
- The High-level policy conference is upon acceptance only.
- The B2B sessions, Side-events, and EU projects podium sessions are open to all.



Update on PFAS consultation

- Update on the PFAS restriction ban:
 - 5,600 submissions
 - 4,400 organisations, companies and individuals
 - Numerous industry submissions defending the critical uses of fluoropolymers



Data from Chemours

Update on PFAS consultation

Next steps in the PFAS process & upcoming consultation:

- The **REACH Forum** will provide **advice**
- **Committee for Risk Assessment (RAC)** will prepare and adopt a final opinion (9 months)
- **Committee for Socio-Economic Analysis (SEAC)** will prepare and adopt a draft opinion (9 months) and a final opinion (12 months)
 - **Consultation of 60 days** foreseen after the publication of the SEAC draft opinion (exact timing TBD)

- Significant delays expected in committees' opinion development process
- Potential sector-by-sector approach for opinion development
- Uncertainty of timeline continues to create concerns for future investments required to meet EU ambitions and strategy

However, opportunity to engage in the regulatory process is **NOT OVER YET**. Prepare to comment on SEAC's draft opinion



Latest updates on ▶ EU institutions' activities

FP10 shaping discussions are starting

A special task force is combining member states opinions to help shape FP10 (2028-2034).

The Horizon Europe principles are expected to be continued (open science, academic freedom, “de-risked” international collaboration, excellent research)

Expected / Required changes on:

- Better synergies with other funding streams (e.g. structural funds) - *suggestion to earmark a budget for R&I in each EU funding programme*
- Simplified funding application processes
- Better balance between support for fundamental research and close-to-market innovation (ERS and MSCA are oversubscribed).

Expected publication of a **report in June 2024** putting together their vision on FP10.

Debates on evolution or revolution - best approach being discussed. *The difficulties of a new FP10 programme is that it could take long for beneficiaries to get used to the programme.*

Should Horizon fund “everything” or be focused on key areas?

The EC is also assembling an expert group (ERAC task force) that should provide a report by the end of 2024 on how FP10 should work.

Updated SET Plan for Europe



On 20 October, the [revision of the Strategic Energy Technology](#) (SET) Plan was adopted, it's the second update since its setting up in 2007.

Goal: support cooperation in energy technology research and adapt the SET Plan to the priorities of the 'European *Green Deal*' and the '*REPowerEU*' initiative.

Focus of the revised plan:

- New priorities on cross-cutting issues, including sustainability by design, skills development (VET), research and innovation, tailored to societal needs, digitalisation, and market accessibility;
- Expand the current technology scope to encompass all strategic renewable energy technologies;
- **Establish a dedicated workstream on hydrogen to implement the 'ERA pilot on Green Hydrogen'**;
- Stimulate cooperation between European technology platforms and European industrial alliances in the fields of electric batteries, clean hydrogen and photovoltaic panels in order to attract investment and contribute to the development of the regulatory framework.

Update on Fit for 55

Fit for 55 proposals	Status
Revision of the EU Emission Trading System (EU ETS)	Adopted
Revision of the Renewable Energy Directive (RED)	Adopted
Revision of the alternative fuels infrastructure regulation (AFIR)	Adopted
Amendment of the regulation setting CO2 emission standards for cars and vans	Adopted
Carbon Border Adjustment mechanism (CBAM)	Adopted
Social Climate Fund	Adopted
ReFuelEU Aviation	Adopted
FuelEU Maritime	Adopted

This closes an important package of legislations for this mandate of the Commission. The EC work programme for 2024 will focus on concluding the dossiers currently under negotiation and implementing the legislation adopted.

Gas Package

Remaining points of disagreements between the co-legislators:

- Governance - EC & Council in favour of ENNOH whereas the EP wants a merger with the existing ENTSO-G)
- Biomethane target for injections in the natural gas network (EP in favour, EC and Council against)
- Tariffs for access to interconnection points - the EP wants to abolish tariffs at borders, disagreement from the Council
- Remaining opposition between the role of national regulators and the ACER.
- Final trilogue scheduled on 27 November

Joint Letter from industry and NGOs to set up ENNOH - They are calling for monitoring by an independent body, as well as integrated coordination with ENTSO-E and ENTSOG and consultation with renewable energy producers and end consumers.

Electricity market reform

On 19 October, the Parliament and Member States' ambassadors met for a session aimed at issuing a reminder of the institutions' positions on the electricity market reform.

Positions on two-way contracts for differences (CfDs) are differing between both institutions:

- EP - made price support scheme only available for investment in new production capacity
- Council - made price support accessible for existing installations (if modernised, extended operating life and increased capacity, under the surveillance of the EC).

Launch of the interinstitutional negotiations expected on 16 November.

Why is the policy file important for the H2 sector?

- Sets a framework for two-sided contracts-for-difference (CfD) and power purchase agreements (PPAs) that could be combined.
- Hydrogen is dependent on PPAs to prove that its renewable (Delegated Act)
- The text offer Member States the possibility to introduce new, or adapted, market-based support schemes to promote storage and demand response, which could lead to the incentivisation of hydrogen storage for power generation.

Net Zero Industry Act

European Parliament

- The ITRE Committee adopted its position on 25 October
- It proposed a **single list of 16 technologies**, whereas the Commission and EU Council propose two lists, one ‘strategic’ and one ‘zero net’.
- A distinction is kept for **strategic projects** that will benefit from **more advantageous installation conditions** if they meet certain criteria:
 - contribute to the EU’s resilience by adding production capacity for ‘net zero emission’ technologies for which the EU is more than 50% dependent on imports from a single country;
 - contribute to the EU’s competitiveness by adding ‘cutting-edge’ manufacturing capacity for technologies for which the EU exports more than 25% of its production;
 - contribute to the EU’s environmental and climate objectives, for example by implementing a low-carbon manufacturing process.
- MEPs amended the selection criteria for projects on access to markets and the thresholds for the contribution of projects to the Union’s resilience and sustainability
- They have added **three pre-selection criteria for public procurement** - to favour equipment not coming from third countries (cannot exceed 50% of the public procurement)

The text should be voted in the plenary in November.

Net Zero Industry Act

Council

- Debate over the inclusion of nuclear in the list of “strategic” technologies
- “Transformative industrial technologies for decarbonization” added to the list of ‘net zero emission’ technologies
- “Sustainable alternative fuels” (SAF) were also added in the list of 8 ‘strategic’ technologies

The European Commission on hydrogen



On 10 October as an opening of a **series of dialogue on the clean transition**, Ursula von der Leyen and Maroš Šefčovič exchanged on hydrogen with representatives from across the hydrogen value chain.

“Our objective is simple. We want to take European hydrogen from niche (production) to scale. We want Europe to be the global home of clean hydrogen”

Ursula von der Leyen

On 12 October, **Maroš Šefčovič participated to the Renewable Hydrogen Summit.**

- He called for a resilient European energy transition in face of current crises.
- He defended a *“Made in Europe”* approach, encouraging the EU to be proud of its achievements and to promote sustainability. This could lead to a change in public purchasing criteria, with greater emphasis on sustainability and compliance with strict environmental standards

Publications from the ACER



On 4 October - the Agency for the Cooperation of Energy Regulators (ACER) published its [recommendations](#) concerning the selection process for PCIs/PMIs which are electricity and hydrogen infrastructure projects that :

- benefit from accelerated authorisation procedures and financing (project of common interest)
- are promoted by the EU in cooperation with third countries and recognised as facilitators of the energy transition (project of mutual interest)

The ACER finds that the project selection process, infrastructure requirements and selection methodology need to be improved in order to be able to assess the consistent application of the criteria of the TEN-E Regulation and the cost-benefit analysis for all candidate projects > Need for greater transparency.

Related to hydrogen projects (for the first time included in PCI & PMIs), the ACER asks for a more precise methodology and synchronization of the Ten-Year Network Development Plan (TYNDP) processes.

Publication of the final Guidelines for [Ten-Year Network Development Plan 2024](#) .



▶ Reports, studies

Opportunities

- A [call for applications](#) will run until 30 November to bring together a panel of experts to assist the Commission in **implementing the legislative acts of the Carbon Border Adjustment Mechanism (CBAM)** - representatives of the 27 Member States as well as members of NGOs, think-tanks and industry groups, operating until 2026.
- **New call for co-funding of regional, national and international programmes (COFUND)** as part of the Marie Skłodowska-Curie Actions (MSCA), €96.6 million budget to cofinance doctoral training programmes and postdoctoral excellence scholarship programmes.
Eligibility: any type of research organisation, including universities, research centres, companies or regional and national authorities
Deadline: 8 February 2024 at 5 pm CET.

Data & Reports

- Publication of the [World Energy Outlook 2023](#) - IEA. By 2022 in Europe:
 - Investment in solar photovoltaics had increased by 23%,
 - Sales of electric cars accounted for 15% of total new car sales.
 - The IEA believes that particular attention needs to be paid to supply chains, particularly for wind power, which is currently under strain.
- Publication of a [report](#) detailing the operation and impact of the EU Emissions Trading Scheme (ETS) for 2022 and the first half of 2023:
 - The ETS regulates almost 36% of the EU's GHG emissions
 - The document highlights a steady decline in emissions - emissions from power generation facilities and heavy industry fell by 37.3% compared with 2005
 - Auctions of emission allowances have generated almost €39 billion in 2022, bringing total revenue from the ETS to €152 billion.
 - The majority of these funds were reinvested in climate and energy initiatives, with Member States allocating an average of 76% of this revenue to such actions.
 - With the inclusion of the maritime sector in 2024 and the launch of a new system for buildings, road transport and small industries in 2027; the ETS are expected to cover $\frac{3}{4}$ of the EU's emissions



**Hydrogen Europe
Research**

Thank you!