



**Hydrogen Europe  
Research**

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# **Policy Working Group**

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***23 February 2024***

# Agenda

1. Welcome & agenda
2. Latest updates on EU institutions' activities
  - Net Zero Industry Act
  - Revision of the MFF & STEP
  - Future of the FP10
  - European Hydrogen Bank
  - IPCEI – HY2Infra
  - Other news
3. Data, reports, opportunities
  - ACER analysis on the H2 wholesale market
  - Other publications



# Latest updates on ▶ EU institutions' activities

# Net-Zero Industry Act (NZIA)

The Parliament and Council have agreed on the Net-Zero Industry Act. The aim is to boost domestic green tech and answer to the American Inflation Reduction Act.

The act sets a target of producing **40% of the net-zero technologies the EU requires by 2030.**

- Simplification of permitting process for strategic projects (12 to 18 months depending on the scale of a project)
- Update of public procurement rules to favour European producers (including resilience criteria - made in the EU to a certain extent)
- Support the development of regional clusters.
- Use of regulatory sandboxes to foster innovation.

There is finally **one single list of 15 key technologies** (unlike the EC and the Council proposal) including fuel cells and electrolysers, among others.

**Member States are free to decide which of them they want to support.**

# Revision of the Multiannual Financial Framework

After being defined by the Council, the mid-term review of the 2021-2027 MFF is submitted to the European Parliament for a consent vote scheduled on 26 February.

**The European Parliament can only approve or reject this revision of the EU budget (no amendment).**

Connected with the MFF revision the funding for the **Strategic Technologies for Europe Platform (STEP)**.

- Funding: €1,5 billion of ‘new money’ allocated through the European Defense Fund; redeployment of funds from other programmes (including Horizon Europe)
- STEPs’ will make it easier for Member States to redirect certain European funding towards strategic industrial projects, notably via the Cohesion Fund.
- More advantageous rules may apply in terms of co-financing or investment for these projects (e.g. 100% cofinancing rate)
- Scope: support projects in digital technologies, clean and resource-efficient technologies and biotechnologies (not aligned with NZIA)

# Future FP10

## Evaluations of the different entities under Horizon Europe

- EIT

Overall positive assessment of the EIT KICs (independent audits of five KICs (*Climate, InnoEnergy, Digital, Manufacturing and Urban Mobility*) by *Deloitte* and *White Research*).

After demands from member states and MEPs for the EIT to be dissolved, Marc Lemaitre appears open to proposals on a common structure with the EIC.

- **Publication of the ERA-LEARN [report](#) considering the future of EU research partnerships in the FP10:** report based on the outputs of the second Partnership Stakeholder Forum, (5 & 6 December 2023 in Brussels)

*“After an extended period of getting started and exploration that lasted more than 10 years, Partnerships need now to enter a maturity phase,”*

*“Partnerships are an important instrument for achieving the EU policy goals, but their creation needs to be backed by sound justification.”*

*“Form should follow function”*

**The mid-term evaluation of the Clean Hydrogen Partnership still awaited.**

# Future FP10

## Draft council conclusions

The Belgian Presidency of the Council of the European Union has sent delegations draft conclusions on the ex-post evaluation of the *Horizon 2020* research framework programme and future prospects.

**“NOTES that in general the large number of instruments in the programme, including the complex Partnerships landscape, hampers navigability and accessibility for applicants [...] CALLS ON the Commission to investigate the added value of each separate instrument and to **discontinue or reorient those that underperform or overlap.**”**

The text will be reviewed by the Council working group on 23 February.

## President Ursula von der Leyen at the 3<sup>rd</sup> Clean Transition Dialogue (20/02)

- Welcomed the fact that *clean tech* was one of the main beneficiaries of the European Innovation Fund;
- But acknowledged that it was difficult for businesses to find their way through “*a jungle of funds*”, and noted the Commission’s support for businesses through a *one-stop shop*.

# European Hydrogen Bank



 IF23  
AUCTION

**132**

**BIDS RECEIVED**

**INNOVATION FUND**  
*Deploying innovative net-zero technologies for climate neutrality*

- Bids received from projects in **17 European countries**.
- **All bids taken together** provide for a total planned electrolyser capacity of **8.5 GW**, representing **8,8 million tonnes** of renewable hydrogen over **10 years**

## Next steps:

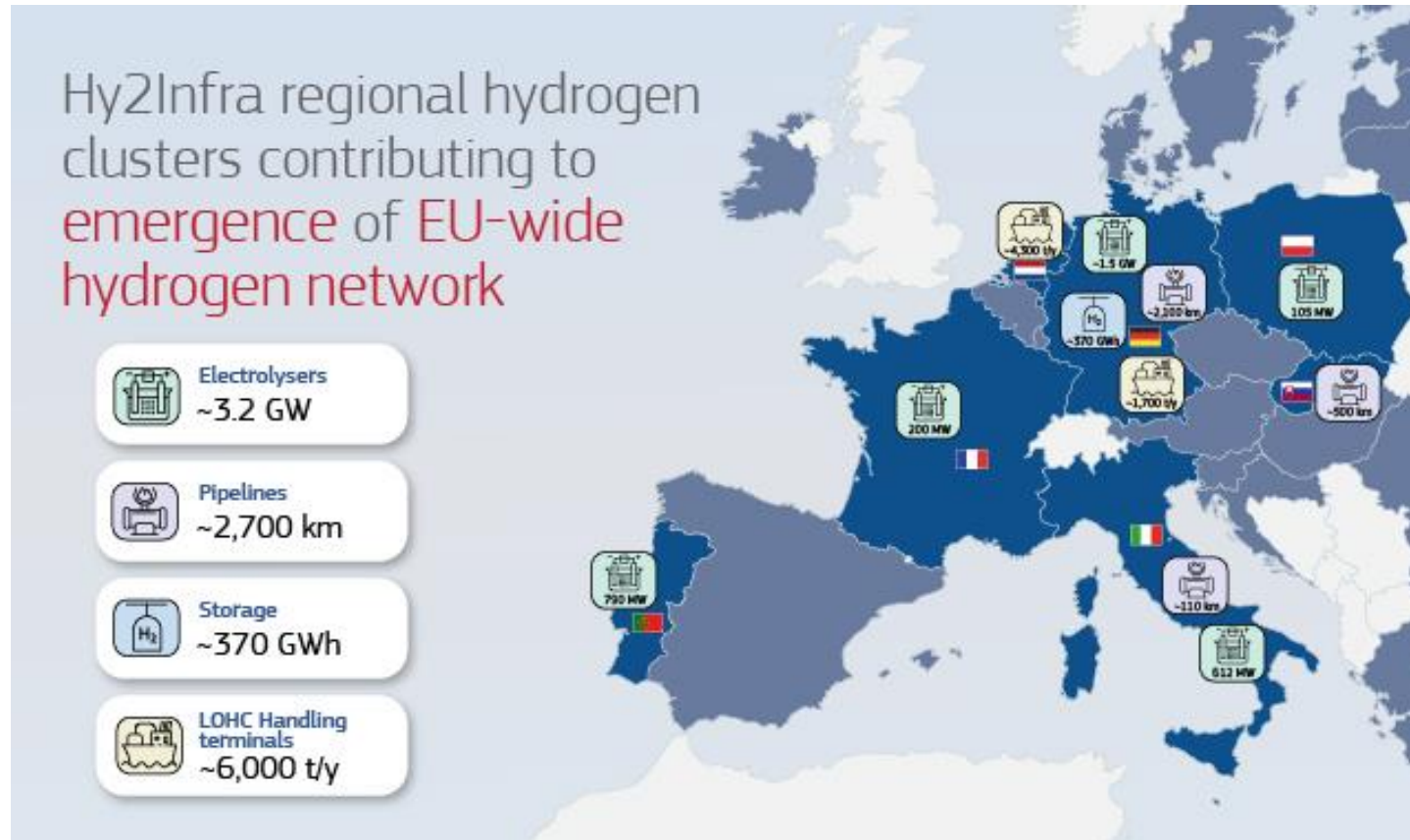
- Selections of awarded bids in April/May 2024, grant agreements to be signed by November 2024.
- Within 5 years of the GA signature, start of H2 production



# Approval of a new IPCEI on hydrogen

- 7 Member States
- **€6,9 billion of State aid**
- €5.4 billion of private investments expected
- 32 companies will participate in 33 projects

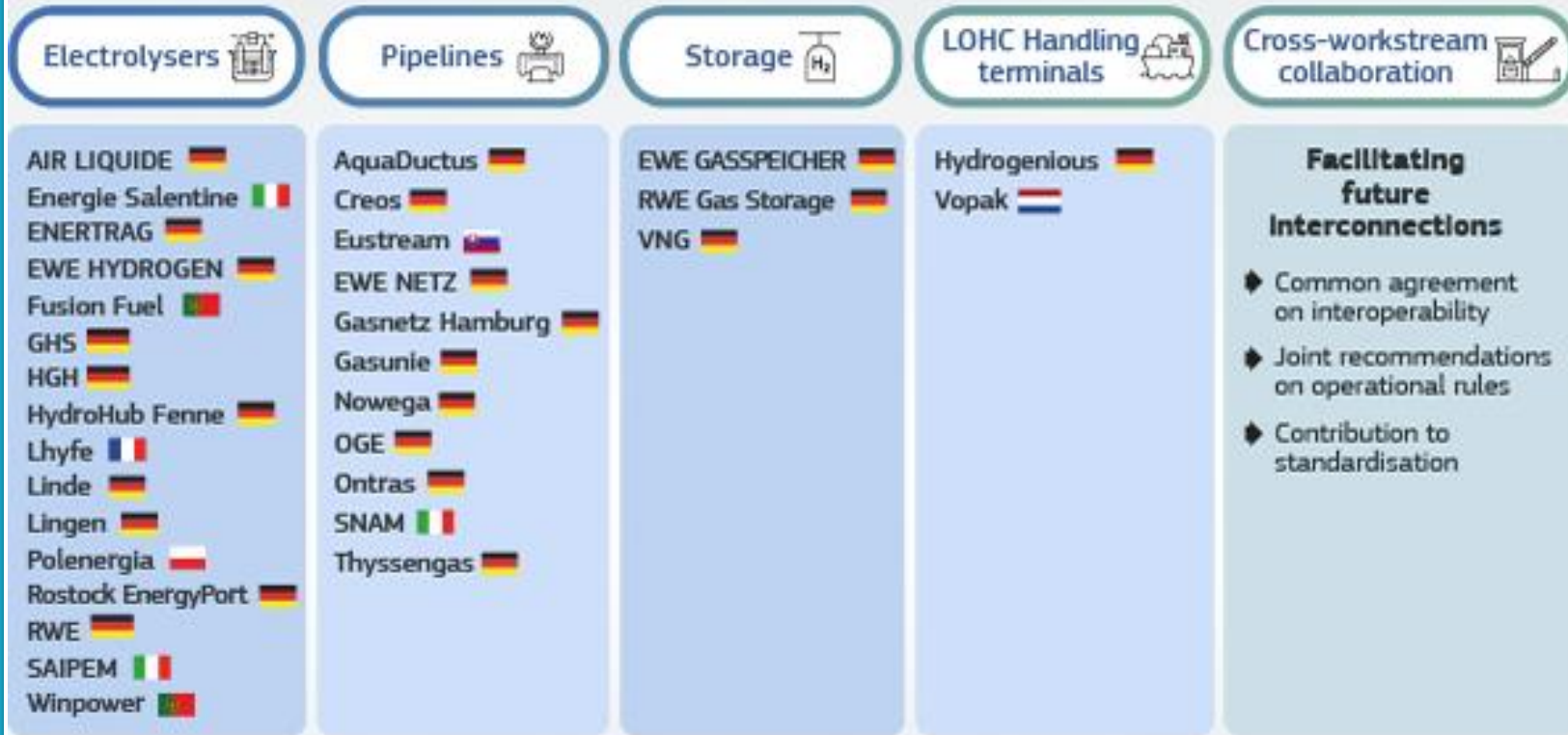
For more information on the [IPCEI process](#) for hydrogen.



The Commission approved by 7 member states for the third IPCEI in the hydrogen value chain - “Hy2Infra”.

# Approval of a new IPCEI on hydrogen

## IPCEI Hy2Infra workstreams



Relevant projects include:

- 3.2 GW of large-scale electrolysers;
- around 2,700 km of new and repurposed H2 pipelines;
- up to 370 GW/h of large-scale H2 storage facilities;
- handling terminals and related port infrastructure for hydrogen carriers.

Another IPCEI is under review by the EC - **Hy2Move** - and should be approved in the coming months.

# Other News

- European Commission President Ursula von der Leyen to run for a second term.
- [Draft Conclusions](#) from the Belgian presidency on Strengthening knowledge valorisation as a tool for a resilient reindustrialisation and open strategic autonomy in Europe
- [Antwerp Declaration](#) adopted by industry representation on 20 February during the European Industry Summit:
  - 108 signatures from 18 sectors supporting 10 key points.
  - Support to NZIA and the CRM and call for extending its scope
  - Call for the simplification of state aid rules and providing more public funding to support industry - calling for a [Clean Tech Deployment Fund](#)
  - Recommend an ‘omnibus’ legislative proposal to provide corrective measures on a range of existing European texts.
- International Ministerial Meeting in Brussels endorses statement on principles and values for international cooperation in Research & Innovation - [Brussels Statement](#) calling for a roadmap to establish common understanding of principles and values for international R&I cooperation, and coordination with international fora.



▶ Reports, studies,  
data

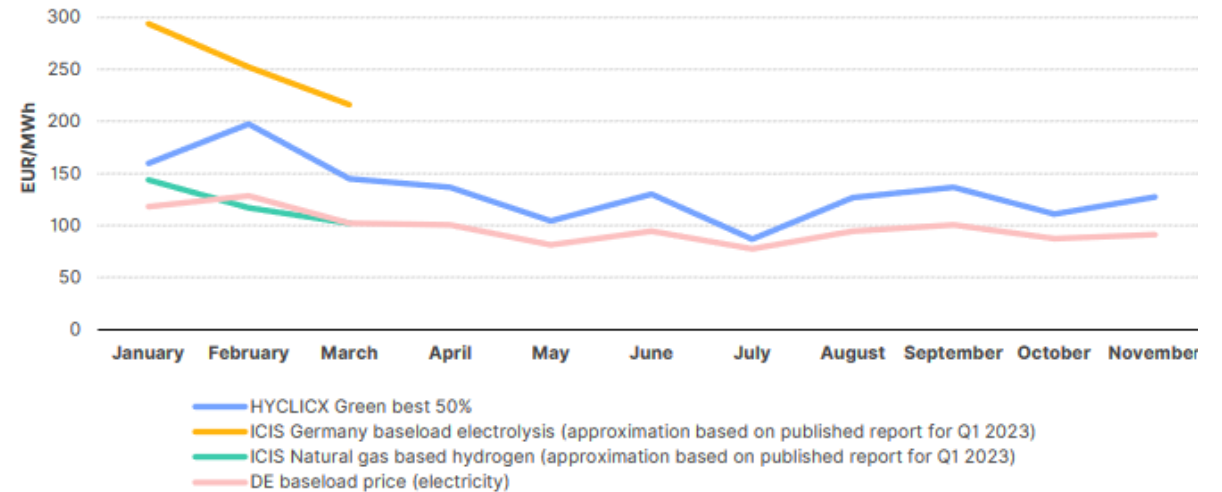
# ACER analysis on H2 wholesale market

The ACER conducted a **targeted analysis** of the wholesale hydrogen market and found that “a fully-fledged hydrogen economy, with a developed decentralised demand, is not yet in sight”.

Biggest challenge facing the growth of the hydrogen market: the **lack of commitment to hydrogen demand outside the chemical industry** (ammonia/fertilisers and refineries).

*“There are still unknowns related to the efficiency of technologies for producing and transporting hydrogen, which will likely impact the development towards an efficient hydrogen wholesale market.”*

Figure 2: Published estimations for short-run marginal costs of hydrogen in 2023



Source: Hyxchange, ICIS and EPEX Spot (2024).

# Reports, data

- In 2023 in the EU, renewable energies to account for a record 44% of the EU's electricity. The share of electricity generated by wind power (18%) has overtaken that generated by gas (17%) for the first time in 2023 ([European Electricity Review 2024](#), Ember).
- The EU recorded 7.1% fall in greenhouse gas emissions in Q3 of 2023, while maintaining economic stability ([Eurostat](#)).
- The EU agency CINEA launched a new tool to discover EU-funded projects related to carbon management ([here](#))
- The ERC Scientific Council gives [details](#) on changes for the evaluation of research projects.



# Hydrogen Europe Research

**Thank you!**

Next Policy Working Group meetings:

- ~~Friday 22 March~~ > Postponed to **Friday 19 April**
- **Friday 7 June**
- **Friday 12 July**