



Hydrogen Europe
Research

Policy Working Group

25 OCTOBER 2024

Agenda

1. Welcome & agenda

2. EU institutional activities

- Update on the institutional renewal
- Hydrogen Bank Auctions
- Publication of the draft Delegated Act on low-carbon hydrogen
- Future FP10

3. Data & reports

The background of the slide features a soft-focus, light gray image of numerous water droplets and bubbles of various sizes. Some droplets are in sharp focus, showing their spherical shape and reflections, while others are blurred in the foreground and background, creating a sense of depth and movement. The overall aesthetic is clean and modern.

EU INSTITUTIONAL ACTIVITIES

Institutional Renewal – where are we at

European Commission

- European Parliament hearings of European Commissioners-designate will take place from 4 to 12 November.
- [Written answers](#) to the MEPs questions have been shared by commissioner-designates.



Ms Ribera, designate candidate for an Executive Vice-President role on Clean, Just and Competitive Transition outlined a **series of new proposals and initiatives** that will be launched at the start of her term of office:

- Clean Industrial Deal – *“should unify the EU’s tools for prosperity competitiveness, decarbonization and social fairness, building synergies among them”*.
- Circular Economy Act
- Decarbonisation Accelerator Act
- Chemical Industry package

European Parliament

- Change in the political equilibrium in the Parliament.
- The EPP is at the center of the hemicycle and benefit from this position to ally on its left or right depending on the occasion – *end of not working with the far-right*.

Hydrogen Bank auctions – grant agreements signed

- 7 October: Grant agreements have been signed for six of the seven European projects awarded support from the Hydrogen Innovation Fund pilot auction.
- One of the project has decided to withdraw from the grant agreement procedure.
- In total, the projects have the potential to produce up to **1.52 million tonnes of renewable hydrogen in the first ten years of operation.**

Project	Coordinator	Country	Bid volume (kt_H2/10 yrs)	Bid capacity (MWe – Mega watts electric)	Expected GHG avoidance (kt_CO2/10 yrs)	Bid price (EUR/kg)
eNRG Lahti	Nordic Ren-Gas Oy	Finland	122	90	836	0.37
El Alamillo H2	Benbros Energy S.L.	Spain	65	60	443	0.38
Grey2Green -II	Petrogal S.A.	Portugal	216	200	1477	0.39
HYSENCIA	Angus	Spain	17	35	115	0.48
SKIGA	Skiga	Norway	169	117	1159	0.48
Catalina	Renato Ptx Holdco	Spain	480	500	3284	0.48
MP2X	Madoquapo wer 2x	Portugal	511	500	3494	0.48

Withdrawn

On 27 September the European Commission published new [Terms and Conditions](#) for the 2nd auctions of the European Hydrogen Bank.

- **Budget:** could reach **€1,2 billion** (first auction €720 million distributed), with **€200 million reserved** exclusively for producers who will sell their renewable hydrogen to **buyers in the maritime sector**.
- The successful bidders will receive a fixed premium in €/kg of renewable hydrogen produced, over ten years of operation.

What's new?

- Introducing a **“Resilience” criterion** – new requirements aimed at *“ensuring security of supply for essential goods and contributing to Europe's industrial leadership and competitiveness”*. A pass/fail assessment will be implemented looking at:
 - The contribution to a diversified supply chain (= projects have to limit sourcing of electrolyser stacks with surface treatment or cell unit production or stack assembly carried out in China to not more than 25%)
 - Compliance with standards (safety ISO, cybersecurity)
 - Information gathering
 - Foreign subsidy regulation, state aid rules and trade defence instruments

Hydrogen Bank auctions

Other noticeable changes:

- new price ceiling of €4/kg (previously €4.5/kg)
- five-year timeframe for commissioning the project
- two-and-a-half-year timeframe for making the final investment decision.

Maintained features:

- Impossibility to cumulate funding
- Capping of maximum bid amounts
- No indexation to inflation

Call from certain members states (France, Bulgaria, Croatia, the Czech Republic, Finland, Romania, Slovakia and Slovenia) **to open up the auctions to “*all low-carbon hydrogen technologies*”**, (after adoption of the delegated act on low-carbon hydrogen).

- *“Renewable hydrogen and low-carbon hydrogen must achieve at least a 70% reduction in greenhouse gases, as required by EU legislation, and their contribution is therefore equal”* – to be decided by the new Commission
- if low-carbon hydrogen were to be included, the auction criteria would have to be adapted to take account of the issue of security of gas supply and *“the need to ensure a level playing field between hydrogen technologies with different production costs”*.

Draft Delegated Act on Low-Carbon Hydrogen

Today **closes the consultation** period on the draft delegated act clarifying the EU rules on the definition of hydrogen and derived 'low-carbon' fuels as part of the gas package.

Low-carbon hydrogen is defined *as a fuel that can reduce greenhouse gas (GHG) emissions by 70% compared with fossil gas.*

The draft DA aims to introduce a specific methodology for assessing the emissions of 'low-carbon' hydrogen over its entire life cycle.

Next steps:

- 25 October: consultation closed
- Final draft submitted by the Commission to the European Parliament and the Council.
- The European Parliament and the Council have 2 months to accept or reject the act.

If you are interested in seeing **organisations answers (55)** to the consultation, they are available [here](#).

Timeline for FP10

January 2024

Publication of the ex-post evaluation of the 2014 – 2020 Horizon 2020 research programme and how its €80 billion budget was spent

October 2024

Commission expert group publishes its **independent report on the future of European research and innovation**

By 1 July 2025
The official Commission proposal for FP10 is unveiled

Beginning of 2026
Member states reach a deal and negotiations with the European Parliament start

2027
Heads of state and Parliament set the seven-year EU budget, including funding for FP10

2028
FP10 starts

June 2024

Member states outline their vision in the European Research Area and Innovation Committee (ERAC) FP10 task force report

Early 2025

The interim evaluation of Horizon Europe is due to be published

Autumn 2025

Member states start negotiations on the proposed framework programme

End of 2026 (hopefully)

A deal on FP10, leaving the Commission a year to prepare the programme

September 2024

Publication of the Draghi Report

Draghi report – impact on FP10 proposal

The Draghi report on EU competitiveness called for a **research and innovation system based around:**

- an expanded European Research Council (ERC) – *funding basic science*
- European Innovation Council (EIC) – *funding disruptive innovation*

> ***What is about the collaborative part of the Framework Programme?***

*All this would be bundled into a new **mega competitiveness fund** that would be launched under the multiannual budget.*

What is the rationale?



Programmes lacking “strategic steer”, too complex, and difficult for industry to benefit from.

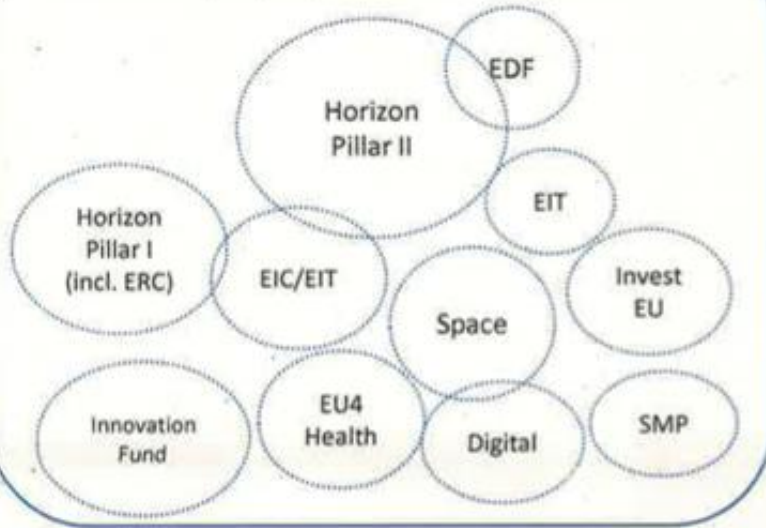
Managing all these programmes has become too cumbersome for the EC

Too many rules, gaps and overlaps, delays in access to funding and a lack of common governance.

Limited flexibility for reallocating funds

European Competitiveness – a scenario

Now: Multiple programmes on competitiveness



Lack of strategic steer

Complexity for EU industry

Limited flexibility for reallocation

Different rules

Gaps and overlaps in projects covered

Multiple entry points

Multiple financial instruments

Delay in access to funding

No common governance

Heavy management of programmes for COM

Future MFF:

One large consolidated Fund for Competitiveness

European Competitiveness Fund

Strong policy agenda and strategic steer

Reference framework identifying challenges and priorities for innovation and strategic dependencies

Steer by policies not by programmes
Focus on EU added value

Simplification and flexibility

Single rulebook (eligibility rules, third country participation, etc.)

Single governance
Possible reallocation of budget within the Single Fund

Financial toolbox to adjust type of support and level of investment from the EU budget

A page from the internal Commission memo seen by Science|Business.

Heitor report – recommendations on FP10

- **Heitor report** – *Recommendations on how to use the EU R&I programmes to boost economic competitiveness*
 - Developed by the EC FP10 advisory group (panel of 15 experts), published on 16 October.
 - Includes 12 recommendations:
 - Creating an **independent Industrial Competitiveness and Technology Council** to steer collaborative research (=FP10 managed outside the EC) – independent board composed of experts including CEOs or CTOs from industry that would oversee the sector-specific public-private partnerships.
 - **Increase the budget** from €93,5 to €220 billion
 - Advocate of **dual use** technologies and projects for the next FP.
 - Recommend **greater cooperation globally** (including with China).
 - Propose an overhaul of how the Commission handles its **grant paperwork (simplification)**.
 - Greater independence from Commission bureaucracy for fundamental research and small-company innovation agencies.
 - The **partnerships** should have a stronger focus on **industrial competitiveness**, and should involve more strategic coordination to reduce duplication, including by phasing out “ineffective” partnerships.

On Pillar II and Partnerships: *“Our analysis shows that this has become essentially a process to distribute money among member states, and not to build European added value through research and innovation”*

Heitor report – recommendations on FP10

- *“Spending should be focused on areas where EU programmes have unique added value, such as multi-country collaborations and expensive research and technology infrastructures.”*
- The advisors recommend focusing on **four spheres of action**:
 - competitive excellence;
 - industrial competitiveness;
 - societal challenges;
 - strong R&I ecosystem.
- They propose discontinuing the European Institute of Innovation and Technology’s (EIT) predefined funding; and the European Innovation Ecosystems.
- Doubling the budget of the ERC and significantly increasing the budget of the EIC
- MSCA should receive more funding, keeping the same governance model (*despite rumours about a possible merger with Erasmus+*). Support to MSCA programmes with industry.

The advisors suggest **the final years of Horizon Europe should be used to test their ideas.**

What is your view on the topic?
Is your organisation planning to react to these discussions?

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REPORTS & DATA

Reports and data

- Publication of the '*Global Hydrogen Review 2024*' [report](#) by the IEA on 2 October - *Over the past 12 months, projects with a final investment decision have doubled*

THANK YOU!



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