European Commission - Statement





Less carbon, more autonomy: Europe says yes to clean hydrogen - Blog of Commissioner Thierry Breton

Brussels, 16 June 2022

This week, European Member States are formally **notifying the first Important Project of Common European Interest (IPCEI)** to the Commission in the field of hydrogen. This is a muchawaited step in supporting transnational projects to address market failures in this strategic value chain.

The pan-European and ambitious nature of the IPCEI is very promising.

We are talking about **41 projects, in 15 Member States**, investing in the development and manufacturing of **electrolysers**; of **fuel cells**; of technologies to power **heavy-duty vehicles**; or for the safe **storage** of hydrogen.

The Commission will assess the merit and capacity of each project to increase Europe's innovation in the sector. This assessment is essential to ensure that the **whole IPCEI** is **greater than the sum of its parts**. Given the urgency to act, the Commission has committed to a speedy review within the next six weeks so that projects can start being implemented on the ground as soon as possible.

A second hydrogen IPCEI should follow in September.

We are stepping into a completely new industrial dimension: the 70 to 80 game-changing projects encompassed by the two IPCEIs will **boost large-scale European industrial supply and demand for hydrogen**, like never before.

Other hydrogen IPCEIs will follow. And other funding sources, public or private, such as the Innovation Fund, will also be mobilised to support this transition.

Of course, we are not only supporting hydrogen through funding.

Why is hydrogen production in Europe so important?

With climate change, the pandemic, and now war on the doorstep of the European Union, it has become urgent to harness our twin green and digital transition according to our own **ambitions and values**.

And in doing so, to create the conditions for greater strategic autonomy without new dependencies. To cater for our own **security**, **prosperity and resilience**.

In short, it is high time to take our **industrial destiny in hand**. Starting with **energy**.

We know the **context**: the objective of decreasing the EU's greenhouse gas emissions by at least 55% by 2030 compared to 1990. And the absolute necessity to phase out as soon as possible our dependency on Russian fossil fuels.

To achieve this, the first priority remains to boost capacity for **decarbonised**, **reliable and affordable electricity**.

Hydrogen is also essential. It provides **storage** options to complement intermittent renewable electricity; and substitution possibilities when using energy as a **feedstock** in industrial processes.

Hence our collective aim to produce **10 million tons of clean hydrogen by 2030.** Which would replace 40 billion cubic meters of Russian gas.

With a positive impact on our industry. For instance, on **steel**, we expect almost one third of Europe's primary steel production to decarbonise by using hydrogen. A lot of hydrogen: over 1.5 million tons every year from that sector alone.

In addition to facilitating the emergence and funding of large-scale cross-border projects in the field of hydrogen, over the past months we have also made decisive progress on building partnerships

and creating a favourable regulatory framework.

Bringing together the hydrogen community

When it comes to fostering **partnership** and collaboration among the hydrogen community, we reached an important milestone a month ago. In <u>a Joint Declaration</u> with the Commission, electrolyser manufacturers in Europe committed to a tenfold increase in their manufacturing capacity by 2025. To put this into perspective, this is enough to produce all the hydrogen needed to reach our REPowerEU goal.

I wish to commend industry for this. And recall that the Commission will **accompany this unprecedented** commitment.

This is the latest development for the <u>European Clean Hydrogen Alliance</u>, which has already **delivered on so many fronts**. It has suggested market reforms to facilitate the production and use of hydrogen in Europe. And promoted the integration of strong and efficient European value chains, through a pipeline of more than 500 large-scale hydrogen projects across Europe.

But this is not the time for ambitious declarations only. This is the time for action. Including on the regulatory front.

Creating a regulatory framework conducive to investment decisions in Europe

At the end of last year, the Commission <u>proposed</u> EU-wide rules for enabling the hydrogen market and create dedicated infrastructure. Now, two proposals setting the criteria for products that fall into the **"renewable hydrogen"** category are currently undergoing <u>public consultation</u>. They are of **critical importance** for increasing investor confidence in hydrogen projects. And I very much look forward to stakeholders' feedback.

The same goes for **permitting** procedures. We all know how much they can hinder the concrete deployment of green technologies. Accelerating and simplifying procedures, through developing hydrogen standards, promoting one-stop shops, time limits or fast-track procedures, are very concrete areas on which the Commission is actively engaged.

Two years ago, when setting up the Alliance, we were **sketching** out the broad contours of what needed to be done. Today, we are **doing** it, discussing the nuts and bolts and the next steps.

Because we know what is at stake: **Europe's position as a leading region** for the hydrogen industrial transformation.

We see EU hydrogen production moving "from lab to fab"; and our industry turning technological mastery into commercial leadership.

Our joint endeavour is a testimony to Europe's determination to uphold our climate ambitions. It also shows that Europe has the vision and the firepower to rise to **industrial leadership in strategic green technologies**.

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