



EUROPEAN COMMISSION

*Brussels, 30.11.2020
C(2020) 8479 final*

*Mr Reiner HASELOFF
President of the Bundesrat
Leipziger Straße 3 - 4
10117 BERLIN*

Dear President,

The Commission would like to thank the Bundesrat for its Opinion on the Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “A hydrogen strategy for a climate neutral Europe” {COM (2020) 301 final}.

The Communication sets out a vision of how the EU can turn clean hydrogen into a viable solution to decarbonise different sectors over time, installing at least 6 GW of renewable hydrogen electrolyzers in the EU by 2024 and 40 GW of renewable hydrogen electrolyzers by 2030. This Communication identifies the challenges to overcome, lays out the levers that the EU can mobilise and presents a roadmap of actions for the coming years.

Together with the Commission’s communication on a EU strategy for energy system integration¹, the hydrogen strategy is an intrinsic part of the European Green Deal² communication by this Commission.

With setting ambitious but achievable quantified European strategic objectives for electrolyzers and renewable hydrogen production, the Commission aims to give new impetus to efforts to meet the EU’s commitment to reduce greenhouse gas emissions, while strengthening EU industrial leadership and stimulating a European approach.

The Commission welcomes the broad support expressed by the Bundesrat for the objectives pursued by the proposal, and takes note of the Bundesrat’s opinion that it is critical to ensure that both legislative and non-legislative measures are in place to stimulate investment, and to enable market growth. In this respect, the Commission will explore additional support measures, including demand-side policies in end-use sectors, to stimulate investments in both supply and demand for renewable hydrogen.

¹ COM(2020) 299 final.

² COM (2019) 640 final.

In this context, the current state-aid framework already contains several provisions that explain how public spending can be found acceptable, including for the production of renewable hydrogen exclusively produced from electricity from renewable sources, the switching of end-consumers from fossil based fuels to low carbon hydrogen, as well as cross border innovative projects with positive spillovers to a wider part of the Union under the Important Projects of Common European Interest (IPCEI) initiative.

The Commission has taken due note of the views expressed by the Bundesrat on the revision of the environmental and energy aid scheme, and will address the issues raised in a new proposal for the revision of the State aid framework, including the State aid guidelines for energy and environmental protection, envisaged for 2021.

The Commission also takes note of the Bundesrat's position on the potential role of carbon contract for differences, as well as a revision of energy taxes and levies. The Commission will introduce a pilot scheme under the Emission Trading System Innovation Scheme, and will issue guidance to Member States to ensure consistency of non-energy price components across energy carriers in 2021.

The Commission agrees with the Bundesrat that an European approach is needed, while at the same time recognising the important role that regions can play in developing local hydrogen ecosystems and stimulating economic development, innovation and employment opportunities.

To enable the supply of hydrogen to the different regions, the Commission will continue to support the deployment of additional renewable power generation, as outlined in the 2030 Climate Target Plan³. It will also ensure the full integration of hydrogen infrastructure in the infrastructure planning, including through the revision of the Trans-European Networks for Energy, the Alternative Fuels Infrastructure Directive, and the work on Ten-Year Network Development Plans.

Furthermore, the Commission appreciates the Bundesrat's call for the development of a EU-wide terminology and certification for renewable and low-carbon hydrogen, as well as other renewable, low-carbon hydrogen-derived fuels. The Commission has already proposed to examine the development of such an EU-wide scheme as part of the revision of the Renewable Energy Directive, while at the same time continuing to work on the implementation of the delegated act on renewable liquid and gaseous transport fuels of non-biological origin.

The international dimension is also an integral part of the EU approach towards hydrogen. The Commission agrees with the Bundesrat that common standards and certification is required for cross-border cooperation, and will strengthen EU leadership in international fora on this topic. Furthermore, the Commission will strengthen its bilateral and regional cooperation with partners in the Southern and Eastern Neighbourhood as well as with the African continent.

³ COM (2020) 562 final.

The Commission appreciates the contribution by the Bundesrat to the European hydrogen strategy, and will take its opinion into account in the legislative proposals that are foreseen in 2020 and 2021 as well as in the subsequent legislative procedure involving the European Parliament and the Council.

Furthermore, the Commission is at the full disposal to the German Presidency in the preparation of the Council conclusions on the hydrogen strategy, and to continue the dialogue with the German Federal government as exemplified by the recent discussion on hydrogen between President Von der Leyen and the German Chancellor Angela Merkel on 13 October 2020.

The Commission hopes that these comments address the issues raised by the Bundesrat and looks forward to continuing our political dialogue.

Yours faithfully,

*Maroš Šefčovič
Vice-President*

*Kadri Simson
Member of the Commission*