EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Camera Deputaților for its Opinion on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – A Strategy for Hydrogen: For a climate-neutral Europe {COM (2020) 301 final}.

The EU hydrogen strategy sets out a vision of how the EU can turn clean hydrogen into a viable solution for hard-to-decarbonise sectors, installing at least 6 GW of renewable hydrogen electrolysers in the EU by 2024 and 40 GW of renewable hydrogen electrolysers by 2030.

The Commission welcomes the broad support expressed by the Camera Deputaților for the EU hydrogen strategy. The Commission takes note of the Camera Deputaților's position to encourage the use of hydrogen in the chemical industry. The chemical sector is already the largest consumer of fossil-based hydrogen, and renewable and low-carbon hydrogen offers a unique pathway to provide a clean feedstock for the production of green chemicals.

The EU hydrogen strategy prioritises the development of renewable hydrogen, produced using mainly wind and solar energy. Renewable hydrogen is the most compatible option with the EU's climate neutrality and zero pollution goal in the long-term and it provides additional benefits for the integration of large shares of intermittent renewables.

In the short and medium-term, however, other forms of low-carbon hydrogen are needed, primarily to rapidly reduce emissions from existing hydrogen production and support the parallel and future uptake of renewable hydrogen. 'Low-carbon hydrogen' encompasses fossil-based hydrogen with carbon capture and electricity-based hydrogen, with significantly reduced full life-cycle greenhouse gas emissions compared to existing hydrogen production.

The strategy proposes concrete policy and legislative measures at the EU level to support the expansion of the hydrogen market, while taking into account the need for creating a viable investment environment. Besides, the contribution of renewable and low-carbon fuels and

Mr Ludovic ORBAN
President of the Camera Deputaților
Palace of the Parliament
Str. Izvor nr. 2-4, sector 5
RO – 050563 BUCHAREST

hydrogen to the decarbonisation efforts will be reflected, inter alia, in the revision of the renewable energy Directive.

The Commission takes note of the Camera Deputaților's position that the expansion of the hydrogen transmission network and investments in infrastructure are needed to support the development of hydrogen. It is clear from the strategy that the availability of infrastructure to connect supply and demand is a condition for the use of clean hydrogen in the EU. With this in mind, the Commission is currently revising the EU gas market rules[1] to ensure the emergence of cost-effective hydrogen infrastructure and contestable hydrogen markets.

Moreover, following the EU hydrogen strategy, the revision of the Regulation on the Trans-European Networks for Energy has proposed making hydrogen infrastructure eligible for Project of Common Interest (PCI) status. This status is a precondition for access to funds from the Connecting Europe Facility. We note your concerns about the possible impacts on land use and the environment, for which our proposal includes an obligation for all Projects of Common Interest to meet sustainability criteria. Furthermore, the strategy has proposed to consider hydrogen-refuelling stations under the Trans-European Transport Network.

The Commission also takes note of the Camera Deputaților's position about the potential impact of enterprises and the creation of new markets. The Commission is committed to the creation of a hydrogen ecosystem, allowing new markets to develop and to support companies across the full supply chain, including in remote areas, to take advantage of any opportunities that arise. For example, the strategy envisages the emergence of hydrogen valleys, which can be local hydrogen clusters, such as remote areas or islands. Additionally, regional ecosystems will develop, relying on local production and transport over short distances of hydrogen, based on decentralised renewable energy production and oriented on local demand.

The Commission is also promoting an ambitious deployment of hydrogen technologies along the entire value chain with the European Clean Hydrogen Alliance, bringing together renewable and low-carbon hydrogen production, demand in industry, mobility and other sectors, and hydrogen transmission and distribution. With the alliance, the EU wants to build its global leadership in this domain.

Another key element is to strengthen the research agenda. As hydrogen will play a role in the medium (by 2030) and the long-term (2050), the strategy points to several research and innovation priorities, such as production, storage and large-scale end-use applications. Increasing the environmental performance of hydrogen production, including safety aspects, will remain a central theme in research in innovation.

Already last year, the Commission launched a Green Deal call under Horizon 2020, which included projects for upscaling electrolysers (100 MW) operating in real-life environment. Besides, this proposed Clean Hydrogen Partnership in the hydrogen strategy has now been established and will have a budget of EUR 1 billion to support research, development and

[1] https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12766-Revision-of-EU-rules-on-Gas-

demonstration of technologies across the EU and to bring these technologies to market readiness.

The Commission's strategy acknowledges that small and medium enterprises have an important role to play in the production and supply chain of electrolysers and to scale up hydrogen production. The technologies for scaling up hydrogen production, such as solar and wind-based electricity as well as carbon capture use and storage, continue to get increasingly competitive as the supply chain develops. The strategy aims at bringing clarity and certainty to investors to kick-start hydrogen developments.

With the growing interest in clean hydrogen at the global level, the strategy recognises that international cooperation is essential to create a global rules-based market for hydrogen, including harmonised safety and environmental standards. This will bring concrete opportunities for re-designing Europe's energy partnership with neighbouring countries and regions, advancing supply diversification and helping design stable and secure supply chains.

The observations made above are based on the activities proposed as part of the EU hydrogen strategy presented by the Commission. These proposals are subject to further discussions, including the Council Conclusions on "Towards a hydrogen market for Europe"[2] and the upcoming opinion of the European Parliament.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Camera Deputaților, and looks forward to continuing the political dialogue in the future.

Yours faithfully,

Maroš Šefčovič
Vice-President

Kadri Simson
Member of the Commission

[2] https://www.consilium.europa.eu/media/47373/st13976-en20.pdf