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Brussels, 2nd October 2024

Subject: Open letter calling for the financing of electrolytic low-carbon hydrogen by the Hydrogen Bank

We, signatories of this letter, welcome the work done within the EU to create the conditions conducive to the development of a European non-fossil hydrogen production sector, keystones of the decarbonisation of our basic industry and the reduction of our dependence on fossil energy sources. The EU needs ambitious hydrogen targets to be on track to achieve its climate and industrial goals. Temporality and steady regulatory framework are key, and we urgently need to show pragmatism by capitalizing on all of EU's non-fossil technological assets.

The orientation of the adopted texts within the Fit for 55 Package on hydrogen (NZIA, RED3), the conclusions of the Commission's impact assessment, which aims for a net reduction of 90% in greenhouse gas emissions by 2040 and Mario Draghi's report on the future of European competitiveness are unequivocal: **achieving our industrial and climate targets necessitate a complementary approach between renewable and nuclear energy.**

Indeed, the rapid deployment of renewable energy capacities and the dispatchability of nuclear power create the ideal conditions for large-scale hydrogen production using electrolyzers with a high load factor, ensuring notably steadiness of the supply for downstream industry users. By capitalizing on these complementary assets, the European sector can accelerate the deployment of electrolyzers, reduce costs, and consequently increase orders for EU-manufactured electrolyzers. **We are involved in a global race on hydrogen: to keep the EU in the lead, it will be crucial to provide fair support for all companies that are contributing to the defossilization of the EU**, just as the USA are doing by subsidizing projects powered by renewable and/or nuclear electricity without distinction.

This recognition of the role of non-fossil hydrogen in the legislative framework must now be translated into European non-legislative pieces and funding schemes, notably by an equitable treatment between RFNBOs and electrolytic low-carbon hydrogen.

The launch and success of the first auction of the Hydrogen Bank, alongside the adoption of a definition for renewable fuels of non-biological origin (RFNBO), were significant initial steps for the ramp-up of the electrolytic sector. **While we deeply regret that the second Hydrogen Bank auction does not include funding for electrolytic low-carbon hydrogen alongside renewable hydrogen, we strongly urge its inclusion in future auctions!**

This initiative echoes the non-paper from 9 countries that raises the same issues and also advocates for opening future EHB auctions to low-carbon electrolytic hydrogen. While Member States willing to stand on the complementarity of renewable and nuclear electricity for hydrogen production are now blocked by the lack of regulatory and fair financial framework on the nuclear part, this action is vital compliance with article 194 TFEU and for establishing a non-fossil hydrogen market during this crucial period leading up to 2030.

Signatories :





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le nucléaire

