



# ARTICLE

## 4 QUESTIONS WITH ROBERT HAJŠEL, MEP (S&D), RAPPORTEUR FOR THE EUROPEAN PARLIAMENT'S INITIATIVE FOLLOWING THE EUROPEAN COMMISSION'S PRESS RELEASE (16 MARCH 2023) ON THE CREATION OF A EUROPEAN HYDROGEN BANK

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### Is the European Union on track to meet its hydrogen targets? If not, what is needed to close the gap?

The European Union (EU) has set itself the target of consuming 20 million tonnes of renewable hydrogen in the EU by 2030. Half of this should be produced domestically, while the other half should come from imports. In addition, the new Renewable Energy Directive (RED) will require the industrial and transport sectors to increase their consumption of green hydrogen.

Given the absence of an operational market for renewable hydrogen in the EU and the gradual installation of infrastructure, this goal will be difficult to achieve without public support. According to the Commission, domestic production will require an investment of between €335 billion and €471 billion. Another €500 billion will need to be added for imports. At present, the European Hydrogen Bank is the only form of EU financial support for production and is only providing €800 million for the first auction. Clearly, the EU needs to do more.

### In its press release of 16 March 2023, the European Commission announced the creation of the European Hydrogen Bank. What will be the main features of this Bank?

The European Hydrogen Bank has three major roles:

- Financing the domestic production of green hydrogen.
- Financing imports.
- Simplifying European funding for hydrogen.

The European Parliament wants to extend the remit of the European Hydrogen Bank. In the future, the European Hydrogen Bank could offer advisory services to companies. It could coordinate the joint purchase of hydrogen and act as a data centre for hydrogen markets. More importantly, the European Hydrogen Bank could be the one-stop shop for all EU hydrogen-related matters: this would reduce the administrative burden and increase coherence.

### When will the European Hydrogen Bank be fully operational?

The European Hydrogen Bank's activities will become operational once financial support for domestic hydrogen production is in place. The first auction will be launched before the end of the year, and future auctions will be based on the European Parliament's report on this subject, as well as on feedback from the industry. As for imports, the Commission will need to propose a special financing mechanism. Another essential element will be the finalising of a solid certification framework guaranteeing that green hydrogen produced abroad is subject to the same obligations as that produced in the EU.

### What kinds of projects will the European Hydrogen Bank be looking to support?



The conditions for the first pilot auction are clear: the EU wants to move fast, ensure sufficient competition to discover the price of renewable hydrogen, and support projects that can be finalised in time to meet the 2030 target. At this stage, selection is based exclusively on price, with a minimum capacity of 5 MWe and commissioning no later than five years after the grant agreement is signed.

As rapporteur to the European Parliament, I would like future auctions to prioritise sectors that are difficult to decarbonise and heavy transport, while taking account of geographical balance, sustainable growth, and quality jobs. In practice, priority should go to steel, fertilisers, cement, aviation, shipping companies, and a few other sectors. This would also involve regional auctions and sharing the European Hydrogen Bank envelope among all the Member States. Finally, the Commission should introduce a system of bonuses for companies that are most committed to sustainable development and/or that create quality jobs.

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