

Definition, the support and the role of clean hydrogen in the energy system

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Role of hydrogen in the energy system

> Seasonal **storage** of renewable energy.

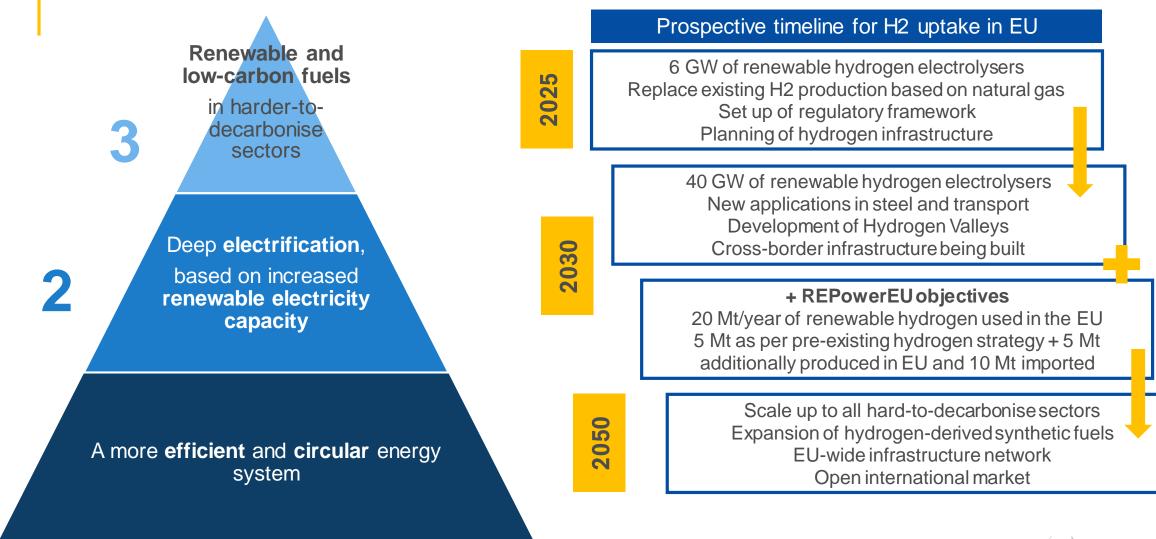
>Alternative, directly or via renewable fuels, to some hard-to-abate industries.

Enabler: non-immediately economically viable applications can become viable e.g. via hydrogen valleys.

Conditions: 1) increased efficiency, 2) decreased costs, 3) supportive regulatory environment.



Hydrogen: timeline for uptake





Regulatory framework:

<u>Hydrogen delegated acts</u> required under the Renewable Energy Directive

Union methodology setting out detailed rules for the production of renewable liquid and gaseous transport fuels of non-biological origin (RFNBOs)

- Rules for determining when electricity used for the production of RFNBOs can be considered can be considered fully renewable.
- > Additionality \rightarrow ensure that hydrogen production supports decarbonisation
- Renewable hydrogen is only produced when and where sufficient renewable energy is energy is available (temporal and geographic correlation).
- > Requirements apply to domestic producers as well as from third countries.
- Certification scheme relying on voluntary schemes.

Methodology for calculating life-cycle greenhouse gas emissions for RFNBOs

- Full lifecycle greenhouse gas emissions
- Minimum threshold for greenhouse gas emissions savings of recycled carbon fuels

Publication: 7 February European Parliament and Council scrutiny period ongoing: 2 (+2) months



Regulatory framework:

<u>Hydrogen delegated acts</u> required under the Renewable Energy Directive

> Electrolyzers running before 2028 can use electricity from **existing** renewable installations until 2038.

- From 2028, max 36 months will be allowed between the start of hydrogen production and renewable electricity generation.
- > Electrolyzers can meet the 'temporal correlation' on a **monthly rather than hourly** basis until 2030.
 - From 2030 evidence of hourly matching between renewables output in the grid and hydrogen production is required.
- Grid electricity can be bought only from renewables in the same power market bidding zone, and from neighbouring zones only for equal or higher market prices than in the local bidding zone.
- GHG emissions threshold for the emission intensity of electricity is set at 18 gCO2eq/MJ or 65 grams
 CO2equivalent/KWh on full life-cycle greenhouse gas emissions.

European Hydrogen Bank

<u>Communication from March 16</u> accompanying the proposal for a Net-Zero Industry Act

- Support the uptake of renewable hydrogen within the EU as well as imported from abroad.
- Unlocking private investments in value chains by efficiently connecting renewable energy supply to demand and reduce the cost gap between renewable and fossil hydrogen.
- The Commission is currently designing the first pilot auctions on renewable hydrogen production to be launched under the Innovation Fund in the **autumn of** 2023.
- > The auction will award a **subsidy** to hydrogen producers in the form of a fixed premium per kg of hydrogen produced for a maximum of 10 years of operation.





Key R&I challenges to the creation of a renewable hydrogen economy

Circularity and sustainability throughout the value chain.

- > Clean hydrogen **production costs** *still higher that fossil H2.*
- Integrating citizens' needs in the process by empowering them.
 - Role of skills to ensure a just transition.



- Infrastructure for storage, transport and distribution (pipelines, refuelling stations, ...).
- R&I should address these through the developing (new) technologies and improving existing ones, by increasing efficiency of production processes and reducing costs.



R&I support to hydrogen policy (1)

Horizon Europe:

Public/private (CHJU + transport and industry applications partnerships) & public/public (Clean Energy Transition) partnerships

> Cluster 5 and 4 collaborative projects

European Innovation Council (EIC)

EIT InnoEnergy, ranked most active investor in the energy sector in 2022

> H2020: Green Deal call

ERA pilot on green hydrogen and SET Plan revamping

> Mission Innovation - <u>Clean Hydrogen Mission</u>



Clean Hydrogen Joint Undertaking

> Public-private partnership with a EUR 1 billion budget from Horizon Europe.

> Call for proposals 2023 available for applications until April 18, 2023.

> EUR 195 million total budget:

- 7 topics 49M€ funding Renewable Hydrogen Production
- 5 topics 36M€ funding Hydrogen Storage and Distribution
- > 3 topics 25.5M€ funding Transport
- > 4 topics 19M€ funding Heat and Power
- > 3 topics 7.5M€ funding Cross-cutting projects
- > 2 topics 38M€ funding Hydrogen Valleys





R&I support to hydrogen policy (2)

European Research Area (ERA) pilot on green hydrogen & Strategic Energy Technology (SET) Plan revamping

Council Conclusions on the New ERA Dec. 2020 invited Member States + European Commission to start a pilot initiative on green hydrogen.

Cooperation with MSs strengthened through ERA Action 11.

Action 11 "an ERA for green transition" includes an ERA thematic <u>pilot on green</u> <u>hydrogen</u> (action 11.1) + the <u>revamping of the SET Plan</u> (Action 11.2).



ERA on hydrogen & SET Plan

- > ERA Pilot on Green Hydrogen (ERA action 11.1)
 - > Task force produced a <u>Strategic Research and Innovation Agenda (SRIA)</u> (March 2022)
 - <u>Building a European Research Area for clean hydrogen Commission Staff Working Document</u> (January 2022)
- SET Plan revamp (ERA action 11.2) work ongoing
 - Proposal of a new SET Plan Implementation Working Group (IWG) on hydrogen, to continue the work of the ERA pilot on green hydrogen task force
- Amendment of Cluster 5 Work Programme 2023/2024: proposal of a Coordination and Support Action (CSA) to support the hydrogen IWG (planned for 3.4.2023)



R&I support to hydrogen policy (3)

> An ERA for **uptake to market**: Open Innovation Test Bed (OITB) on Hydrogen Production Technologies:

- > Cluster 4 WP 2022 → HORIZON-CL4-2022-RESILIENCE-01-20.
- > Cluster 5 WP 2023-2024 \rightarrow HORIZON-CL5-2023-D2-01-06 (EUR 10m), deadline for applications next April 18.

> An ERA of **data**: the EU Clean Hydrogen Observatory:

 \succ Clean Hydrogen JU call for tenders \rightarrow evaluation ongoing.

> An ERA for **skills**: the new project under ERASMUS+ (GreenSkills4H2):

Project started in July 2022; 34 partners in 14 countries (include Pilot curriculum, Pilot trainings, ...).

Reinforced connection with the international frame:

Hydrogen Valleys

> MI, cooperation with Africa and the Mediterranean Union, support large-scale demonstrators via the EU-Catalyst.



Commission staff working document in the frame of the ERA pilot - Role of EU R&I investments to deliver on EU's Hydrogen Strategy SWD (2022) 15 of 20.1.2022

GreenSkills4H2 – identifying occupational profiles

One of the deliverables of this project is to identify the most in-demand Occupational Profiles in clean hydrogen activities across EU Member States.

Research	Product Innovation	Project development	Manufacturing
 Highly qualified engineers and scientists with a Master's degree and/or PhD Work in research centres, laboratories and universities 	 Highly qualified engineers and scientists with a Master's degree and/or PhD Work on developing new products or adapting existing products to hydrogen 	 Experienced project managers, design engineers and financiers Hydrogen production, transport, storage and distribution companies 	 Specialists in all technical areas, both engineers and technicians Material suppliers, equipment manufacturers, engineering procurement and construction contractors, operation and maintenance companies
 Czech Romania Ireland Slovakia 	 Finland Italy Switzerland 	 Italy Austria Belgium Finland Estonia Poland 	 Netherlands Italy Greece







Thank you for your attention!

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