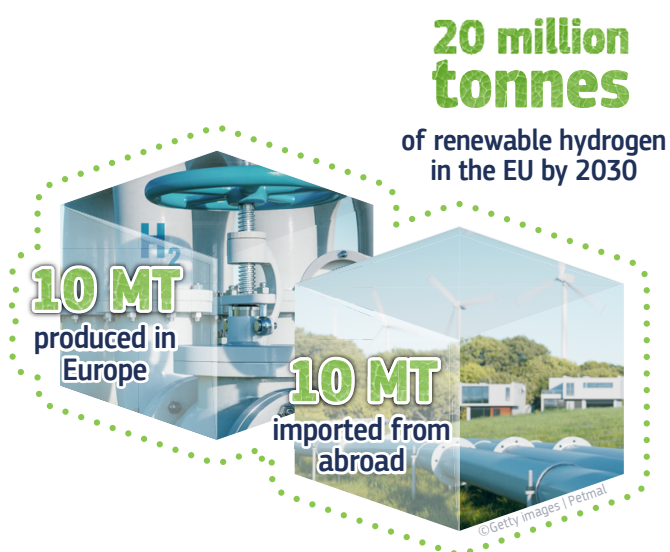


BOOSTING HYDROGEN THROUGH A EUROPEAN HYDROGEN BANK

March 2023

Hydrogen is indispensable to decarbonise European industry and reach the EU's 2030 climate targets and 2050 climate neutrality. **It is one of the key technologies of Europe's Net Zero Industry Act.** By scaling up its production, we will reduce the use of fossil fuels in European industries and serve the needs of hard-to-electrify sectors.

The REPowerEU plan targets:



The Four Pillars of the EU Hydrogen Bank:



Aim: Make all pillars operational
by end of the year

EUROPEAN HYDROGEN BANK

The **European Hydrogen Bank** will support the **uptake of renewable hydrogen** within the EU as well as imports from international partners.

It aims to **unlock private investments in hydrogen value chains** by efficiently connecting renewable energy supply to demand and addressing the initial investment challenges.

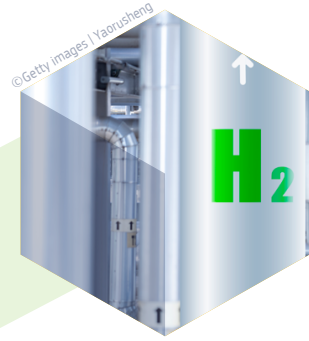
It will create an **emerging European hydrogen market**, offer new growth opportunities and quality job creation and help **reach the EU's hydrogen goals**, in line with REPowerEU and the path to climate neutrality.



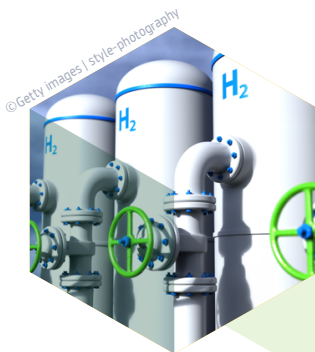
Cover and lower the cost gap between renewable hydrogen and fossil fuels for early projects



Play a coordination role and facilitate blending with the existing financial instruments at EU and national level



De-risk hydrogen projects, maximise leverage of private capital and increase confidence of investors, financing institutions and industry



Increase transparency on hydrogen flows, transactions and prices, gather demand and supply information, provide transparent price information and develop price benchmarks



Support infrastructure planning and provide visibility on hydrogen infrastructure needs



Support the coordination of cooperation and trade with third countries, develop Team Europe Initiatives



Enhance transparency and coordination of renewable hydrogen transactions and negotiations within the EU and with third countries

BOOSTING DOMESTIC HYDROGEN PRODUCTION

The Commission is currently designing the **first pilot auctions on renewable hydrogen production**. The auctions will be launched under the Innovation Fund in the autumn of 2023.

**€800
million**

**are dedicated to
the first Hydrogen
Bank auction**



To reduce the cost gap in the EU between renewable and fossil hydrogen and bring capital costs down, 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**.

The Commission also proposes to extend the Innovation Fund auctions and to create an EU auction platform through the Hydrogen Bank, offering “auctions-as-a-service” for Member States, using both the Innovation Fund and Member State resources to fund potential renewable hydrogen projects, without prejudice to EU State aid rules.

The Commission would run a centralised auction platform, where successful bidders could access the Innovation Fund and Member States could further support renewable hydrogen deployment through their own budgets via the platform

SUPPORTING INTERNATIONAL RENEWABLE HYDROGEN PRODUCTION

The Commission is further exploring how to **design the international part of the European Hydrogen Bank** to promote a coordinated EU strategy for renewable hydrogen imports. It proposes to offer a green premium for renewable hydrogen imports via a similar auction system as used for the domestic market. It will explore by the end of the year possible sources of funding within the EU budget or a Team Europe initiative.

The practices from the EU Energy Platform and the joint purchasing platform will be considered to study the possibility to include a mechanism for demand aggregation and joint auctioning of renewable hydrogen.

© European Union, 2023

Luxembourg: Publications Office of the European Union, 2023

The reuse policy of European Commission documents is implemented by Commission Decision 2011/833/EU of 12 December 2011 on the reuse of Commission documents (OJ L 330, 14.12.2011, p. 39). Unless otherwise noted, the reuse of this document is authorised under a Creative Commons Attribution 4.0 International (CC-BY 4.0) licence (<https://creativecommons.org/licenses/by/4.0/>). This means that reuse is allowed provided appropriate credit is given and any changes are indicated. Icons: x Freepik, Adobe Stock

Print ISBN 978-92-68-01028-0 doi:10.2775/754166 NA-04-23-312-EN-C
PDF ISBN 978-92-68-01001-3 doi:10.2775/99431 NA-04-23-312-EN-N

