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Ministers of Energy of EU Member States

MEP Jens Geier

MEPs of the ITRE Committee

Executive Vice President Frans Timmermans

Commissioner for Energy Kadri Simson

Commissioner for Internal Market Thierry Breton

Brussels, 28th November 2022

Subject: Open letter of the EU industry calling for optional eligibility of low-carbon hydrogen to the hydrogen targets

The ongoing revision of the Renewable Energy Directive (RED III) will result in **ambitious renewable hydrogen incentives for industry and transport with binding targets**. In this context, on October 25, 8 Member States called to open, in the Hydrogen and gas directive, an optional eligibility of low-carbon hydrogen to these targets for the industry and the transport sectors. **Following the Energy Council of November 24, the Czech Presidency of the European Union added this proposal in its compromise.**

We warmly welcome this inclusion, and now call on Member States to adopt it. We also call on MEPs to stand for this proposal, which is in line with European Parliament's position adopted on RED III, which appropriately refers to the possibility for low-carbon hydrogen to play a role in the energy transition to reduce greenhouse gas emissions and that complementary measures should be taken in the gas and hydrogen package currently under discussion (Recital 22bis).

Given the magnitude of the decarbonization and EU security of energy supply challenges, **renewable and low carbon hydrogen are needed to achieve the 2030 climate targets and a carbon neutrality in the EU by 2050. The challenge is too significant, and the energy systems within the EU are too diverse, to rely on a unique primary energy source, in this case renewable energy.** The RepowerEU 2030 objective of 10 million tons (Mt) of clean hydrogen production in the EU would require +550 TWh of low carbon electricity. This would translate into about 420 GW of new solar dedicated capacity, or 165 GW of offshore wind if we rely on renewables only, which is both extremely challenging to achieve and raises a risk of competition with direct electrification. Recognizing the potential of low carbon hydrogen, and its complementarity with renewable hydrogen, would not only reduce the overall cost of hydrogen produced in the EU, but also deliver **larger volumes, in a faster way**. Many projects are waiting for final investment decision and could contribute to deliver a more decarbonised and a more secure energy supply.

It is also crucial for industries switching their process to hydrogen (e.g steel manufacturing, ammonia synthesis) to rely on **steady hydrogen supply all along the process. A combination of renewable and low carbon hydrogen can deliver this**. Closing the door to low carbon sources would limit the potential of hydrogen and increase the costs of the transition. Finally, the current geopolitical context is a vivid reminder that producing hydrogen in Europe is essential to **avoid creating new energy dependencies**.

We support the EU's ambition to become a global hydrogen leader and we are willing to invest. We call on Member States and EU policy makers to:

- **Adopt a technology neutral approach**, with a level-playing field **strictly framed in terms of carbon content**, allowing the EU to establish its **industrial hydrogen leadership**. Free-choice of Member States' energy mixes and technological neutrality is a key EU principle enshrined in Article 194(2) of the Treaty on the Functioning of the EU.
- **Adopt the amendment to the Gas and Hydrogen directive proposed by the Czech Presidency, giving the option for MS to take into account low carbon hydrogen to fulfill binding hydrogen target in industry, and low carbon hydrogen and derivatives to fulfill binding hydrogen target in transport (both set in REDIII).**

Yours sincerely,

Signatories:



Fertilizers
Europe

EUROFER
THE EUROPEAN STEEL ASSOCIATION

**Cerame-
unie** The European Ceramic
Industry Association

ific europe
international federation of industrial **energy** consumers

 **cefic**

 **France
Hydrogène**
Engagée pour la transition écologique

 **nucleareurope**



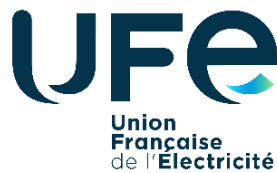
NH Nuclear
Hydrogen
Initiative


CEZ GROUP

 **edf**

MVM


ArcelorMittal



- **EUROFER** – Adolfo AIELLO, Deputy Director General
- **CERAME-UNIE** – Renaud BATIER, Director General
- **Fertilizers Europe** – Théo PAQUET, Green ammonia officer
- **IFIEC** – Peter CLAES, President
- **CEFIC** – Nicola REGA, Energy Director
- **France Hydrogène** – Philippe BOUCLY, President
- **Nuclear Europe** – Yves DESBAZEILLE, Director General
- **Nuclear Hydrogen Initiative** – Elina TEPLINSKY and Carlos LEIPNER, co-leaders
- **CEA (Commissariat à l'énergie atomique et aux énergies alternatives)** – Julie ODDOU, Director for European Affairs
- **EDF** – Marion LABATUT, Deputy Director for European Affairs
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- **McPhy** – Jean-Baptiste LUCAS, CEO
- **John Cockerill** – Raphaël TILOT, President of John Cockerill Hydrogen
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- **MVM Hungarian Electricity** – Mihály DARIDA, EU Affairs representative
- **Elyse Energy** – Benoît DECOURT, CEO
- **Qairos Energies** – Jean FOYER, President
- **H2V** – Alexis MARTINEZ, CEO
- **Verso Energy** – Antoine HUARD, General Director
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- **Finnish Energy** – Jukka LESKELÄ, CEO
- **Czech Hydrogen Technology Platform** – Aleš DOUCEK, Chairman of the Board
- **Polish Cluster of Hydrogen Technologies** – Piotr MAKSYS, Managing Director
- **Slovak National Hydrogen Association** – Ján WEITERSCHÜTZ, President
- **Hungarian Hydrogen and Fuel Cell Association** – András TOMPOS, Ph.D., President
- **Romanian Association for Hydrogen Energy** – Ioan IORDACHE, Executive Director
- **France Chimie** – Magali SMETS, General Director
- **Union Française de l'Électricité (UFE)** – Christine GOUBET-MILHAUD, President
- **Polish Electricity Association (PKEE)** – Wojciech DĄBROWSKI, President of the Management Board
- **Société française d'Énergie Nucléaire (SFEN)** – Valérie FAUDON, Delegate General
- **Alliance des minerais, minéraux et métaux (A3M)** – Bruno JACQUEMIN, Delegate General
- **ICSI, Energy Department (Hydrogen, Fuel Cells etc)** – Mrs. Dr. Math Elena CARCADEA, Head of Department
- **Hidroelectrica** - Bogdan BADEA, President of the Directorate
- **Nuclearelectrica** – Mr. Cosmin GHITA, CEO
- **ROMGAZ** – Mr. Razvan POPESCU
- **Romanian Association of Electricity Producers** – Ms. Silvia VLASCEANU
- **Romanian Atomic Forum** - Dr. Teodor CHIRICA, President Emeritus
- **Romanian National Committee – World Energy Council** – Mr. Stefan GHEORGHE, Executive Director General

- **Slovak National Union of Employers (NUE)** – RNDr. Miroslav Kiraľvarga, MBA, President of NUE
- **Air Liquide** – Matthieu GIARD, Vice President, Member of the Executive Committee
- **International Association of Oil and Gas Producers (IOGP) Europe** – François-Régis MOUTON DE LOSTALOT, Regional Director Europe

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