

Brussels, 25th August 2022

Dear Commission President,

Sehr geehrte Frau von der Leyen,

I am writing in reference to my recent message regarding the dismal impact of the Delegated Act on Art 27.3 of the Renewable Energy Directive (the so-called additionality principle) which outlines the rules on renewable hydrogen production.

The issue has become all the more pressing for the European hydrogen economy considering the recent policy changes the US has enacted. The US Inflation Act, signed last week by President Biden, outlines clear and simple rules for renewable energy production making it easier than ever for renewable energy projects to develop. Most importantly, the Act features a concrete plan aiming to upscale the production of all forms of clean hydrogen, especially green hydrogen, in the US. The significance of this plan is undoubtedly the most impressive incentive any policy maker has undertaken to encourage renewable hydrogen rollout. Many companies and project developers are already conducting negotiations to benefit from the scheme. Surely, this is understandable as the rules are simple and conditions are extremely attractive.

The US Inflation Act comes with a huge challenge for Europe. Certainly, the enormous effort of the Commission's services during your tenure led to remarkable progress with regards to the Hydrogen strategy and the role of Hydrogen within the Fit for 55 package. However, the regulatory framework has not been finalised, the rules are overly complex and the incentives for this nascent market are not concrete, nor are they tangible. Furthermore, a lot of responsibility is left to Member States which lack strategic coordination on EU level.

Under such circumstances, giving green light to the Delegated Act on Art 27.3 in its current form would in essence damage most of the policies and initiatives your team has put forward, and most certainly cause a mass exodus of companies towards the US market. The successful development of the European embryonic green hydrogen market is fully dependant on legal certainty with simple but strong frameworks. The rules of the Delegated Act on Art 27.3 are disproportionate and will make European renewable hydrogen insufficient for the industry needs and non-competitive vis-à-vis non-European renewable hydrogen.

I urge you to address without delay the challenges pertaining to the Delegated Act on Art 27.3. In addition, it is imperative to clearly outline the frameworks of EU level support and increase strategic coordination between the Member States' activities. It is becoming increasingly evident that only a handful of Member states would see large scale financially viable renewable hydrogen project go ahead under the current environment. Moreover, there is a need to minimise the risk concerning the rapid scale up of the European hydrogen economy by putting more public financial resources –

otherwise uncertainties along the long value chain will keep hindering fast evolution. Hydrogen Europe stands ready to continue developing concepts and solutions for policy instruments. One such example could be the European Renewable Hydrogen Switchboard concept which has been tabled to your services and could serve as the missing “market maker”.

Once again, I would like to highlight: these new developments are so pressing that clear decisions need to be taken with utmost urgency. I would like to assure you that Europe is still leading in most of the sensitive technologies enabling us to build a robust hydrogen market. Let us not put this at risk repeating an old mistake. Let us remain competitive and lead the global hydrogen transition.

With kind regards,



Jorgo Chatzimarkakis