

MEPs of the ITRE Committee

Executive Vice President Maroš Šefčovič

Commissioner for Energy Kadri Simson

Commissioner for Internal Market Thierry Breton

Commissioner for Climate action Wopke Hoekstra

Brussels, 5th September 2024

Subject: Open letter calling for a method recognizing non-fossil PPA in the Low-carbon hydrogen delegated act

The signatories of this letter commend the EU's efforts to establish a unique and ambitious legislative framework for structuring RFNBO demand. The implementation of RED3 industrial targets and ReFuel EU Aviation binding targets are already pivotal regulatory steps towards securing FIDs in the EU.

It is now crucial to bring together all the conditions necessary for developing a European non-fossil hydrogen production sector, a cornerstone for decarbonizing and revitalizing our industry. **The upcoming low-carbon hydrogen delegated act, pursuant to the Article 9 of Directive(EU) 2024/1788, presents an unique opportunity to embrace the realism advocated for by the European Court of Auditors and achieve our shared goals for renewable hydrogen production.**

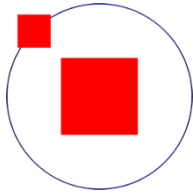
The EU electrolysis industry needs a definition of electrolytic low-carbon hydrogen that leverages Europe's strengths and facilitates the effective launch of our electrolytic value chain. Beyond the duty of compliance with Article 194 TFEU, establishing a fair level playing field for electrolytic low-carbon hydrogen, as a complement to RFNBO production, will be critical to launch production projects in the ramp-up phase, mostly as a temporary way to ensure steady supply before the commissioning of hydrogen storage and transport infrastructures. Succeeding in this ramp-up phase is a major challenge and meeting it will be crucial for the success of the EU electrolyzer manufacturing industry, it will jump start an initial mass seed market required to achieve economies of scale and to compete sustainably in the fierce international market.

We therefore advocate for introducing in the DA a methodology that recognizes a specific carbon content (i.e different of the grid average) for non-fossil PPAs. To align with the RFNBO delegated acts, these PPAs should meet geographical and temporal criteria. They should be contracted with a specific non-fossil electricity production asset, or a relevant basket of non-fossil assets.

The Commission's previous mandate laid the foundation for a robust European electrolytic sector, essential for decarbonizing hard-to-abate industries. **With the Delegated Act on low-carbon hydrogen, the Commission now has a unique opportunity to establish the missing link to unlock its ramp-up, kickstarting the new mandate and turning FF55 into a reality. Let's seize it!**

Signatories:





Croatian Hydrogen Association



Bulgarian Hydrogen Association



Faire avancer le nucléaire

