

## Joint Statement

### Reality Check for European Hydrogen Policy to Adjust the Course

Brussels, 4<sup>th</sup> of February 2025, the 17 co-signatories of this joint statement represent technology providers, project developers, producers, infrastructure operators, market stakeholders and users active across the entire hydrogen value chain who are **determined to support EU's decarbonisation efforts**. Hydrogen is, indeed, a crucial tool to achieve EU's net-zero target, and the co-signatories are **committed to contribute to the development of a strong and competitive market in the EU**.

Since 2020, the European Green Deal has set the framework to produce renewable hydrogen and derived fuels (RFNBOs), as well as low-carbon fuels. For the first time, hydrogen strategies, binding targets for different sectors, funding schemes and production criteria have been defined. We appreciate this important work of the European legislators, but the impact of this new framework, also as a model for countries outside the EU, will depend on how successful these new rules become within the EU.

In this regard, the EU RFNBO production, infrastructure and consumption sectors have been facing significant **challenges**<sup>i</sup> that undermine the achievement of the 2030 hydrogen production and consumption targets<sup>ii</sup>, including:

- **Large gap between strategic and political vision and market reality**<sup>1</sup>.
- **Slow development of electrolyser capacity**<sup>1,2</sup>.
- **Non-competitive renewable and low-carbon hydrogen production costs**<sup>3</sup>.
- **Underinvestment in and underdevelopment of infrastructure for producing and transporting hydrogen.**
- **Administrative barriers and delays in the disbursement on critical funding.**
- **Missing long-term demand visibility and demand-side support instruments.**
- **Lack of clarity on low-carbon hydrogen's role** in decarbonising the hydrogen market in Europe.
- **Absence of effective hydrogen import vision and strategy.**

Having considered the above, this Joint Statement aims at drawing political attention to the **urgent need for a reality check** and for **both short-term and longer-term structural actions to re-address the course of action**:

- **Adopt more pragmatic and technology neutral approach to enable cost-competitive hydrogen production.** In this framework we call for:
  - i. A swift **impact assessment**<sup>2</sup> of the consequences that the current RFNBO criteria have on production costs, greenhouse gas emission savings and the energy system as specified in Article 10 of the Delegated Regulation (EU) 2023/1184<sup>4</sup> and Renewable Energy Directive<sup>5</sup>,

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<sup>1</sup> ACER H2-MMR 2024.

<sup>2</sup> Clean Hydrogen Monitor 2023, cited by the European Court of Auditors report 11/2024.

<sup>3</sup> [European Court of Auditors \(ECA\) 11/2024](#).

<sup>4</sup> Commission Delegated Regulation (EU) 2023/1184 of 10 February 2023 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a Union methodology setting out detailed rules for the production of renewable liquid and gaseous transport fuels of non-biological origin.

<sup>5</sup> Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources.

Article 27(6), par 5. Based on the results, **we urge the European Commission to take rapid action to address the emerged challenges and facilitate market development**<sup>6</sup>.

- ii. The adoption of a Delegated Regulation on Low Carbon Fuels in a similar pragmatic, technology neutral and fair way to guarantee the needed clarity for this type of hydrogen to deliver on its potential.
  - **Ensure continued financial incentives** are provided to lower the cost of hydrogen at technology level **through appropriate measures under the Clean Industrial Deal**.
  - Support long-term planning security by **revising the European Hydrogen Strategy** in a technology neutral manner to create a cost-competitive hydrogen market in the EU and complementing it with a well-assessed hydrogen import strategy.
  - **Speed up, de-risk and smarten infrastructure development**. In this light, the swift implementation of the revised Gas and Hydrogen Decarbonisation Package, especially its provisions on the organisation of the hydrogen market (Art.3 of the Gas Directive<sup>7</sup>) and network development (Art.55 of the Gas Directive) is of utmost importance. In addition, we call for an EU level action plan for hydrogen grids, mirroring what was adopted for electricity in the EU Action Plan for Grids (including measures for facilitating permitting).
  - **Enable the creation of markets for products produced from and with RFNBOs and low-carbon fuels**, as an essential pre-condition to creating a business case. Establishing these markets requires a consistent certification scheme at product level, as well as dedicated incentives for final consumers to close the competitiveness gap with existing products.
  - **Improve European incentives on the demand-side**: industries and other off-takers must be supported in early market phases using existing EU funding resources such as the European Hydrogen Bank, lower minimum rates for hydrogen and its derivatives in the revision of the Energy Taxation Directive and new support mechanisms as part of the Industrial Decarbonisation Accelerator Act.
  - **Strengthen the EU's role in creating a global market for hydrogen** by developing the international leg of the EU Hydrogen Bank and by extending the scope of the Union Database to third countries.

The co-signatories are ready to provide further input and strongly encourage maintaining a collaborative dialogue with stakeholders to quickly identify and promote the best available solutions for scaling up a robust and competitive clean hydrogen market in the EU.

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<sup>6</sup> According to the [ECA Report](#), the strict temporal and additionality correlation criteria increase the costs of production by 20-30%. These findings are supported also by a recent academic modelling exercise conducted by Stanford University and by the 2024 ACER Hydrogen Market Monitoring Report. The [University of Duisburg-Essen](#) demonstrated that the electricity criteria reduce the installed electrolysis capacity in Central Europe by 33%. German economic minister Robert Habeck wrote in a letter to the Commission dated on 16<sup>th</sup> of September, 2024, that these criteria are increasing the hydrogen production costs by 2.4 €/kg.

<sup>7</sup> Directive (EU) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC (recast).

Signatures:

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CO<sub>2</sub> Value Europe



European Confederation of Fuel  
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