

European Hydrogen Bank: A Game Changer?

Draft Agenda

This meeting is under Chatham House Rules

Date: 07/02/2023

Time: 14:30 CET – 16:30 CET

Venue: Mission of Norway to the EU Norway House Rue Archimède 17, B-1000 Brussels

The Hydrogen Bank's core aim is to attract private investments in the EU and oversee hydrogen value chains while addressing initial investment challenges. The first pilot auction (Nov '23 – Feb '24) under the Innovation Fund aims to take an initial step towards facilitating price discovery, market formation, project de-risking, and administrative burden reduction. The Commission intends to launch a second round of auctions in 2024. Other instruments foreseen by the Bank include a EU Auction Platform pooling Member State financing to minimise market fragmentation, and a fixed premium auction for international suppliers to EU consumers.

In recent consultations conducted by the ERCST, stakeholders expressed concerns about the suitability of the EU's regulatory and financial framework for hydrogen. These concerns focused on the structure of the Hydrogen Bank's auction and the scope of eligible offtakers.

The discussions highlighted two primary issues:

Exclusion of CCS Retrofitting: There's a debate over the auction's exclusive focus on RFNBO hydrogen, with some advocates arguing for the inclusion of retrofitting with CCS technologies. This inclusion is seen as crucial, especially since renewable hydrogen might not yet meet the continuous supply demands of the industry in the short term.

Requirements for Off-take Agreements: The auction process mandates bidders to demonstrate preliminary actions towards securing off-take agreements for RFNBO hydrogen, with no sectoral prioritisation. This approach is believed to potentially generate a critical mass that could lead to economies of scale and reduce costs. However, there's a contrasting view that advocates for a more specific mainstreaming of hydrogen to be included in the mechanism.

Lastly, the Hydrogen Bank has the potential to serve as a key platform for managing the aggregation of hydrogen demand and coordinating joint purchasing efforts. In this setup, hydrogen producers would submit their supply bids to a centrally managed collective demand pool. This approach is expected to enhance purchasing terms, leading to increased affordability



and efficiency in the hydrogen market. Ultimately, this strategy could play a significant role in ensuring the security of hydrogen imports.

14:30 **Welcome and introduction**

- A. Marcu, Director of ERCST

14:40 **Preliminary remarks**

- O. Imbault, ERCST

14:50 **Keynote**

The keynote speaker will set the stage for the roundtable discussion through an initial intervention. Their insights will reflect on preliminary observations of the first Hydrogen Bank auction proceedings, the foreseen changes in preparation of the second auction, and the broader role of the Bank in 2024.

- E. Daniel, DG CLIMA

15:00 **Roundtable**

After the speakers' opening remarks, the roundtable discussion will address the Hydrogen Bank's current structure and the scope for future modifications. It will leverage the contribution of hydrogen producers, potential offtakers, and Member States officials to gauge the topic from multiple perspectives.

Key questions to be addressed include:

Should low-carbon hydrogen be more directly addressed by the Hydrogen Bank in future auctions?

Should the current offtake agreement requirement be strengthened? Should it address specific sectors only?

How can Member States implement the EU Auction Platform effectively?

Would a mechanism for hydrogen demand aggregation and joint purchasing be beneficial to EU industries?

Chair: O. Imbault, ERCST

- D. Gorodicht, Hydro Havrand
- F. Dona, EUROFER
- J. Barahman, FertilizersEurope
- T. Wlostowski, Azoty
- P. Mathieu, Hynamics DE
- M. Carbonez, TotalEnergies

16:10 **Q&A**

16:30 **End of meeting**