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Enabling the EU to meet its targets on renewable green hydrogen: Delegated Acts under the Renewable Energy Directive

Dear Vice-President Timmermans,

Thank you for your extraordinary leadership on addressing climate change.

As chair of the Green Hydrogen Organisation, I welcome the REPowerEU package which increases the EU's target to 10 million tonnes of domestic and 10 million tonnes of imported renewable green hydrogen by 2030. This raised ambition is a welcome effort to reduce emissions and increase energy security in light of Russia's unprovoked invasion of Ukraine.

I write to encourage the European Commission to ensure it is designing the best possible regulatory framework to achieve its ambition as a green hydrogen leader.

I am concerned that the implications for green hydrogen production outside the European Union are not getting the attention they deserve.

We have worked with a number of energy poor developing countries and emerging economies on their green hydrogen plans. Sharing power locally and nationally is key to green hydrogen projects bringing local jobs and development to ensure projects have wide societal buy-in. They can help build the grids that many of us take for granted. While respecting the need to grow renewable energy production in tandem with green hydrogen, we believe it is harmful to in effect impose regulations designed for the EU power market on to countries that face very different circumstances.

The draft Delegated Act on the *Production of renewable transport fuels – share of renewable electricity* (the "additionality" DA) appears to have been designed with the assumption that most green hydrogen projects outside the European will not be connected to the power grid. The Green Hydrogen Organisation (GH2) has made a submission as part of the public consultation on the DA to highlight that grid connected green hydrogen projects are essential to bringing about modern energy to millions of people while reducing emissions.

Onerous additionality rules will substantially increase costs and risks deterring investment in developing, emerging and other economies where green hydrogen can provide domestic clean energy for fast-growing populations and also offer a major export opportunity to markets like the European Union.

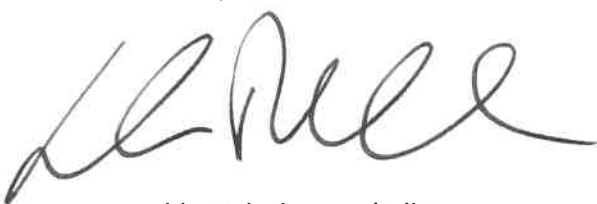
We urge the Commission to find alternative ways to give full effect to additionality, as well as hourly temporal matching and restrictions on state aid, through equivalence measures. For example, this can be achieved by requiring producers to demonstrate that grid connection and integration does not lead to an overall increase in greenhouse emissions and provides an equivalent environmental outcome to the regulation. We have suggested some language below to Article 6 which could achieve this purpose:

The rules set out in this Regulation are designed to ensure that the integration of renewable hydrogen producers into electrical systems does not lead to an overall increase in greenhouse emissions and apply regardless of whether the liquid and gaseous transport fuel of non-biological origin is produced inside or outside the territory of the Union. Producers of liquid and gaseous transport fuel of non-biological origin outside the Union will be required to demonstrate that they are producing renewable hydrogen under conditions that are necessary to their electrical systems so that that their integration does not lead to an overall increase in greenhouse emissions and provides an equivalent environmental outcome to this Regulation.

GH2 has consulted and briefed government and industry stakeholders outside the EU from Argentina, Australia, Brazil, Chile, Colombia, Egypt, India, Oman, Mauritania, Morocco, Namibia and South Africa. All of these countries are seeking to produce hydrogen for their domestic markets as well as for export to markets such as the EU. I am sure you agree that enabling these countries to export renewable green hydrogen to the EU is in all of our interests. I do hope these concerns can be resolved in the final Delegated Act.

The Delegated Act, the Green Hydrogen Standard and the work we and others are doing to support good contractual arrangements are all essential for the quick scaling up needed for the sector. We stand ready to discuss these issues further with you to achieve the right outcome.

Your sincerely,



Honourable Malcolm Turnbull AC

ANNEX: GH2 submission on draft Delegated Act "The production of renewable transport fuels – share of renewable electricity"

