



Minutes: 5th GH2 Board meeting

5th GH2 Board meeting (videoconference)
Tuesday 1 November 2022

1. Welcome

Malcolm Turnbull opened the meeting and the agenda was adopted.

2. CEO Report

Jonas Moberg reported on progress on the Green Hydrogen Standard, regional green hydrogen alliances, work on development finance, green hydrogen contracting and the Planning for Climate Commission. He updated the board on GH2's policy advocacy challenging notions of undefined blue hydrogen, noting our success in ensuring a September 2022 report from the IEA, IRENA and High Level Climate Champions included the phrase that "[all low carbon hydrogen] production routes will need to achieve verifiable low-carbon intensities that trend towards near zero by 2030."

The board discussed the US Clean Hydrogen Production Tax Credit (PTC) and Investment Tax Credit (ITC) within the Inflation Reduction Act 2022 and the implications for green hydrogen production and trade in the rest of the world. It was agreed that this massive subsidy has made the US an attractive investment location for green hydrogen but is equally a wake up call to other regions and actors including the development finance institutions which are key to ensuring that green hydrogen is bankable in developing and emerging economies.

Yun Choi and Adair Turner acknowledged the importance of the IRA though assessed that it was not a 'knock out' blow to other regions. The IRA will give countries such as Australia and South Korea a chance to mimic and bring in the issue of intercontinental transportation. It was clarified that the tax credit applies for 10 years from production, equating to perhaps \$2-2.25 of tax credit over the lifetime of the project. Nienke Homan concluded that rather than competition with the rest of the world, the IRA is confirmation of the importance of green hydrogen.

Jonas Moberg introduced new staff members Bénédicte De Caro (Senior Finance and Operations Manager based in Geneva) and Joyce Kabui (Africa Manager based in Nairobi).

3. The Green Hydrogen Standard

Sam Bartlett gave an update on implementation of the Green Hydrogen Standard which is currently being tested. DNV has been contracted to undertake the testing.

A Green Hydrogen Standard Committee is being formed which will advise the Board on the implementation and elaboration of the Green Hydrogen Standard, ensuring that the Board is at arms' length.

Further refinements to the Standard are being addressed including on ammonia/hydrogen derivatives, emission factors and fugitive hydrogen emissions. Sam noted that GH2 has three offerings: testing of early stage projects; project accreditation; and production certification. The majority of GH2's work is currently on testing since this matches with where the industry is currently at.

On challenges and opportunities, Malcolm Turnbull asked how the Green Hydrogen Standard compares to standards being put in place in the countries such as Australia and the US which are likely to be major producers. Blue hydrogen is being accommodated in these countries and emissions limits are higher. Some countries such as Australia have a standard for assessing emissions but do not set a threshold. Adair Turner suggested GH2 calmly put out some research into the emissions implications of the GH2 standard which will trend down versus other 'clean' hydrogen standards so that GH2 is not against blue hydrogen by definition but being clear about the implications of blue hydrogen with high emissions.

Maria Paz de la Cruz asked about baseline environmental and social impacts and the EU Delegated Act. Sam noted that the testing of early stage projects for the Standard is designed to address the question of a baseline. He also noted that the Delegated Act is still likely to be adopted but the European Commission will have to take note of the European Parliament's rejection of additionality as originally conceived.

4. Government engagement and contracting guidance

Inês Schjøberg Marques presented GH2's work on government engagement including in India, Chile, China, Egypt and via regional alliances such as the Africa Green Hydrogen Alliance. She briefed that GH2's green hydrogen contracting guidance on topics including model legislation, model offtake agreements and standard pricing clauses was tracking well. Nienke Homan mentioned how motivating she found the Africa Green Hydrogen Forum held in Abidjan in September 2022 in partnership with the African Development Bank and with support from the UN High-Level Climate Champions and GIZ.

5. Establishment of a Management Committee – DECISION

Jonas Moberg proposed a Management Committee be established in accordance with Article 15 of the Articles of Association which would consider managerial and other issues the management wishes to obtain guidance and direction on between board meetings. Draft workplans, budgets and similar documents would be discussed by the Management Committee

before they are submitted to the Board. The Committee will make recommendations to the Board and to the Management. The Committee will consist of 3-5 individuals chaired by the Board chair and with the CEO participating ex officio. Board members may propose individuals to serve on the Management Committee who are not Board members.

The board **decided** to establish a Management Committee in accordance with Article 15 of the Articles of Association. Initial composition of the Management Committee would be the Chair, CEO, Nienke Homan, Todd Clewett and Maria Paz de la Cruz.

Should others board members or their nominees wish to join the Management Committee, please inform Jonas Moberg.

6. GH2 Workplan and budget - DECISION

Jonas presented a draft workplan and budget for 2023. Board members are asked to send any feedback by 12 December 2022 to joe.williams@gh2.org. This feedback will be integrated into a final workplan and budget which will be sent by circular and agreed on a non-objection basis.

Adair Turner emphasised the centrality of the Planning for Climate Commission work. He also noted the scale of investment needed particularly in developing countries in relation to work on multilateral development banks. Jonas mentioned the upcoming AGHA study to be published at COP27 supported by McKinsey which noted investment of \$450-\$900 billion would be needed between now and 2050 for six target countries.

Malcolm Turnbull noted that the indicative budget does not break down expenses by category or cashflow and suggested that the Board should receive a set of conventional financial statements on behalf of the board. Jonas Moberg agreed and noted that for most of 2022 GH2 was run administratively as a project within FFI. Audited accounts will be available for part of 2022 in Q1 2023. Full financials will be compiled for calendar year 2023 onwards. GH2 will be an independent organisation from 1 January 2023.

7. Second Green Hydrogen Global Assembly - DECISION

Jonas Moberg explained that GH2 is exploring China as the location for the Second Green Hydrogen Global Assembly as a means to link the large green hydrogen economy in China with the rest of the world. Yu Gan mentioned there are two uncertainties: there has been no relaxing of COVID-19 restrictions and GH2 is not yet registered in China which generally takes two years, so GH2 would need temporary approval. He was unable to give a firm decision on whether to hold the assembly in China but would work hard to make it possible. Todd Clewett proposed a cut off date by which GH2 decides to go ahead or not, but noted that being seen as a first international effort in China post-COVID would be viewed positively. Erik Solheim noted that formal and informal contact with the Chinese government should be pursued with a decision taken either way by early 2023.

Malcolm Turnbull summarised the **position of the board** as follows: if possible the board would like to hold the assembly in China in 2023. Guided by Yu Gan and other partners, GH2 should begin engaging with the Chinese government with a decision made no later than January 2023.

8. COP27

Joe Williams provided an overview of GH2's plans for COP27 including launching the Planning for Climate Commission, Development Finance ambition report and AGHA targets paper. Green hydrogen will be prominent in Egypt event if, as Erik Solheim noted, chances for a diplomatic breakthrough on emissions reductions or loss and damage are slim.

Malcolm Turnbull thanked board members and closed the meeting.

Participation

Board members:

- Hon. Malcolm Turnbull, Inaugural chair of GH2, Australia
- Mr. Yun Choi, CEO of Korea Zinc Company, Ltd., South Korea
- Ms. Maria Paz de la Cruz, CEO of H2 Chile, Chile
- Mr. Yu Gan, Co-Chairman, Board of Trustees, Daxing International Hydrogen Energy Demonstration Zone, China
- Ms. Nienke Homan, Sustainable Hydrogen Club, the Netherlands
- Mr. James Josling, CWP, Switzerland
- Dr. Frannie Léautier, CEO of Southbridge Investments, Rwanda
- Lord Adair Turner, Former Chair of the UK Financial Services Authority and Chair of the Energy Transitions Commission, United Kingdom

Apologies:

- Dr Andrew Forrest AO, Chairman of Fortescue Metals Group & the Munderoo Foundation, Australia
- Mr Marco Alvera, CEO, Tree Energy Solutions (TES)
- Dr Tae Won Lim, Executive VP & Head of the Hydrogen and Fuel Cell Business Centre of Hyundai Motor Group, South Korea
- Ms. Martina Merz, CEO of ThyssenKrupp, Germany
- Mr Kristian Røkke, CEO of Aker Horizons, Norway
- Mr Lei Zhang, Founder and CEO, Envision

Deputising:

- Todd Clewett, Director, External Affairs, Fortescue Future Industries (for Dr Forrest)
- Dr Stefan Kaufmann, Hydrogen Executive Advisor, thyssenkrupp (for Ms Merz)

GH2 staff and advisors:

- Mr Jonas Moberg, CEO
- Dr Sam Bartlett, Director of the GH2 Standard and the CEO Roundtable
- Ms Bénédicte De Caro, Senior Finance and Operations Manager
- Ms Joyce Kabui, Africa Manager
- Ms Melannie Lai, Graphic Designer
- Ms Inês Schjøberg Marques, Director for the Green Hydrogen Development Plan
- Mr Erik Solheim, Special Advisor and chair of the Green Hydrogen Development Plan
- Ms Simran Sinha, Analyst
- Mr Joe Williams, Director of Strategy and Communications