France Hydrogène

Engagée pour la transition écologique

Presentation and Challenges of the Clean Industrial Deal

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Key challenges for hydrogen sector

FINALIZE THE REGULATORY FRAMEWORK

ENSURE THE AVAILABILITY OF COMPETITIVE ELECTRICITY

FINANCING PRODUCTION

STIMULATING THE ACQUISITION OF EUROPEAN ELECTROLYZERS

LINKING H2 PRODUCERS AND CONSUMERS

EFFECTIVE LOW-CARBON MARKETS TO SAFEGUARD EUROPEAN INDUSTRY

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Key challenges for the sector

- **Publication of the Low-Carbon Delegated Act**

- **Revision of RFNBO Delegated Act**

Adopt equitable treatment of renewable electrolytic hydrogen (referred to as “RFNBO”) and electrolytic low-carbon by:

- ensuring the preservation of an annual step for the implementation of the network mix method;
- advancing the deadline to examine the implementation of a PPA method, which should enable the attribution of a specific carbon content (< the annual average of the national mix) to nuclear electricity under PPA

FINALIZE THE REGULATORY FRAMEWORK.

Key challenges for the sector

- EIB Pilot Instrument – corporate PPA Guarantee

- Guidance on CfD design (including on combining CfDs and PPAs)

Facilitate the execution of Power Purchase Agreements (PPAs) for hydrogen production projects, which exhibit distinct characteristics in their risk profiles compared to other consumers (nonexistent consumption to date, significantly large volumes consumed relative to the company size of the project leaders, etc.).

ENSURE THE AVAILABILITY OF COMPETITIVE ELECTRICITY

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Key challenges for the sector

- Third Hydrogen Bank Auction
- Sustainable Transport Investment Plan
- Clean Industrial Deal State aid framework
- Industrial Decarbonisation Bank

Expand access to electrolytic low-carbon hydrogen

Concentrate assistance on synthetic fuels for aviation and maritime sectors, while ensuring equitable treatment between renewable and non-fossil fuels.

Ensuring equitable treatment between renewable electrolytic hydrogen (RFNBO) and low carbon alternatives.

FINANCING PRODUCTION

Key challenges for the sector

- CleanTech Guarantee

- New framework for state aid associated with the Clean Industry Pact (i.e., accelerated depreciation for the acquisition of electrolysers; investment support for manufacturers).

Accelerate the execution of hydrogen production initiatives and decrease their costs (minimization of the risk premium), particularly by establishing a performance guarantee for European electrolysers.

STIMULATING THE ACQUISITION OF EUROPEAN ELECTROLYZERS

Key challenges for the sector

- **Hydrogen Mechanism**

To be executed by establishing a public market intermediary that connects hydrogen producers with consumers of hydrogen and its derived products (e-fuels, fertilizers, pre-reduced iron, etc.).

- **Tripartite agreement for affordable energy (including sector agreement for hydrogen and its derivatives)**

Address the counterparty risk between the hydrogen producer and the buyer; mitigate the risk of delays in the implementation of hydrogen infrastructure to encourage capacity reservations by prospective initial users of the infrastructure.

LINKING H2 PRODUCERS AND CONSUMERS

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- CBAM Review and legislative proposal
- State Aid Framework
- Establishment of low-carbon pilot markets (steel, fertilizers)
- Legislative proposal on greening corporate fleets

Key challenges for the sector

Rectifying the distorting effects of the carbon market: incorporation of refining, fine chemicals, and downstream products

Ensure the sustainability of indirect carbon cost compensation beyond 2030, or establish a mechanism with equivalent effects within the framework of the CBAM.

Implement effective mechanisms, such as binding quotas for obligated parties where economically feasible, for instance, low-carbon steel quotas within the automotive industry.

Ensure the incorporation of heavy vehicles within the scope of the legislative proposal.

EFFECTIVE LOW-CARBON MARKETS TO SAFEGUARD EUROPEAN INDUSTRY

Levers of the Clean Industrial Deal

Cost-effective energy and infrastructure

Relevant proposals for the hydrogen sector

Q1 2025

Affordable Energy Action Plan

Q2 2025

Clean Industrial Deal State aid framework

EIB Pilot Instrument – corporate PPA Guarantee

Q4 2025

Guidance on CfD design

Energy Taxation Directive Proposal

Industrial Decarbonisation Accelerator Act

Q1 2026

European Grids Package

Objectives

Electrification rate projected at 32% by 2030 (23% in 2024)

100 GW/year of new renewable capacity installed by 2030

Levers of the Clean Industrial Deal

Pilot markets

Relevant proposals for the hydrogen sector

Objectives

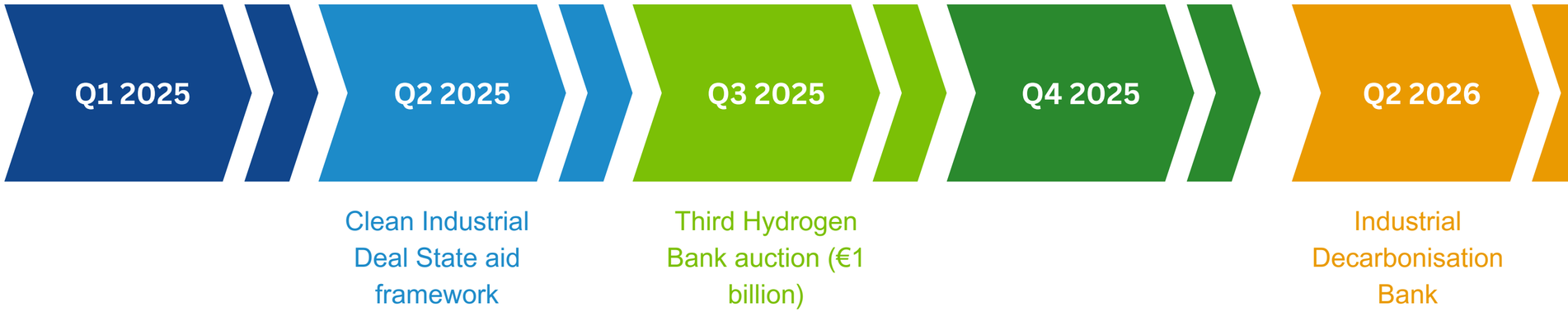
Achieve 40% production of associated technologies and components within the EU, specifically NZIA.

Minimize external reliance on Clean Industrial Deal products.

Levers of the Clean Industrial Deal

Financing

Relevant proposals for the hydrogen sector



Objectives

Increase the overall volume of investment support for industrial transition by €52.7 billion.

Levers of the Clean Industrial Deal

Global markets and global partnerships

Relevant proposals for the hydrogen sector

Simplification of the CBAM

CBAM Review

Legislative proposal on an extension of CBAM

Objectives

No objectives.