



Bundesministerium
für Wirtschaft
und Klimaschutz

Mrs
Commissioner for Energy
of the European Commission Kadri
Simson
Rue de la Loi 200
1049 Brussels
Belgium

Dr Robert Habeck MdB
Federal Minister

HOUSE ADDRESS Schamhorststraße 34 - 37, 10115 Berlin
POSTAL ADDRESS 11019 Berlin
TEL +49 (0)3018 615-76 00
FAX +49 (0)3018 615-70 30
E-MAIL info@bmwk.bund.de
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Dear Commissioner,

The development of the European hydrogen market, which is of paramount importance for achieving our climate targets and maintaining Europe as an industrial location, is a key issue that is currently occupying us intensively. In recent years, important steps have been taken both at EU level and in Germany to ramp up the market. Thanks to our joint efforts, we have already been able to get a lot of things off the ground.

Despite these considerable efforts and the first pioneering projects that are already being planned or implemented, we unfortunately have to realise that the hydrogen market ramp-up is not yet developing the desired momentum in the foreseeable future. Many projects are in the planning stage, but too few have reached an investment decision. As a result, the market ramp-up has been significantly delayed compared to our expectations and I am hearing concerns from many companies that we are losing speed in climate protection as a result. I am therefore convinced that we need to give the still fragile market a boost from the government.

The EU must continue to provide support and sufficient flexibility for hydrogen and hydrogen derivatives for longer so that the market ramp-up is not stifled by certain requirements before it is firmly established. It is important that we enable cost-efficient production of green hydrogen throughout Europe and not just in a few individual Member States (as per the current draft of the delegated act for low-carbon hydrogen and on the basis of the delegated act for green hydrogen).

We need solutions that give industry across Europe access to cost-effective, green hydrogen.

There are a number of topics and levers that I would be very happy to discuss with you.

A very important topic for us is the delegated act 2023/1184 adopted by the EU Commission in February 2023 for the definition and production of RFNBOs, which plays a key role in the development of the hydrogen market. This delegated act was adopted by the Commission last year following very painstaking and focussed negotiations. Germany played a very active role in this process. The result was a compromise that we were happy to support and that makes things easier for first mover projects, especially in the first few years of the market ramp-up.

should make this possible. However, reality has now shown that these requirements were still too high and are slowing down the ramp-up of the projects for the production of renewable hydrogen in Germany and many other member states that we all want. Many companies have told me that the requirements often do not allow for the economic realisation of electrolysis projects in Germany.

The specifications would increase the cost of producing hydrogen by around 2.40 euros/kg of hydrogen.

To eliminate this obstacle, it would be very important to extend the phase-in period for additionality set out in the delegated act until 2035 as quickly as possible. In addition, the phase-in period for the temporal correlation criterion should also be extended until 31 December 2030.

This would make it easier for companies to bear the very high project costs, especially in the market ramp-up phase, and to produce the hydrogen urgently needed by industry in Europe. The adjustment of these criteria would then also have a retroactive effect on the requirements for the purchase of electricity for the production of blue hydrogen in the delegated act on low-carbon hydrogen.

Without this adjustment, its economic production in the EU would also be jeopardised, so that for us this is also linked to the viability of the delegated act on low-carbon hydrogen.

In addition to the points mentioned above, it would be important to use technical requirements outside the delegated acts to ensure that electrolyzers are flexible and compatible with the system in order to integrate well and cost-effectively into the energy system and become part of an overall solution.

I am confident that through a joint effort we can ensure a successful transformation of the energy sector. Let's stay in dialogue to find the best solutions for the further development of the hydrogen market.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Robert Habeck', is positioned above the large diagonal watermark.

Table Briefings