Global Hydrogen Policy Tracker - European Union

Hydrogen Developments

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**Implementation stage**

**December 2024:** The European Commission has released the final Terms and Conditions for its second renewable hydrogen auction, scheduled to open on 3 December 2024 auction, part of the European Hydrogen Bank, aims to support renewable hydrogen production with up to €1.2 billion in financial aid. The Innovation Fund, which finances this auction, seeks to bridge the gap between production costs and market prices, fostering a competitive renewable hydrogen market in Europe.

Source: [Second renewable hydrogen auction: European Commission publishes Terms and Conditions](https://climate.ec.europa.eu/news-your-voice/news/second-renewable-hydrogen-auction-european-commission-publishes-terms-and-conditions-2024-09-27_en)

**May 2024:** The EU adopted the Net Zero Industry Act (NZIA). The NZIA creates a regulatory framework to boost the competitiveness of EU industry and technologies crucial for decarbonisation. The [Net-Zero Industry Act](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401735) aims to enhance European manufacturing capacity for net-zero technologies and their key components, addressing barriers to scaling up production in Europe. The legislation is aimed at increasing the competitiveness of the net-zero technology sector, attracting investments, and improving market access for clean tech in the EU. The NZIA (among others) sets a goal for net-zero manufacturing capacity to meet at least 40% of the EU’s annual deployment needs by 2030, providing predictability, certainty and long-term signals to manufacturers and investors.

Source:[**Net-Zero Industry Act: Making the EU the home of clean technologies manufacturing and green jobs**](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/green-deal-industrial-plan/net-zero-industry-act_en)

**May 2024**: The European Commission approved an Important Project of Common European Interest (‘IPCEI') to support research, innovation and the first industrial deployment in the hydrogen value chain. The project, called ‘IPCEI Hy2Move', was jointly prepared and notified by seven Member States: Estonia, France, Germany, Italy, Netherlands, Slovakia and Spain. The Member States will provide up to €1.4 billion in public funding, which is expected to unlock additional €3.3 billion in private investments. As part of this IPCEI, 11 companies with activities in one or more Member States, including small and medium-sized enterprises and start-ups, will undertake 13 innovative projects. IPCEI Hy2Move will cover a wide part of the hydrogen technology value chain, by supporting the development of a set of technological innovations.

Source: [**Commission approves up to €1.4 billion of State aid by seven Member States for the fourth Important Project of Common European Interest in the hydrogen value chain**](https://ec.europa.eu/commission/presscorner/detail/en/ip_24_2851)

**February 2024**: The European Commission approved an Important Project of Common European Interest (‘IPCEI') to support hydrogen infrastructure. The project, called “IPCEI Hy2Infra”, was jointly prepared and notified by seven Member States: France, Germany, Italy, the Netherlands, Poland, Portugal, and Slovakia. The Member States will provide up to €6.9 billion in public funding, which is expected to unlock €5.4 billion in private investments. As part of this IPCEI, 32 companies with activities in one or more Member States, including small and medium-sized enterprises, will participate in 33 projects. IPCEI Hy2Infra will cover a wide part of the hydrogen value chain. It supports the development of electrolysers, hydrogen transmission and distribution pipelines, large-scale hydrogen storage facilities and handling terminals.

Source: [**Commission approves up to €6.9 billion of State aid by seven Member States for the third Important Project of Common European Interest in the hydrogen value chain**](https://ec.europa.eu/commission/presscorner/detail/en/IP_24_789)

**December 2023:** The European Council and the European Parliament reached a provisional political agreement on a regulation that establishes common internal market rules for renewable and natural gases and hydrogen. The legislation aims to facilitate the penetration of renewable and low-carbon gases into the energy system, in particular hydrogen and biomethane.

Source: [**Council and Parliament reach deal on future hydrogen and gas market**](https://www.consilium.europa.eu/en/press/press-releases/2023/12/08/gas-package-council-and-parliament-reach-deal-on-future-hydrogen-and-gas-market/)

**October 2023:** The European Carbon Border Adjustment Mechanism (CBAM) entered into force on 1 October 2023. CBAM is intended to complement the EU Emissions Trading System (EU ETS) and ensure that imported goods are subject to the same emissions prices as products produced within the EU. With this, CBAM is aimed at preventing "carbon leakage," i.e., the relocation of greenhouse gas emissions from the EU to third countries. CBAM will impose a carbon price on the import of certain goods produced outside the EU based on the associated carbon emissions, ultimately reducing global emissions and helping reach the targets of the Paris Climate Agreement as well as balancing out the competitive disadvantages of domestic companies who produce emission-intensive goods inside the EU. Hydrogen imported from outside of the EU, EEA and Switzerland is covered by CBAM.

Source:[European Union: The new European Carbon Border Adjustment Mechanism](https://insightplus.bakermckenzie.com/bm/tax/european-union-the-new-european-carbon-border-adjustment-mechanism)

**October 2023**: The EU Council adopted the amended [Renewable Energy Directive](https://data.consilium.europa.eu/doc/document/PE-36-2023-INIT/en/pdf) (RED III) which forms part of the "Fit for 55" package. REDIII raises the share of renewable energy in the EU’s overall energy consumption to 42.5% by 2030 with an additional 2.5% indicative top up to allow the target of 45% to be achieved. The new rules establish a binding combined sub-target of 5.5% for advanced biofuels (generally derived from non-food-based feedstocks) and renewable fuels of non-biological origin (mostly renewable hydrogen and hydrogen-based synthetic fuels) in the share of renewable energies supplied to the transport sector. Within this target, there is a minimum requirement of 1% of renewable fuels of non-biological origin (RFNBOs) in the share of renewable energies supplied to the transport sector in 2030.  In addition, REDIII provides that industry will need to increase the use of renewable energy annually by 1.6%. Member states agreed that 42% of the hydrogen used in industry should come from RFNBOs by 2030 and 60% by 2035.

Source: [Renewable energy: Council adopts new rules](https://www.consilium.europa.eu/en/press/press-releases/2023/10/09/renewable-energy-council-adopts-new-rules/#:~:text=The%20current%20renewable%20energy%20directive,by%202030%20at%20EU%20level.)

**October 2023:** The EU adopted ReFuelEU Aviation Regulation, completing the Fit for 55 package. The ReFuelEU Aviation Regulation sets out EU-wide harmonised rules for the promotion of sustainable aviation fuels (SAF), with an increasing minimum share of SAF required to be blended with kerosene. For the purposes of this Regulation SAF include 'synthetic low carbon fuels', i.e. aviation fuels that are of non-biological origin, the energy content of which is derived from non-fossil low-carbon hydrogen which meet lifecycle emissions savings threshold of 70 %. The Regulation applies to aircraft operators, to airports and managing bodies in the European Union (EU), and to aviation fuel suppliers.

Source: [**Final adoption of ReFuelEU Aviation completes ‘Fit for 55' legislation, putting EU on track to exceed 2030 targets**](https://transport.ec.europa.eu/news-events/news/final-adoption-refueleu-aviation-completes-fit-55-legislation-putting-eu-track-exceed-2030-targets-2023-10-09_en)

**July 2023:** The European Council adopted new law to decarbonise the maritime sector - FuelEU maritime initiative.  The main objective of the FuelEU maritime initiative, as a key part of the EU’s Fit for 55 package, is to increase the demand for and consistent use of renewable and low-carbon fuels and reduce the greenhouse gas emissions from the shipping sector, while ensuring the smooth operation of maritime traffic and avoiding distortions in the internal market. This legislation (among others), introduces a special incentive regime to support the uptake of the so-called renewable fuels of non biological origin (RFNBO) with a high decarbonisation potential.

Source: [FuelEU maritime initiative: Council adopts new law to decarbonise the maritime sector](https://www.consilium.europa.eu/en/press/press-releases/2023/07/25/fueleu-maritime-initiative-council-adopts-new-law-to-decarbonise-the-maritime-sector/)

**June 2023**: Two delegated acts applicable to [renewable hydrogen](https://energy.ec.europa.eu/topics/energy-systems-integration/hydrogen/renewable-hydrogen_en) under the Renewable Energy Directive were formally adopted. The first one (the Additionality Delegated Act) covers renewable fuels of non-biological origin (RFNBOs) and sets the criteria for products that fall under the ‘renewable hydrogen’ category. The other one (the Methodology Delegated Act) puts forward a detailed scheme to calculate the life-cycle emissions of renewable hydrogen (and other RFNBOs) and recycled carbon fuels to meet the greenhouse gas emission reduction threshold set in the directive. A delegated act to calculate the life-cycle emissions for low-carbon hydrogen will be put forward in 2024.

Source:  
[**European Commission – Hydrogen**](https://energy.ec.europa.eu/topics/energy-systems-integration/hydrogen_en)  
[**Europe: EU publishes rules on "renewable" hydrogen - Baker McKenzie InsightPlus**](https://insightplus.bakermckenzie.com/bm/viewContent.action?key=Ec8teaJ9VarWHKhIlqzbTV7eOOGbnAEFKCLORG72fHz0%2BNbpi2jDfaB8lgiEyY1JpGSGsLXap4O1CiGG39vtfQ%3D%3D&amp;nav=FRbANEucS95NMLRN47z%2BeeOgEFCt8EGQ0qFfoEM4UR4%3D&amp;emailtofriendview=true&amp;freeviewlink=true)

**December 2022**: The EU and Japan have intensified their cooperation on hydrogen with the execution of a Memorandum of Cooperation (MoC) to spur innovation and develop an international hydrogen market. The EU and Japan will work together for sustainable and affordable production, trade, transport, storage, distribution and use of renewable and low-carbon hydrogen.

Source: [**EU and Japan step up cooperation on hydrogen**](https://ec.europa.eu/commission/presscorner/detail/en/IP_22_7322)

**December 2022**: The H2Global Foundation announced on the launch of its wholly-owned subsidiary, HINT.CO GmbH its first procurement procedure for the import of green ammonia into Europe. This procedure is intended to provide an innovative and efficient funding instrument, backed by EUR 900 million provided by the German Federal Ministry for Economic Affairs and Climate Protection, with further funding planned for 2023. This was the first global tender procedure of its kind. The deadline for application has now passed.

Source: [**International: H2Global enables imports of sustainable hydrogen products into Germany and incentivizes investment in green hydrogen outside of the European Union**](https://insightplus.bakermckenzie.com/bm/projects/international-h2global-enables-imports-of-sustainable-hydrogen-products-into-germany-and-incentivizes-investment-in-green-hydrogen-outside-of-the-european-union)

**December 2022:**The EU and Japan signed an MoU to develop an international hydrogen market without distortions to trade and investment.

The partners will work together for sustainable and affordable production, trade, transport, storage, distribution and use of renewable and low-carbon hydrogen.

The MoU identifies a set of areas in which governments, industrial players, research institutions, and local authorities in the EU and Japan will be encouraged to cooperate:

Policies, regulations, incentives and subsidies, including at the international level to work towards common standards and certification

Best practices and lessons learned in renewable and low-carbon hydrogen research, development, application and demonstration projects

Project development including in the context of multilateral cooperation initiatives, support other countries around the world

Education, upskilling, reskilling, vocational education and training

Both parties have committed to achieving climate neutrality by 2050 and to accelerating the clean energy transition, as outlined in the EU-Japan Green Alliance, signed in May 2021.

Source: [**IJGlobal: EU Japan sign MoU for hydrogen**](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_7322)

**November 2022:** The European Innovation Council and SMEs Executive Agency (EISMEA) and the Clean Hydrogen Joint Undertaking (JU) signed a letter of intent to agree on the principles of future collaboration on clean hydrogen. It aims to facilitate the knowledge exchange on grants, projects and companies working on clean hydrogen and to accelerate the market uptake of European Innovation Council (EIC) and Clean Hydrogen JU grantees through their respective calls for proposals.

Source: [**European Innovation Council and SMEs Executive Agency (EISMEA) and Clean Hydrogen Joint Undertaking start collaboration on hydrogen**](https://eismea.ec.europa.eu/news/european-innovation-council-and-smes-executive-agency-eismea-and-clean-hydrogen-joint-undertaking-2022-11-25_en)

**October 2022:**The EU Commission President Ursula von der Leyen and President of Namibia Hage Geingob signed a Memorandum of Understanding establishing a strategic partnership between the EU and Namibia at the COP27 in Egypt. The partnership aims to ensure the development of a secure and sustainable supply of raw materials, refined materials and renewable hydrogen to support the green and digital transformation of the partners' economies.

Source:   
[**COP27: European Union concludes a strategic partnership with Namibia on sustainable raw materials and renewable hydrogen**](https://ec.europa.eu/commission/presscorner/detail/en/IP_22_6683)  
[**European Union: The end of 'additionality' requirements in the EU?**](https://insightplus.bakermckenzie.com/bm/energy-mining-infrastructure_1/european-union-the-end-of-additionality-requirements-in-the-eu)

**September 2022**:  The European Commission approved '[IPCEI Hy2Use](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_5676)', which complements IPCEI Hy2Tech. It will support the construction of hydrogen-related infrastructure and the development of innovative and more sustainable technologies for the integration of hydrogen into the industrial sector.

Source: [**European Commission – Hydrogen**](https://energy.ec.europa.eu/topics/energy-systems-integration/hydrogen_en)

**July 2022:** Following the launch of the RePowerEU package, the European Commission continues to develop the regulatory framework applicable to renewable fuels of non-biological origin (RFNBO, mainly renewable hydrogen). Two draft Delegated Acts that will have a significant impact on the hydrogen market have been published for public consultation under the Renewable Energy Directive recast (REDII, Directive (EU) 2018/2001).

Source: [**EU Hydrogen Policy Developments - Additionality Requirement | Insight | Baker McKenzie**](https://www.bakermckenzie.com/en/insight/publications/2022/07/eu-hydrogen-policy-developments)

**July 2022**: Hydrogen investment support was provided for the first time through an [Important Project of Common European Interest](https://competition-policy.ec.europa.eu/state-aid/ipcei/approved-ipceis_en)(IPCEI) vehicle. The first IPCEI, called '[IPCEI Hy2Tech](https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_22_4549)', included 41 projects aimed at developing innovative technologies for the hydrogen value chain to decarbonise industrial processes and the mobility sector, with a focus on end-users.

Source: [**European Commission – Hydrogen**](https://energy.ec.europa.eu/topics/energy-systems-integration/hydrogen_en)

**May 2022:** [The REPowerEU plan](https://energy.ec.europa.eu/topics/energy-systems-integration/hydrogen_en) is published. The European Commission complements the implementation of the EU hydrogen strategy to further increase the European ambitions for [renewable hydrogen](https://energy.ec.europa.eu/topics/energy-systems-integration/hydrogen/renewable-hydrogen_en) as an important energy carrier to move away from Russia's fossil fuel imports.

Source: [**European Commission – Hydrogen**](https://energy.ec.europa.eu/topics/energy-systems-integration/hydrogen_en)

**July 2021**: The **Fit-for-55 package** put forward a number of legislative proposals that translate the European hydrogen strategy into concrete European hydrogen policy framework. This includes proposals to set targets for the uptake of renewable hydrogen in industry and transport by 2030 in the Renewable Energy Directive. It also includes the [hydrogen and decarbonised gas market package](https://energy.ec.europa.eu/topics/markets-and-consumers/market-legislation/hydrogen-and-decarbonised-gas-market-package_en) to support the creation of optimum and dedicated infrastructure for hydrogen, as well as an efficient hydrogen market. The legislation came into force in 2023 and 2024, respectively. In addition, the[Recovery and Resiliency Facility for clean energy](https://energy.ec.europa.eu/topics/funding-and-financing/recovery-and-resilience-facility-clean-energy_en) (a temporary instrument) was made available to EU countries to invest in hydrogen projects across the value chain.

Source: [**European Commission – Hydrogen**](https://energy.ec.europa.eu/topics/energy-systems-integration/hydrogen_en)

**June 2021:** During the European Hydrogen Forum 2021, which took place in June 2021, the European Commission presented the Hydrogen Public Funding Compass. The Compass is an online guide to public funding instruments at both an EU and national level. The guide helps stakeholders identify relevant programs and funds and find out which projects they can finance, what type of funding is available and which conditions apply.

Source: [**Internal Market, Industry, Entrepreneurship and SMEs (europa.eu)**](https://ec.europa.eu/growth/content/hydrogen-commission-presents-guide-public-funding-opportunities-hydrogen-projects_en)

**December 2020:** The Energy Commission announced a revision of the Trans-European Networks for Energy regulations (TEN-E). These revisions include the decision that natural-gas projects will no longer be eligible for EU funding or fast-track permitting, paving the way for hydrogen development. The new proposal brings TEN-E more in line with the European Green Deal. One revision is to support the decarbonization of the gas sector through the development of a hydrogen infrastructure.

Source: [**European Commission - TEN-E**](https://ec.europa.eu/commission/presscorner/detail/en/FS_20_2412)

**July 2020:**The European Commission published a European Union Hydrogen Strategy. The Strategy sets objectives for EU jurisdictions, and it focuses on the coming decade 2020-2030. It suggested policy action points in 5 areas: investment support; support production and demand; creating a hydrogen market and infrastructure; research and cooperation and international cooperation. Hydrogen is also an important part of the [EU strategy for energy system integration](https://energy.ec.europa.eu/topics/energy-systems-integration/eu-strategy-energy-system-integration_en).

Source: [**European Commission – Hydrogen**](https://energy.ec.europa.eu/topics/energy-systems-integration/hydrogen_en)

**December 2019**: To overcome the existential threat of climate change while achieving economic growth, the European Commission launched the European Union Green Deal championing a vision to become the world's first climate neutral continent by 2050. The European Climate Law codifies the objectives of the EU Green Deal to make the EU's climate, energy, transport and taxation policies capable of reducing net greenhouse gas emissions to at least 55% of 1990 emissions by 2030.

Source: [**The European Green Deal: Striving to be the first climate-neutral continent**](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en)

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