



EU RENEWABLE HYDROGEN RULES LETTER

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November 2022



November 2, 2022

Dear Executive Vice-President Timmermans,
Dear Energy Commissioner Kadri Simson,
Dear Czech Republic Minister of Industry and Trade Jozef Síkela,
Dear Member of the European Parliament Markus Pieper,

We write today as companies committed to advancing your goals to make Europe the first Climate Neutral continent by 2050. Hydrogen produced by renewable electricity holds significant promise as a key tool to accelerate decarbonization across the economy and reduce dependency on fossil fuels. To realize this promise, European policymakers must enact a policy framework that provides clarity as soon as possible while ensuring that hydrogen produced by electrolysis actually reduces emissions as the industry develops and scales.

We therefore urge the European Commission to adopt an ambitious Delegated Act on Renewable Fuels of Non-Biological Origin (RFNBOs) as soon as possible. We are concerned that without a strong Delegated Act, there will not be the necessary safeguards to ensure that renewable hydrogen delivers emissions reductions, and believe adopting and approving the Delegated Act is critical to provide certainty to move forward quickly with renewable hydrogen projects. Without the Delegated Act, investment decisions for new electrolyzers and associated renewable energy could be delayed by years, which will put delivery of the EU's 2030 renewable hydrogen targets at risk.

In order to ensure that hydrogen is truly renewable, the Delegated Act should contain the following criteria, in line with the original Delegated Act [published for consultation](#) in May of this year:

- **Temporal correlation:** For electrolytic hydrogen to justifiably be claimed as renewable, the Delegated Act should require hourly correlation of consumption with renewable electricity generation, after a phase-in period. Hourly matching of demand with renewable energy supply is becoming more achievable with the development of granular Guarantees of Origin. Furthermore, granular temporal certification is essential to ensure that the hydrogen is truly renewable, and without it there is a risk that emissions could increase significantly, as highlighted in recent [analysis](#) by Princeton University. Recent [analysis](#) from the Florence School of Regulation also demonstrates that the additional costs of hourly matching are modest, and are more than offset by the advantages of additional CO2 emission reductions.
- **Geographic correlation:** To maintain the integrity of claims that renewable electricity is used to power the production of renewable hydrogen, hydrogen and renewable electricity production should occur within the same geography. For hydrogen to be claimed as renewable, the Delegated Act should require that hydrogen and renewable electricity production occur in the same bidding zone, or else neighboring bidding

zones provided that sufficient cross-border transmission capacity exists to deliver the renewable electricity. Member States with more than one bidding zone should be allowed to consider their bidding zones as a single one.

- **Additionality:** Achievement of the EU's 2030 renewable hydrogen targets implies significant increases in electricity demand. It is imperative that this demand contributes to, and does not undermine, a rapid decarbonization of the power sector. Therefore, the Delegated Act should require hydrogen production to support the development of additional renewable energy capacity on European electricity grids.

The standards developed under the Delegated Act will shape the trajectory of the renewable hydrogen industry, not just in Europe but around the world. The United States, for example, will soon develop its own standards and strong standards in Europe will ensure the United States follows suit. We urge you to advance ambitious and effective standards that ensure the environmental integrity of renewable hydrogen as it scales as a key decarbonization tool in the coming decades.

