

Press release

Market ramp-up for the north German hydrogen economy – rapid action required!

Hamburg industry needs the security to plan ahead

- EEHH and representatives of Hamburg's hydrogen network (Airbus, ArcelorMittal, Gasnetz Hamburg, Green Plug, Hamburger Hafen und Logistik AG, Hamburg Port Authority, HADAG Seetouristik und Fährdienst and Mitsubishi Heavy Industries, as well as the city's Waste Management Department, Shell, Vattenfall and Hamburger Energiewerke) organised a hydrogen summit with representatives of the German government and the Free and Hanseatic City of Hamburg
- Joint position paper presented: *'Central framework for a successful hydrogen economy in the Hamburg metropolitan area'*
- Investments in hydrogen technology and infrastructure, as well as the transformation of business models, are almost impossible without the right regulation

Hamburg, 28 February 2022 At a jointly organised parliamentary afternoon, representatives of Airbus Operations GmbH, ArcelorMittal Hamburg GmbH, Erneuerbare Energien Hamburg GmbH, Gasnetz Hamburg GmbH, Hamburger Hafen und Logistik AG (HHLA) and Shell Deutschland GmbH joined other important companies in the hydrogen landscape in the Hamburg metropolitan area to exchange ideas with Johannes Wieczorek, Head of the Climate Protection in Mobility and Environmental Protection Sub-Department at the Federal Ministry for Digital and Transport, and Dr Peter Tschentscher, First Mayor of the Free and Hanseatic City of Hamburg, as well as other members of the German Bundestag and State Parliaments. The event's focus was the huge potential offered by the hydrogen economy in northern Germany for the decarbonisation of regional industry and logistics. A particularly large number of Hamburg-based companies have launched hydrogen projects of various kinds. Their common goal: to adapt the energy system and reduce CO₂ emissions from industry and transport as quickly as possible.

Participants welcomed the German government's plans, which are specified in its coalition agreement. At the same time, however, the companies involved believe there is an urgent,

major and additional need for regulatory action – including the European Commission’s upcoming ‘Delegated Act’ (DA). The hosts made specific recommendations in the form of a joint position paper with four central policy demands.

1. In order to ensure the adequate **availability of green hydrogen** to supply industry and logistics **at competitive terms** for successful decarbonisation by 2045, sufficient low-cost green electricity must be available for its production. The draft of the EU Commission’s important DA legislation is highly restrictive and would endanger a market ramp-up in Germany.
2. Nationally, suitable customer **tools** – such as climate protection agreements (Carbon Contracts for Difference) and tax breaks/green hydrogen price incentives (OPEX) – must be introduced in the different sectors, in order to close the currently significant **pricing gap** between hydrogen and traditional fuels.
3. The **approval process** for electrolysis, infrastructure and application projects must be seriously **accelerated**, as has already been planned for wind power and photovoltaic projects. Funding applications and approvals (e.g. within the framework of Important Projects of Common European Interest (IPCEI)) must also be simplified and accelerated.
4. **Regulation:** the mandatory ownership separation of gas and hydrogen networks, as is currently being discussed as part of the EU Commission’s Gas Package, prevents important synergies in the transformation process and should therefore be avoided.

As well as these central business demands, other issues were also addressed, such as regulations for imports, technology funding and certification. These recommendations would facilitate the development of local production, transport chains and import infrastructure for hydrogen.

The full position paper for the northern German hydrogen economy is available here.

<https://www.erneuerbare-energien-hamburg.de/de/news/positionspapiere.html>

Jan Rispens, Managing Director of Renewable Energy Hamburg Cluster Agency:

“The development of hydrogen infrastructure has to start now, otherwise it will be almost impossible to achieve the decarbonisation targets by 2045. Government must create the

necessary framework conditions for this. It's therefore vital that the European Commission amends the Delegated Act on the Renewable Energies Directive (RED II) in such a way that domestic electrolysers can produce hydrogen at competitive prices, while using sufficient green electricity. Given the price of green hydrogen, consumers will initially have to bear considerable additional costs. In order for the market ramp-up to succeed, these differential costs must be subsidised during the transition period.”

Dr Fabian Ziegler, Shell Deutschland GmbH:

“For me, it feels as though we're in the starting blocks on the running track: we're ready to sprint, but still awaiting the starting signal! Hamburg is currently in an ideal position to implement the changes required for climate protection. All our industrial sectors here – steel, aluminium, energy and chemicals, in combination with ports, logistics and aviation, are concentrated in an extremely small area. Where better to launch the hydrogen economy than here? And what better time than now?”

About Renewable Energy Hamburg:

With over 220 companies and institutions, the EEHH Cluster Agency brings together the competencies of firms, research facilities and institutions from the Hamburg metropolitan area in both the renewable energy and hydrogen sectors.