

To Executive Vice-President Frans Timmermans

*Also sent to Commission President von der Leyen, Executive Vice-President Dombrovskis, Executive Vice-President Vestager, Commissioner Simson, Commissioner Breton, Commissioner Vălean, Director-General Juul Jørgensen, Director-General Petriccione, Director-General Jorna, MEP Buşoi, MEP Krasnodębski, MEP Petersen, MEP Toia, MEP Gálvez Muñoz, MEP Canfin, MEP Eickhout, MEP Luena, MEP Motreanu, MEP Hazekamp, President of the European Council Michel, Ambassador Clauss, Ambassador Léglise-Costa, Ambassador Andrassy, Ambassador Szech-Koundouros, Ambassador Dubreuil, Ambassador Štefanić*

**Subject: Wide industry coalition call for a Hydrogen Strategy inclusive of all clean hydrogen pathways**

Brussels, 24 June 2020

Dear Vice-President Timmermans,

Reaching climate neutrality by 2050 in the EU will require the right regulatory framework for scaling up clean technologies to reach deeper emission cuts. Clean hydrogen will play a key role in this process and can make a real difference as a clean energy vector and clean feedstock, particularly for energy-intensive industries, heating, transport and in power generation.

As we firmly believe that Europe's future energy system needs to take a technology-neutral approach to drive the most **cost-efficient and cost-effective decarbonization**, we support a **strategy which comprises all clean hydrogen production pathways**, including electrolysis, methane pyrolysis and natural gas reforming in combination with carbon capture, utilisation and storage (CCUS). The clean hydrogen economy could provide up to 5.4 million jobs by 2050,<sup>1</sup> and retain existing high-skilled jobs in EU energy-intensive industries. **For this to materialise, an inclusive approach to clean hydrogen is necessary.**

Today, hydrogen produced from natural gas delivers the lion's share of the EU's industrial hydrogen, while hydrogen from clean electricity is produced in much smaller volumes.<sup>2</sup> We fully recognize and support the growth in hydrogen from clean electricity, which will become a significant part of the hydrogen mix in 2050, while market design will need to ensure that the requirements of different consumer groups are met. However, this hydrogen alone will not be enough to **develop a commercial market for clean hydrogen** in the next decade. It will take time to scale up, which is why we need to deploy all scalable, enabling technologies starting today.

Hydrogen from natural gas with carbon management technologies such as CCUS and pyrolysis will be needed to **create the necessary scale and make hydrogen applications cost-competitive**. Today, it is 2 to 5 times cheaper than renewable hydrogen and its deployment will help reduce the latter's cost.<sup>3</sup> Furthermore, the flexibility and resilience provided by the gas system significantly reduce investments needed and facilitate the integration of large-scale variable renewable energy.

In order to create these European opportunities in the short-, mid-, and long-term both for economic growth and decarbonization, it is of key importance for the EU to invest in all hydrogen technologies to unlock the nascent hydrogen market, while supporting the development of EU hydrogen ecosystems. **We thus urge the EU to create a strong policy framework in support of all forms of clean**

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<sup>1</sup> FCH JU (2019): *Hydrogen Roadmap Europe*. Available from: [https://www.fch.europa.eu/sites/default/files/Hydrogen%20Roadmap%20Europe\\_Report.pdf](https://www.fch.europa.eu/sites/default/files/Hydrogen%20Roadmap%20Europe_Report.pdf)

<sup>2</sup> <https://www.iea.org/reports/the-future-of-hydrogen>, June 2019.

<sup>3</sup> *Ibid.*

hydrogen, which would ensure the competitiveness of Europe's industrial sector and secure high-quality jobs for Europeans.

Yours sincerely,





ACUE



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## Annex: List of signatories

1. Aker Solutions
2. Cerame-Unie – The European Ceramic Industry Association
3. ENI
4. ENTSOG – European Network of Transmission System Operators for Gas
5. Equinor
6. EUGINE – European Engine Power Plants Association
7. Eurofer – The European Steel Association
8. Eurogas
9. EUTurbines
10. ExxonMobil
11. Fuels Europe
12. GasNaturally
13. GasTerra
14. General Electric
15. Gas Infrastructure Europe
16. Global CCS Institute
17. International Association of Drilling Contractors
18. IGU – International Gas Union
19. Industri Energi
20. IOGP – International Association of Oil and Gas Producers
21. Marcogaz – Technical Association of the European Natural Gas Industry
22. Mitsubishi Heavy Industries
23. Mitsubishi Hitachi Power Systems Europe
24. MOL Group
25. Neptune Energy
26. NOGEPa – Netherlands Oil and Gas Exploration and Production Association
27. Norwegian Oil and Gas
28. Oil & Gas UK
29. Polish Oil & Gas Company
30. Romanian Federation of Associations of Energy Utility (ACUE)
31. UNIPER
32. Wintershall Dea
33. Zukunft Erdgas