

Frans Timmermans, Executive Vice-President
Thierry Breton, Commissioner for Internal Market
Kadri Simson, Commissioner for Energy
Jutta Urpilainen, Commissioner for International Partnerships
Adina Vălean, Commissioner for Transport
Olivér Várhelyi, Commissioner for Neighbourhood and Enlargement
European Commission
Rue de la Loi 200
1049 Brussels

June 26, 2020

Five Principles for a European Hydrogen Strategy that delivers

Dear Executive Vice-President Timmermans,
Dear Commissioner Breton,
Dear Commissioner Simson,
Dear Commissioner Urpilainen,
Dear Commissioner Vălean,
Dear Commissioner Várhelyi,

Europe needs strong and competitive industrial value chains to achieve its strategic objectives, including the fight against climate change. Not only must Europe become climate-neutral by 2050, but needs to ensure that it creates opportunities for industrial growth. The coronavirus pandemic has once again underlined the value of economic growth and prosperity.

The European hydrogen strategy is crucial in this context: it lays the foundation for a common vision for the role of hydrogen, derived fuels, gases and feedstock in our society, in international trade, for Europe's industrial strength and its global leadership on climate action.

We would like to point out five important principles to make these carbon-neutral energy carriers a success story for the climate and Europe's prosperity:

1. **Set the right ambition:** Build up a new competitive industry that will serve European and global markets, create new jobs, sustain existing jobs and will have the capacity to achieve climate neutrality. Europe will need to come out stronger from the coronavirus pandemic and be assertive in becoming a global leader in climate technologies and sustainable energy carriers. To underline its ambition, the hydrogen strategy should propose a temporary market ramp up scheme.
2. **Carbon performance first:** CO₂ must be the only currency in town. Europe will need a broad set of technologies to reach its climate goals and to maximise the industrial and job opportunities stemming from this transition. Electricity and all technologies to produce clean hydrogen and derived gases, fuels or feedstock must solely compete on their carbon performance. Anything less will be a missed opportunity for the prosperity of our continent.
3. **Volumes, volumes, volumes:** Building our entire economy on carbon-neutral energy will require massive investments into sustainable energy. This challenge has three dimensions: First, Member States must accelerate cost-efficient investments into domestic renewable energy. Second, Europe needs an import strategy to harness the world's best spots for wind and solar energy. Third, Europe needs to enable international supply chains for clean hydrogen and sustainable fuels.

4. **Don't restrict opportunities:** Each sector should be free to choose its pathway to carbon-neutrality. Limiting the use of certain carbon-neutral energy carriers to specific sectors limits the opportunities for industrial growth and job creation from the outset. Instead, policy should multiply opportunities by taking a technology-open approach and by adapting regulatory frameworks to create sustainable markets for carbon-neutral energy carriers in all sectors.

5. **Act fast and prioritize close-to-market opportunities** – because 2050 is just around the corner. Road transport could become a lead market for e-fuels and create significant near-term investment opportunities without subsidies. The implicit price of carbon in the transport sector already creates attractive investment conditions for e-fuels today. This turns e-fuels into an essential addition to battery and fuel-cell electric vehicles. The aviation sector, currently heavily impacted by the coronavirus pandemic, will also benefit from this approach, because value chains and technologies are largely overlapping.

We are ready to deliver our share and trust the European Commission to set the right ambition and vision underpinned by specific measures to create investment opportunities *now*.

CC: Mr Samsom, Ms Nelen, Director-General DG CLIMA Mr Petriccione, Mr Grassi, Ms Chapuis, Ms Nyitrai, Director-General DG ENER Ms Juul Jørgensen; Ms Caudet, Ms Garnier, Director-General DG GROW Ms Jorna, Mr Negreanu-Arboreanu, Director-General DG MOVE Mr Hololei, Ms Montero-Melis, Mr Horváth, Mr Seibert, MEP Buşoi, MEP Krasnodębski, MEP Petersen, MEP Toia, MEP Gálvez Muñoz, MEP Canfin, MEP Eickhout, MEP Luena, MEP Motreanu, MEP Hazekamp, Ambassador Clauß

