

Betreff: Email from incoming State Secretary Graichen regarding Hydrogen DA

Dear Mr. Grassi,

please find below an email from incoming State Secretary Patrick Graichen. He has asked me to send it to you on his behalf. Additional information is included in the attached file.

Dear Stefano,

it was very pleasant having made your acquaintance on the phone. The speed of implementing the European Green Deal requires me to follow up on an urgent matter of substance. The dossier concerned is the delegated act on the criteria for green hydrogen. One of the corner stones of the German contribution to the European Green Deal is green hydrogen. The new coalition agreed to deploy electrolyser capacity of 10 GW by 2030. Thus, a large share of the European hydrogen strategy's 40 GW-goal will be implemented in Germany.

In order to enable this ambitious goal, we are dependent on a supportive European Framework which ensures both, stable and attractive investment conditions and credibility of the criteria for green hydrogen which avoid significant additional CO2 emissions and ensure efficient system integration of electrolysers.

During the market ramp-up phase, the emphasis should be more on favourable investment conditions. However, to ensure setting the right course, credible criteria should be visible right from the beginning and these criteria should progressively phase in until 2030.

Regarding the latest proposal of the delegated act that we are aware of, we have the following main concerns:

- More flexibility for the criteria of **additionality of renewable electricity** for the production of renewable hydrogen is needed, particularly in the market ramp up phase. 100% new and unsupported renewable electricity installations as of 2025 seems to be too ambitious. Instead, the additionality criterion should be introduced as a gradual phase-in e.g. 20% in 2026, 25% in 2028 and 30% as of 2030. It should be considerably less than 100%, to reflect that there are already existing Renewables in the system
- In order to enable investments, a solution is needed which ensures an adequate amount of predictable full load hours. The **"above-3-year- RES-E-average"** criterion for the temporal correlation is in our view **not predictable** enough for investors, particularly in the market ramp-up phase. In our view, a solution is needed which ensures **predictably 5000 full-load-hours**. There are different ways to get there (see below).
- We welcome the Commission's proposal to make use of otherwise **curtailed renewable electricity**. However, the current provision could be a huge **loophole** since a 500 MW electrolyser could be qualified as green despite avoiding only 1 MWh of RES curtailment. We call for a **significant effect** on the curtailment avoided to be measured objectively by the TSO (see details below).
- The target model for the **geographical criteria** should be to locate electrolysers **close to high-volume Renewables generation sites**. With regard to the geographical criterion we need to take into account that a gas pipeline can transport around 10 times more volume (10-20 GW) than a high-voltage line (1-2 GW). For a large roll-out of electrolysers the system efficient location of electrolysers is a key element. The bidding zone criteria is not targeted enough in our view as it only reflects current congestions, but not future developments, nor grid or system needs (solution see below).

- **International applicability** of the criteria is key to establish a global supply chain for the import of hydrogen products and their accounting under the RED II. However, the criteria do not fit 1:1 in all third countries. We would therefore suggest a general opener clause, which allows the Commission to recognize appropriate adjustments with a view to third countries and hence the acknowledgement of imported products under the RED II criteria.

I would very much appreciate if we could discuss these points further, being well aware that you are under the pressure of finalising the DA. The criteria will be key for the investment framework and roll-out of hydrogen. They will have a spill-over effect to other areas. Thus, we need to get them right. Therefore, I would rather prefer a decision of the Commission in early January than in December if this helps us to find the best possible criteria.

Kind regards,

Dr. Patrick Graichen

Please do not hesitate to reach out to us if further information is needed.

Kind regards,

Dr. Anna Wallbrecht