8. Believes that the classification of the different forms of hydrogen should be determined according to an independent, science-based assessment, stepping away from the commonly used colour-based approach; is of the opinion that this classification should be based on the life cycle greenhouse gas emissions throughout hydrogen’s entire production and transport process, but should also take into account transparent and robust sustainability criteria in line with the principles of the circular economy and be based on averages and standard values per category, such as the objectives of sustainable use and the protection of resources, the handling of waste and the increased use of raw and secondary materials, pollution prevention and control, and finally, the protection and restoration of biodiversity and ecosystems;
40. Welcomes the Commission’s consideration of various options for incentives on the demand side; agrees with the Commission that demand-focused policies and clear incentives for the application and use of hydrogen in end-consumer sectors in order to trigger the demand for hydrogen – such as quotas for the use of renewable hydrogen in a limited number of specific sectors, European Investment Bank guarantees to reduce the initial risk of co-investments until they are cost-competitive, and financial tools, including Carbon Contracts for Difference (CCfD) for projects using renewable or low-carbon hydrogen – could be considered for a transitional period to promote decarbonisation through hydrogen where that is vital in order to preserve the competitiveness of end users; notes the need to ensure that the compensation remains proportionate and to avoid the duplication of subsidies for both production and use, the creation of artificial needs and undue market distortions; calls for the swift development of a pilot scheme for CCfD, in particular for clean steel; highlights that public procurement of sustainable solutions, such as green steel for construction or renovation, can also contribute to tangible and predictable demand; stresses that...
demand-focused policies should be consistent with other policy measures and subject to a thorough impact assessment to avoid negative effects on energy-intensive industries facing international competition; renovation, can also contribute to tangible and predictable demand; stresses that demand-focused policies should be consistent with other policy measures and subject to a thorough impact assessment to avoid negative effects on energy-intensive industries facing international competition;