



**2023/2123(INI)**

7.11.2023

# **OPINION**

of the Committee on Budgets

for the Committee on Industry, Research and Energy

on the European Hydrogen Bank  
(2023/2123(INI))

Rapporteur for opinion: Adam Jarubas

PA\_NonLeg

## SUGGESTIONS

The Committee on Budgets calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas the EU budget needs to increase its support to the EU objective of achieving climate neutrality by 2050 at the latest and to continue to be a central tool in achieving this objective; whereas larger investments in energy are necessary, given that needs have been magnified by the energy crisis and rising energy poverty;
- B. whereas renewable hydrogen could contribute to achieving the climate neutrality objective such as by playing an important role in the decarbonisation of hard-to-abate sectors, including aviation, where no more energy- or cost-efficient alternatives are available; whereas the EU hydrogen strategy and REPowerEU include an objective of producing 10 million tonnes of renewable hydrogen in the EU by 2030 and importing the same amount; whereas it is necessary to create effective hydrogen market actions addressing both supply and demand;
- C. whereas the Member States can use their national revenues from the emissions trading system and other sources to launch national competitive auctions for renewable hydrogen production; whereas, alongside auctions, other financial instruments that contribute to supporting the European hydrogen market are needed, in particular to promote small-scale breakthrough projects based on the use of green, and renewable hydrogen;
- D. whereas ongoing hydrogen projects, such as Important Project of Common European Interest (IPCEI) projects, are key to creating new hydrogen markets;
  - 1. Welcomes the European Hydrogen Bank (EHB) initiative; regrets the use of the word 'bank', since the project will not involve investment and lending activities but will rather aim to coordinate activities and financing to support renewable hydrogen projects; calls on the Commission to rename the initiative accordingly and to make it easier for project promoters and the general public to identify the objectives, which include early market creation and price discovery; stresses the need for dedicated staff to pursue the operations of the EHB and asks for adequate funding in this respect, within the existing institutional framework;
  - 2. Highlights that the Commission estimated the total investment needed to produce, transport and consume 10 million tonnes of renewable hydrogen to be in the range of EUR 335-471 billion, with EUR 200-300 billion needed for additional renewable electricity production, while it estimated that additional investments of EUR 500 billion will be needed in international value chains to enable 10 million tonnes of renewable hydrogen and hydrogen derivatives to be imported; notes that a budget of EUR 3 billion was announced for the EHB in the 2022 State of the European Union address and the opening remarks of the President of the Commission at the Clean Transition Dialogue on Hydrogen, which stressed the role of NextGenerationEU and RepowerEU in investing in 'hydrogen valleys', hydrogen trains, and clean-steel factories; expresses its

concerns about the overall budget of the EHB compared to the subsidies given by economic partners and competitors, in particular China, India and the United States; expects the Commission to ensure that additional funding will be made available, to elaborate on the yearly budget available under each pillar of the EHB and deliver a roadmap detailing the size and the general features of auctions anticipated in the coming years; stresses its long-standing position that new priorities must be financed with fresh money and therefore that the funding for the EHB should not lead to a reduction in the funding for other priority EU programmes;

3. Highlights that pillars 1 and 4 of the EHB will partly rely on the coordination of the same EU programmes as the Strategic Technologies for Europe Platform in order to support the development of renewable hydrogen production; invites the Commission to clarify the interaction between the two initiatives, in particular as regards the objectives, implementation, financing, coordination and communication; stresses that the approach of overloading existing programmes without adequate additional fresh money risks undermining the fulfilment of their initial objectives;
4. Welcomes the ambition of EHB pillar 1 to spur the development of a domestic market for renewable hydrogen; notes that the Commission estimates the necessary market premium to be up to EUR 5 per kilogram of hydrogen produced; stresses that quick and effective actions are needed to create functioning, competitive markets to drive down this high level of premium; stresses the importance of geographical balance to enable the production and use of renewable hydrogen across the EU and avoid regional consolidation and further widening of the regional disparities within the EU that already exist due to the varying degrees of development of the hydrogen market; calls on the Commission to ensure a level playing field when conducting auctions under the Innovation Fund so as to secure the widest participation from Member States and SMEs, including by considering support for hydrogen based on renewable sources from other bidding zones than the production zone in accordance with the delegated act on Renewable Hydrogen<sup>1</sup> and by minimising unnecessary administrative burdens; agrees that a well-functioning domestic market requires cross-border hydrogen infrastructure; notes that the Commission's proposal for the revision of the multiannual financial framework (MFF) did not include an increase in funding for the Connecting Europe Facility; warns that investments in hydrogen infrastructure should avoid locked-in emissions; notes that Agency for the Cooperation of Energy Regulators (ACER) is not mentioned, and calls on the Commission to assess if EHB activities will have an impact on ACER's resources;
5. Notes that a budget of EUR 800 million is forecast for the first EU pilot auction for renewable hydrogen production; calls for the pricing of the premiums to be reviewed and updated if necessary in each auctioning period, and for the fixed premiums to be updated in each cycle in order to guarantee the premium consistently remains above production costs, so as to establish a predictable clawback mechanism and to ensure maximum production; calls for the Commission not only to take price into account but to include a regional dimension envisaging the development of regional auctions; calls for offers to be selected in a way that ensures excellence, job creation, the retraining or upskilling of workers, the highest level of sustainability, such as by excluding projects

---

<sup>1</sup> C(2023)1087.

potentially jeopardising the availability and purity of the water supply;

6. Takes note of the fact that there is no legal vehicle to support the implementation of EHB pillar 2; regrets the fact that the Commission did not submit a proposal in this regard; calls on the Commission to perform a thorough impact assessment in line with the better regulation toolbox including its impact on non-EU countries and to address this gap as soon as possible; asks the commission to clarify the relationship between pillar 2 and Team Europe Initiatives;
7. Considers that additional skilled workers are needed to develop the hydrogen market, requiring significant financial investment in re-skilling and upskilling the workforce; calls on the Commission to clarify how the EHB will cater for this; stresses also the need to make sure that there are synergies between all available investment funds, programmes, financial instruments and policies including state aid, in order to ensure cooperation between the public and the private sector for investments in a wide range of projects and to support the functioning of the internal market; considers that stability, predictability, transparency and the level playing field give confidence to potential investors and stakeholders and encourages them to commit resources and funds to hydrogen-related projects.

**ANNEX: LIST OF ENTITIES OR PERSONS  
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The following list is drawn up under the exclusive responsibility of the rapporteur. The rapporteur has received input from the following entities or persons in the preparation of the opinion, until the adoption thereof in committee:

<b>Entity and/or person</b>
The rapporteur has received no input from entities or persons in the preparation of the draft opinion until its adoption in committee.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	7.11.2023
<b>Result of final vote</b>	+: 23 -: 1 0: 2
<b>Members present for the final vote</b>	Olivier Chastel, Andor Deli, José Manuel Fernandes, Alexandra Geese, Vlad Gheorghe, Valérie Hayer, Eero Heinäluoma, Hervé Juvin, Moritz Körner, Pierre Larrousurou, Janusz Lewandowski, Margarida Marques, Lefteris Nikolaou-Alavanos, Andrey Novakov, Bogdan Rzońca, Eleni Stavrou, Nils Torvalds, Nils Ušakovs, Rainer Wieland, Angelika Winzig
<b>Substitutes present for the final vote</b>	Jan Olbrycht, Mauri Pekkarinen
<b>Substitutes under Rule 209(7) present for the final vote</b>	Lena Düpont, Mónica Silvana González, Catherine Griset, Predrag Fred Matić

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

23	+
ECR	Bogdan Rzońca
ID	Catherine Griset
PPE	Lena Düpont, José Manuel Fernandes, Janusz Lewandowski, Andrey Novakov, Jan Olbrycht, Eleni Stavrou, Rainer Wieland, Angelika Winzig
Renew	Olivier Chastel, Vlad Gheorghe, Valérie Hayer, Moritz Körner, Mauri Pekkarinen, Nils Torvalds
S&D	Mónica Silvana González, Eero Heinäluoma, Pierre Larroustou, Margarida Marques, Predrag Fred Matić, Nils Ušakovs
Verts/ALE	Alexandra Geese

1	-
NI	Lefteris Nikolaou-Alavanos

2	0
NI	Andor Deli, Hervé Juvin

Key to symbols:

+ : in favour

- : against

0 : abstention