Minister Jean-Baptiste Djebbari Ministers of Transport and Ministers of Economy of EU Member States

CC: Executive Vice President Timmermans, Commissioner Valean, MEP Ertug, MEP Gieseke, MEP Nagtegaal, MEP Riquet, MEP Kovařík, MEP Gade, MEP Oetjen, MEP Marinescu, MEP Pieper, Director-General Hololei, Deputy Director-General Bakran-Marcich, Director Ruijters

Brussels, 27 April 2022

Subject: Open Letter raising concern on the lack of ambition in Article 6 (hydrogen refuelling)

Dear Ministers,

The prospective hydrogen industry is writing to you to share its concern regarding the discussions in the Council of the European Union on the hydrogen refuelling infrastructure targets under Article 6 of the Alternative Fuels Infrastructure Regulation (AFIR) proposal.

We are strongly convinced that a widely available hydrogen refuelling stations (HRS) network, alongside other low-emission refuelling, and recharging infrastructures, will be essential for a rapid transition of the road transport sector. Hydrogen-fuelled vehicles, e.g., hydrogen fuel-cell electric vehicles (FCEVs) are particularly interesting for customers with preferences for fast refuelling and for whom flexibility is paramount. FCEVs are also attractive for intensive use cases for both individuals and businesses.

The number and variety of hydrogen-fuelled vehicles, as well as the number of OEMs and suppliers committing billions of Euros into this technology, is rapidly increasing. Therefore, we the hydrogen mobility sector call on the EU and its Member States to set out an ambitious but realistic AFIR. The Regulation should give market-based choices open to all customers. We plea for clear and well-defined targets for HRS, as relying on silver bullets for all segments of road transport will not deliver quick decarbonisation. Sufficient geographical coverage and capacity for all types of alternative fuels infrastructure will be key for the transition towards cleaner European road transport. HRSs are prime examples of interoperability simultaneously serving cars, vans, and lorries. This lowers CAPEX and OPEX costs and mitigates early low usage risks, and accelerated hydrogen uptake.

A rollout of both HRS and battery electric vehicles (BEV) charging infrastructures will be cheaper¹ than relying solely on one type of infrastructure or restricting specific technologies to specific road transport segments.² A multi-technology approach will grant a transition that is faster, more cost-efficient and serves all consumers better according to their specific needs

The Fit for 55 Package sets out both supply and demand-side measures for the uptake of renewable hydrogen and other renewable fuels of non-biological origin (RFNBOs). Any reduction or delay in the AFIR hydrogen infrastructure targets is contradictory to the revision of the Renewable Energy Directive, particularly in light of the proposed 2.6% RFNBO sub-target.

Additionally, with the recent REPowerEU Communication,³ the geopolitical focus on reducing EU's dependency from fossil fuels, and increasing the supply of renewable hydrogen produced both domestically and abroad, the EU leaders have clearly committed to supporting the development of the hydrogen economy.⁴ Cutting back on demand-side signals, such as those in AFIR, would significantly undermine the creation of sufficient demand in end-use sectors.

¹ International Energy Agency, <u>Net-zero by 2050</u>, and Hydrogen Council, <u>Roadmap towards zero emissions: The complementary role of BEVs and ECEVs.</u>

² Even if only 10% of xEVs are powered with fuel cells, this would already be cost-effective due to the reduced need for grid upgrades i.e. for remote highway refuelling stations and public fast chargers in cities with high grid loads, see Hydrogen Council.

³ European Commission, *RepowerEU Communication*, 8 March 2022.

⁴ <u>Versailles Declaration</u>, 10-11 March 2022; <u>European Council Conclusions</u>, 25 March 2022.

We, the hydrogen mobility industry, are convinced that the REPowerEU target of achieving 20 Mt of renewable hydrogen by 2030 requires a simultaneous scale-up of production and demand, with hydrogen mobility playing a central role.

THE HYDROGEN INDUSTRY STANDS READY TO INVEST IN HYDROGEN REFUELLING INFRASTRUCTURE

AFIR is a prerequisite to eliciting funding from private investors, national and European funding. Furthermore, the European Investment Bank is equally keen to invest in hydrogen mobility projects,⁵ while many Member States' hydrogen strategies envisage national funding for hydrogen mobility projects, also as part of the Important Projects of Common European Interest. The EU's Connecting Europe Facility for Transport has a dedicated envelope to fund the rollout of alternative fuel infrastructure projects.

Delays or a lack of ambition in the hydrogen section of AFIR will be a negative signal for investors on the mobility and production side. Coupled with the proposed revisions of vehicle **CO2 Emissions Standards**, the proposals will create the necessary investor certainty and channel funds into HRSs.

We call on the EU to not close the door for investments into HRS by diluting and delaying targets of Article 6 of AFIR. Instead, we call for your support to ensure a realistic rollout that would give the sector an opportunity to develop; otherwise, these investments will move to HRSs outside of the EU.

WE CALL FOR A REALISTIC TIMELINE FOR THE ROLLOUT OF H2 REFUELLING INFRASTRUCTURE

Calculations by Hydrogen Europe show that the currently proposed targets in Article 6 of AFIR, which would result in approximately 1100 HRS, are woefully insufficient to cover even the most basic demand across all road transport segments. Diluting and delaying these targets, as considered by some Member States, would exacerbate this even further and reduce customer choices.

Instead, the trajectory outlined below is essential for a successful rollout of HRS on EU roads:

- **2025**: Half of the network density (HRS at every 200km) to be met by 2025.
- **2027**: TEN-T Core networks need the full density of HRS to be completed at every 100km, to match the expected large-scale rollout by manufacturers, at a minimum 2 tonne/day, equipped with 700 bar and 350 bar dispensers.
- **2030**: HRSs at least at every 100 kilometres across the entire TEN-T road network (core and comprehensive), with a minimum 2 tonne/day, equipped with 700 bar and 350 bar dispensers.
- 2030: Liquid HRS targets at every 300 km on TEN-T road networks.
- **2030**: At least 2 HRS for each of the 424 TEN-T nodes (key multimodal European cities), providing customers with certainty and basic reliability for users.

We, the hydrogen mobility industry, call on the EU and its Member States to embrace and commit to the trajectory set above for the rollout of hydrogen refuelling infrastructure as part of Article 6 of the Alternative Fuels Infrastructure to ensure a successful, rapid, and cost-effective decarbonisation of European road transport.

We remain at your disposal for any further questions.

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⁵ European Investment Bank, <u>Connecting Europe Facility Debt Instrument</u>.



















































































































































































































