

Opportunities and challenges for the implementation of the European Hydrogen Bank

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Towards the implementation of the European Hydrogen Bank

Opportunities

- **Avoiding complexity:** Supply-side auctions with fixed premiums are a relatively simple instrument
- **Visibility in the EU and beyond:** First step towards price discovery and provision of a European market index
- **Reduce transaction costs:** Auctioning as a European service for (smaller) Member States

Challenges

- **Funding gap:** €800m for first auction round versus €90-115bn funding requirement for 20Mt renewable H2 target
- **Smooth and simple implementation:** EU agencies like CINEA are used to disburse grants on a cost and milestone basis, not to run competitive auctions
- **Balanced distribution of funds:** monitoring the sectors of use and the geographical balance of beneficiaries