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European Hydrogen Bank

European Parliament resolution of 14 December 2023 on the European Hydrogen Bank (2023/2123(INI))

(C/2024/4185)

The European Parliament,

— having regard to the Treaty on the Functioning of the European Union, and in particular to Article 194 thereof,

— having regard to the agreement adopted at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change in Paris on 12 December 2015 (the Paris Agreement),

— having regard to the Commission communication of 16 March 2023 on the European Hydrogen Bank (COM(2023) 0156),

— having regard to the Commission communication of 1 February 2023 entitled 'A Green Deal Industrial Plan for the Net-Zero Age' (COM(2023)0062),

— having regard to the Commission communication of 18 May 2022 entitled 'REPowerEU Plan' (COM(2022)0230),

— having regard to the Commission communication of 8 July 2020 entitled 'A hydrogen strategy for a climate-neutral Europe' (COM(2020)0301),

— having regard to the Commission communication of 8 July 2020 entitled 'Powering a climate-neutral economy: An EU Strategy for Energy System Integration' (COM(2020)0299),

— having regard to the Commission communication of 10 March 2020 entitled 'A New Industrial Strategy for Europe' (COM(2020)0102),

— having regard to the Commission communication of 11 December 2019 on the European Green Deal (COM(2019) 0640),

— having regard to the Commission proposal of 20 June 2023 for a Council regulation amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 (COM(2023) 0337),

— having regard to the Commission proposal of 20 June 2023 for a regulation of the European Parliament and of the Council establishing the Strategic Technologies for Europe Platform ('STEP') and amending Directive 2003/87/EC, Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241 (COM(2023)0335),

— having regard to the Commission proposal of 16 March 2023 for a regulation of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1724 and (EU) 2019/1020 (Critical Raw Materials Act) (COM(2023)0160),

— having regard to the Commission proposal of 16 March 2023 for a regulation of the European Parliament and of the Council on establishing a framework of measures for strengthening Europe's net-zero technology products manufacturing ecosystem (Net Zero Industry Act) (COM(2023)0161),

— having regard to Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity ([1]), which is currently being revised,

([1]) OJ L 158, 14.6.2019, p. 54.

— having regard to Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU ([2]), which is currently being revised,

— having regard to Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources ([3]) (Renewable Energy Directive),

— having regard to Regulation (EU) 2023/1804 of the European Parliament and of the Council of 13 September 2023 on the deployment of alternative fuels infrastructure, and repealing Directive 2014/94/EU ([4]),

— having regard to Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC ([5]), which is currently being revised,

— having regard to Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation(EC) No 1775/2005 ([6]), which is currently being revised,

— having regard to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC ([7]),

— having regard to Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy ([8]), which is currently being revised,

— having regard to Council Regulation (EU) 2022/2576 of 19 December 2022 enhancing solidarity through better coordination of gas purchases, reliable price benchmarks and exchanges of gas across borders ([9]),

— having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 ([10]),

— having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking ([11]),

— having regard to Commission Delegated Regulation (EU) 2023/1184 of 10 February 2023 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a Union methodology setting out detailed rules for the production of renewable liquid and gaseous transport fuels of non-biological origin ([12]),

— having regard to Commission Delegated Regulation (EU) 2023/1185 of 10 February 2023 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a minimum threshold for greenhouse gas emissions savings of recycled carbon fuels and by specifying a methodology for assessing greenhouse gas emissions savings from renewable liquid and gaseous transport fuels of non-biological origin and from recycled carbon fuels ([13]),

([2]) OJ L 158, 14.6.2019, p. 125.
([3]) OJ L 328, 21.12.2018, p. 82.
([4]) OJ L 234, 22.9.2023, p. 1.
([5]) OJ L 211, 14.8.2009, p. 94.
([6]) OJ L 211, 14.8.2009, p. 36.
([7]) OJ L 275, 25.10.2003, p. 32.
([8]) OJ L 327, 22.12.2000, p. 1.
([9]) OJ L 335, 29.12.2022, p. 1.
([10]) OJ L 427, 30.11.2021, p. 17.
([11]) OJ L 169, 7.6.2014, p. 108.
([12]) OJ L 157, 20.6.2023, p. 11.
([13]) OJ L 157, 20.6.2023, p. 20.

— having regard to Commission Delegated Regulation (EU) 2019/856 of 26 February 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council with regard to the operation of the Innovation Fund ([14]),

— having regard to its resolution of 19 May 2021 on a European Strategy for Hydrogen ([15]),

— having regard to its resolution of 19 May 2021 on a European strategy for energy system integration ([16]),

— having regard to its resolution of 10 July 2020 on a comprehensive European approach to energy storage ([17]),

— having regard to its resolution of 15 January 2020 on the European Green Deal ([18]),

— having regard to its resolution of 14 March 2019 on climate change – a European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy in accordance with the Paris Agreement ([19]),

— having regard to its resolution of 25 October 2018 on deployment of infrastructure for alternative fuels in the European Union: time to act! ([20]),

— having regard to its resolution of 6 February 2018 on accelerating clean energy innovation ([21]),

— having regard to the opinion of the European Economic and Social Committee of 14 June 2023 on the European Hydrogen Bank ([22]),

— having regard to the opinion of the European Committee of the Regions of 30 November 2023 on the European Hydrogen Bank,

— having regard to Rule 54 of its Rules of Procedure,

— having regard to the opinion of the Committee on Budgets,

— having regard to the report of the Committee on Industry, Research and Energy (A9-0379/2023),

A. whereas the EU is a party to the Paris Agreement and has committed to reducing greenhouse gas emissions by at least 55 % by 2030 compared to 1990 levels and to achieving climate neutrality by 2050;

B. whereas hydrogen can be used as a feedstock, a fuel or an energy carrier and has the significant potential to decarbonise hard-to-abate industries and heavy transport, for which direct electrification is not technologically possible or competitive;

C. whereas hydrogen can also be used for last resort energy storage to balance the energy system, thereby contributing to energy system integration;

D. whereas hydrogen is in itself an indirect greenhouse gas and there is growing awareness of its climate impacts, which should be properly addressed through monitoring, prevention and mitigation measures in close cooperation with industry;

E. whereas the EU hydrogen strategy has set an objective of installing at least 40 GW of renewable hydrogen electrolysers and producing 10 million tonnes of renewable hydrogen in the EU by 2030 and the REPowerEU plan has proposed to complement this objective by importing the same amount of renewable hydrogen;

F. whereas the total investment required to meet this objective is estimated at EUR 335-471 billion, and an additional EUR 500 billion of investment will be required to secure the import of the envisaged amount of renewable hydrogen;

([14]) OJ L 140, 28.5.2019, p. 6.
([15]) OJ C 15, 12.1.2022, p. 56.
([16]) OJ C 15, 12.1.2022, p. 45.
([17]) OJ C 371, 15.9.2021, p. 58.
([18]) OJ C 270, 7.7.2021, p. 2.
([19]) OJ C 23, 21.1.2021, p. 116.
([20]) OJ C 345, 16.10.2020, p. 80.
([21]) OJ C 463, 21.12.2018, p. 10.
([22]) OJ C 293, 18.08.2023, p. 127.

G. whereas the European electrolyser manufacturing industry has set an objective of installing at least 25 GW of manufacturing capacity by 2025, representing around 120 GW of installed capacity in Europe;

H. whereas the cost of electrolysers has already been reduced by 60 % in the last 10 years and is expected, according to the Commission, to be halved in 2030 owing to economies of scale;

I. whereas fuel cells and electrolysers require technology-intensive components and several critical raw materials, in particular platinum-group metals, whose main producers are located outside the EU, often in countries where mining is linked to serious human rights violations, deterioration of governance, conflicts and environmental degradation, while producers located in the EU are faced with uncompetitive operating conditions;

J. whereas a market for renewable hydrogen remains to be built and will require appropriate customer protection and significant investments so that decarbonisation is achieved in all hard-to-abate sectors;

K. whereas end-use demand for renewable hydrogen needs to be incentivised across all sectors, including those that might use low-carbon hydrogen in their transition to a decarbonised economy;

L. whereas price discovery is crucial for consolidating the foundations of the hydrogen market, targeting public financial support and allowing for effective regulatory oversight and public monitoring;

M. whereas the Commission estimates the price of renewable hydrogen in the EU to be between EUR 2,5 and 5,5 per kg, which is driven by the price of renewable electricity and electrolysers, while the price of fossil fuel-based hydrogen is around EUR 1,5 per kg;

N. whereas global economic partners and competitors, including the US and China, are providing strong financial support to their domestic production of renewable hydrogen, including the US Inflation Reduction Act which promotes renewable hydrogen with a tax credit up to USD 3 per kg;

1. Welcomes the Commission communication on the European Hydrogen Bank (EHB); notes that the name 'European Hydrogen Bank' can be misleading, as this is not a bank but an initiative aiming to act as an efficient and streamlined one-stop-shop for the coordination of activities and financing in support of renewable hydrogen projects along the entire supply chain;

2. Encourages the Commission to provide more funding and visibility to the initiative, as it will represent an important milestone for kick-starting the European hydrogen market; considers that the EHB should bear clear responsibility for the implementation of the recommendations included in this resolution;

3. Recalls that the only sustainable form of hydrogen is renewable hydrogen; notes that electrolysers account for less than 4 % of total hydrogen production in the EU; notes that low-carbon hydrogen will play a role during the transition to a net-zero economy and the ramp-up of the hydrogen market;

4. Acknowledges that the production of renewable hydrogen is energy intensive; notes that reaching the targets for renewable hydrogen will require ramping up the manufacturing of electrolysers that contain critical raw materials; notes that this would also require a significant expansion of renewable electricity capacity and an upgrade of the power grid;

5. Recalls that the International Energy Agency estimates that 32 % of global electrolyser capacity will be located in Europe by 2030 if all planned projects materialise; stresses the need to maintain and enhance the Union's global leadership on hydrogen by developing an innovative and efficient market that connects producers with consumers, using adequate infrastructures;

6. Welcomes the Commission's proposals for a Net Zero Industry Act, a Critical Raw Materials Act and the revision of the Renewable Energy Directive that would contribute to secure, competitive and resilient value chains serving the increased demand for EU-produced renewable hydrogen and electrolysers; stresses that the EHB should act as a complement to the Net Zero Industry Act;

7. Strongly supports streamlined and faster permitting procedures across the entire value chain in order to ramp up the production of renewable hydrogen and foster innovation; insists on retaining the current high level of environmental protection when assessing permit applications, while streamlining certain environmental-related aspects of the permit-granting procedures and administrative processes for renewable energy projects;

8. Considers that, to secure the EU's industrial sovereignty in a context of open strategic autonomy, the first implementation phase of the EHB should strongly prioritise ramping up domestic production, while subsequent phases could be extended to enabling the ramping-up of competitive imports of renewable hydrogen; recalls that support for both domestic production and imports should fall under the competence of the EHB;

9. Welcomes the role of the EHB in increasing transparency on flows, transactions and prices in the emerging hydrogen market; underlines that this function is crucial for increasing market confidence, strengthening regulatory oversight and public monitoring, and informing the integrated planning of energy infrastructure;

10. Emphasises that private funding will be instrumental in building a European market for renewable hydrogen and that an efficient market, once developed, should not be dependent on public subsidies;

11. Notes that a robust EU market regulatory framework for hydrogen can help establish a properly functioning market; believes that a predictable and less volatile price path is necessary to create investment certainty for indispensable investments in hydrogen production and hydrogen infrastructure;

12. Considers that the delegated acts on renewable liquid and gaseous fuels of non-biological origin have increased predictability and certainty for investors; welcomes the Commission's proposal for a hydrogen and decarbonised gas market package; insists on providing a coherent and stable regulatory environment for the industry;

13. Underlines that, according to the International Renewable Energy Agency, hydrogen production via electrolysis is water-intensive and consumes between 18 and 24 kg of water per kg of hydrogen; highlights that water consumption is even higher when considering the upstream value chain; calls on the Commission and the Member States to pay specific attention to resource efficiency and to the Water Framework Directive ([23]), in particular for regions at risk of drought; calls for further research into technologies for water desalinisation that minimise energy consumption and environmental impacts, particularly that of brine pollution;

14. Emphasises that Hydrogen Valleys and related infrastructures play an important role as instruments to support the decarbonisation of industrial districts, foster innovation and contribute to the local economy; notes that Hydrogen Valleys provide secured clusters of hydrogen supply and demand in Europe; considers that the EHB has the responsibility to coordinate and support all relevant consumption centres across Hydrogen Valleys and to upscale large-scale hydrogen flagship projects;

Financial support for the domestic production of renewable hydrogen

15. Welcomes the Commission's decision to launch a first price-based pilot auction to support renewable hydrogen; takes note of the budget of EUR 800 million for supporting the production of renewable hydrogen over 10 years; calls on the Commission to engage rapidly in the assessment of this pilot auction as regards its effectiveness, macroeconomic and industrial consequences;

([23]) Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

16. Acknowledges the Commission's choice to provide support in the form of a fixed premium in the first pilot auction, as the difference between the production and consumption of hydrogen will be high, at least at the beginning; insists on setting a fixed premium for future auctions equivalent to or higher than that proposed by the US under the Inflation Reduction Act; asks the Commission to consider complementary mechanisms such as grants, contracts for difference and carbon contracts for difference; considers that these complementary mechanisms could support not only the production but also the demand for renewable hydrogen;

17. Reiterates the importance of geographical and sectoral balance to enable the production of renewable hydrogen across the EU and its use by hard-to-abate sectors; insists on the need to avoid further deepening of the regional divergences that already exist owing to the varying extent of the hydrogen market's development; urges the Commission to develop regional auctions and, for that purpose, define regions that would be sufficiently large to secure adequate competition while ensuring geographical balance; requests that the Commission propose an allocation key with the aim of supporting a regionally even development of the European hydrogen market;

18. Calls on the Commission to provide technical assistance to Member States with a low level of participation, as provided for in the latest revision of the Emissions Trading System Directive ([24]); stresses that such support should encourage the participation of applicants from all Member States in the auctions under the EHB;

19. Emphasises that the EHB should also aim to attract smaller developing projects; suggests to the Commission that it adjust some elements of the auction design, in particular the requirement for the minimum installed electrolyser capacity and the restriction on maximum-volume bid, and that it consider the possibility of pooling applications, in order to facilitate the participation of small and medium-sized enterprises (SMEs);

20. Asks the Commission to reassess and clarify the rules on compatibility between public financial support and funding provided under the EHB, taking into account that there should be no cumulation for the same costs, with the aim of safeguarding fair competition between all applicants;

21. Stresses that the design of future auctions should strongly prioritise the sale of renewable hydrogen to hard-to-abate industries and heavy transport, in particular aviation and shipping; believes, in that regard, that certain restrictions should be included in the eligibility criteria of the auctions;

22. Asks the Commission to not only consider price, but also to include a clear system of bonus points for the ranking of bids; notes that such a system should reward bids that deliver the highest level of sustainability, lead to significant job creation and promote high-quality traineeships, apprenticeships and the reskilling or upskilling of workers;

23. Recognises the urgent need to scale up the production of electrolysers in the EU; proposes differentiating between operating and capital expenditure; considers that potential support for capital expenditure on low-carbon hydrogen should only be directed towards investments that can contribute to the production of renewable hydrogen at a later stage, in particular the purchase of electrolysers, and should not cover operating expenditure on low-carbon hydrogen;

Non-financial support for the EU hydrogen ecosystem

24. Welcomes the Commission's idea of launching the concept of 'auctions as a service'; considers that this could lower the administrative costs for the Member States and promote a genuinely European pathway to energy transition; asks the Commission to evaluate this concept and explore its further development for other renewable energy technologies; stresses that the administrative burdens in the application process should be reduced, as far as possible, so that the award processes can also be handled by SMEs;

([24]) Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

25. Suggests that the EHB should be able to provide dedicated advice to private actors concerning the development of renewable and low-carbon hydrogen installations in the EU; believes such a service should be independent from whether an applicant has received funding from the EHB or not; suggests that this advisory service rely on the expertise of the European Investment Bank (EIB); proposes that the activities of the European Clean Hydrogen Alliance be included under the EHB to create a physical forum where producers and consumers of hydrogen could meet to receive advice and exchange best practices;

26. Stresses the importance of limiting the fragmentation of EU entities dealing with hydrogen; proposes including the activities of the Clean Hydrogen Joint Undertaking, and particularly the Fuel Cell Hydrogen Observatory, in the framework of the EHB; insists that such inclusion should not reduce public investment for research, development and innovation;

27. Believes that a voluntary joint purchasing mechanism for hydrogen can contribute to developing the domestic hydrogen market and securing imports under the EHB; stresses that joint purchases would also facilitate investments in renewable hydrogen generation capacity, ensure the supply of renewable hydrogen at affordable prices and prevent European consumers from outbidding each other;

28. Notes that AggregateEU can work as a pilot for the hydrogen market's development under the EHB; calls on the Commission to assess the development of a mechanism for voluntary demand aggregation and joint purchasing of hydrogen and, where appropriate, to submit a legislative proposal to that end; believes that this assessment could be based on an in-depth analysis of the adequate company cooperation models and the possibility to create guarantee schemes allowing for the effective engagement of smaller companies and SMEs;

29. Calls on the Member States to use green public procurement in order to favour goods produced with renewable hydrogen, such as steel used in the construction of public buildings and infrastructure;

Imports of renewable hydrogen

30. Notes that, despite an increase in the domestic production of renewable hydrogen, growing demand may require imports from non-EU countries; stresses that the EHB should exploit synergies on the acceleration of imports of renewable hydrogen, addressing the increasing demand on the European market;

31. Stresses the importance of promoting the infrastructure corridors identified in the Commission communication on the REPowerEU Plan, in order to facilitate the import of up to 10 million tonnes of renewable hydrogen, while supporting decarbonisation in the partner countries;

32. Recalls that the Carbon Border Adjustment Mechanism (CBAM) will apply to hydrogen; emphasises the important role of the EU as a global standard setter and calls on the Commission to deliver a robust common certification scheme by 31 December 2025, in line with the revised Renewable Energy Directive for imports of renewable hydrogen, equivalent to the rules applying to domestic production, in order to ensure a level playing field for reliable international partners;

33. Insists that investment in renewable hydrogen from third countries should be subject to international due diligence principles, including but not limited to the United Nations Guiding Principles on Business and Human Rights, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the OECD Due Diligence Guidance for Responsible Business Conduct;

34. Urges the Commission to prepare guidelines with clear and transparent criteria concerning the eligibility for EU support of producers from non-EU countries, based on geopolitical risks and their potential reduction through cooperation, the availability of resources for their domestic energy transition and their alignment with EU values and environmental and social standards, including labour conditions and indigenous rights;

35. Stresses that some regions of the world have much better conditions for the production of renewable hydrogen owing to an abundance of space and renewable electricity; recalls that the EU's energy and hydrogen diplomacy should promote the development of rules-based, transparent and undistorted global hydrogen markets, and should aim to enable partner countries, globally and particularly in the EU's neighbourhood, to achieve their energy transitions and improve their environmental, social and democratic standards;

36. Underlines the importance of diversifying suppliers and maintaining a fair global playing field when providing support for renewable hydrogen production in non-EU countries; proposes requiring the use of the euro for imports of renewable hydrogen receiving EU support, in order to become the global currency of reference for hydrogen exchanges worldwide;

Financial support for the transportation of renewable hydrogen

37. Emphasises that for a successful acceleration of the hydrogen market, it is necessary to ensure sufficient investment to develop adequate hydrogen infrastructure not only to connect supply and demand, but also to store and transport hydrogen across the EU (for example, the European Hydrogen Backbone); insists that bottlenecks and missing links should be avoided so that hydrogen can reach the industries that need it the most; stresses that the development of a hydrogen system should prioritise, where possible, the co-location of production and use, and enable the utmost possible synergies with the existing infrastructure for the transport of natural gas;

38. Calls on the Commission and the Member States to encourage private investment and, where necessary, ensure public funding for new installations for hydrogen and for the repurposing of those currently used for natural gas; considers that both grants and (carbon) contracts for difference with a transport cost component can be suitable instruments to support investments into hydrogen infrastructure; stresses, from the same perspective, that additional resources should be allocated to the Connecting Europe Facility, in order to enhance the funding of the relevant infrastructure, and that alternative EU funding under the Cohesion Policy and the Recovery and Resilience Facility should be mobilised;

39. Calls on the Commission to task the EHB with coordinating the collection of all relevant data issued by the Commission, international organisations or the industry in relation to hydrogen production, storage, transport, distribution and consumption; notes that these data should be made publicly available, whenever possible, and could be used in the decision-making process for the approval of hydrogen-related infrastructure under the revised Trans-European Networks for Energy Regulation ([25]);

Streamlining of EU instruments and financial mechanisms

40. Expresses concern that industries are currently dealing with a patchwork of different financial support instruments for the production of hydrogen; calls on the Commission to make the EHB a one-stop-shop for the financing of hydrogen;

41. Takes note of the overall budget of EUR 3 billion for the EHB that was announced in the 2022 State of the Union address; asks the Commission to clarify the yearly budget available for the next five years under each pillar of the EHB and to prepare a road map of planned auctions; insists that future auctions should be announced at least 12 months in advance in order to provide predictability for the industry;

42. Expresses strong concerns about the overall budget of the EHB compared to the subsidies, incentives and the more attractive investment framework in other regions of the world, in particular China and the US; believes that the current envelope of EUR 800 million for the first pilot auction is too limited; calls on the Commission to propose an appropriate budget for the EHB by significantly increasing it over the coming years with fresh resources;

([25]) Regulation (EU) 2022/869 of the European Parliament and of the Council of 30 May 2022 on guidelines for trans-European energy infrastructure, amending Regulations (EC) No 715/2009, (EU) 2019/942 and (EU) 2019/943 and Directives 2009/73/EC and (EU) 2019/944, and repealing Regulation (EU) No 347/2013 (OJ L 152, 3.6.2022, p. 45).

43. Welcomes the midterm revision of the multiannual financial framework (MFF) where the Commission proposed an additional EUR 5 billion for the Innovation Fund; urges that a significant part of this top-up be allocated to the EHB, so that the Innovation Fund can support more projects; highlights that, in addition to the Innovation Fund, alternative funding should be explored so that the EHB is independent from variations in carbon price;

44. Calls on the Commission to consider inflation indexation for the fixed premium, in order to ensure stability and protect producers – especially small and medium-sized ones – from potential future price increases of energy, raw materials and operational work;

45. Notes that the Commission has so far not come up with a financial instrument to support imports of renewable hydrogen; encourages cooperation between the EHB and programmes set up by Member States when dealing with imports; asks the Commission to make a legislative proposal for a financial instrument targeting imports from non-EU countries under the EHB, where appropriate and compatible with the CBAM;

46. Stresses the need for dedicated staff to pursue the operations of the EHB and asks for adequate funding in this respect; suggests setting up a taskforce for the EHB with staff from all relevant services of the Commission;

47. Welcomes the Commission's intention to streamline the use of EU funding for hydrogen projects, as well as the legislative proposal for a Strategic Technologies for Europe Platform (STEP), where renewable hydrogen is identified as a critical clean technology requiring further support; asks for the highest level of synergy between STEP and the EHB;

48. Insists on making the EHB the single point of contact for providing information on available funding at EU and national level for the support of renewable hydrogen projects; proposes merging the Hydrogen Public Funding Compass with the EHB and including information on all relevant financial instruments, including but not limited to the Connecting Europe Facility, Horizon Europe and the Innovation Fund, with updates on a regular basis;

49. Suggests that the EHB set up an online tool allowing the industry and, in particular, SMEs to rapidly assess the possible eligibility of a project related to renewable or low-carbon hydrogen for EU funding, which should be without prejudice to the final decision and should not require the provision of any confidential information;

50. Calls on the EIB to enhance access to finance for renewable hydrogen projects; asks the EIB to provide zero-rate or guaranteed loans, assisting in securing long-term financing and enabling equity and other investments in relevant projects;

51. Supports the introduction of a ceiling price for the fixed premium as proposed by the Commission in order to avoid the overcompensation of successful applicants participating in auctions; insists that EU support should cease once the market price of renewable hydrogen becomes competitive; urges the Commission to continuously monitor the cost of production and the market price for renewable hydrogen and to reassess the fixed premium awarded to winning projects at the end of each contractual arrangement between producers and consumers, or at least every five years;

Transparency, accountability and reporting

52. Stresses the need for an annual report by the Commission assessing progress in the development of the renewable and low-carbon hydrogen market and evaluating the activities of the EHB; asks that this report also evaluate the geographical breakdown of funding, the number of jobs created, changes in supply and demand, the cost of renewable hydrogen compared to other forms of hydrogen, and the development of dedicated hydrogen infrastructures;

53. Requests that the Commission submit a comprehensive evaluation of the EHB before its proposal for a new MFF;

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54. Instructs its President to forward this resolution to all EU institutions and the Member States.