HYDROGEN CENTRAL

Members of The European Parliament Have Decided to Support a Hydrogen Based Green Transition in The Transport Sector

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Was another important day for hydrogen economy in Europe and globally. Members of the European Parliament have decided to support a hydrogen-based green transition in the transport sector, because they can see the bigger, long-term picture: that hydrogen is a necessary and opportune tool to achieve carbon neutrality and energy security in Europe.

Hydrogen Europe welcomes the news that MEPs have voted to retain the ambition set by the European Parliament's transport committee in the Alternative Fuels Infrastructure Regulation (AFIR). In today's plenary vote, parliamentarians opted to keep the targets proposed by the Rapporteur Ismael Ertug and their committee colleagues in a vote earlier in October (see previous statement).

A maximum distance of 100km between each hydrogen refuelling station, along both the core and comprehensive TEN-T networks, will mean that by the time the infrastructure is in place by end of 2027, up to 1,780 HRS could be available across Europe, suppling up to 1million ton of hydrogen per year, sufficient to power up to 59,000 trucks (assuming 60kg/truck per day).

Under the council position in its General Approach, no more than 8,000 trucks could be supplied, and the lack of HRS coverage would make it unattractive for drivers and fleet operators.

With this vote, the EP has sent a strong signal that clean hydrogen mobility is a viable and realistic solution to move away from fossil fuels in the transport sector. We believe that a strong rollout of hydrogen refuelling infrastructure in Europe will act as a catalyst for similar policies around the globe.

The AFIR vote also solves the "chicken and egg" problem — so often faced by new technologies. The roll—out of these stations will encourage vehicle manufacturers to bring more and better fuel—cell vehicles to the market, improving their performance and reducing their cost, which in turn will lead to uptake in fuel cell vehicle adoptions by both commercial and private users.

Hydrogen Europe commends MEPs for their ambition and commitment to a sustainable and energy-secure Europe and is looking forward to keeping this momentum and ambitions in the forthcoming trilogues with the Council presidency beginning on 27th October.

In the case of FuelEU Maritime, the second piece of legislation voted on today with major implications for hydrogen, MEPs have opted for targets of 2% of renewable fuels of non-biological origin (RFNBOs) in maritime transport by 2030 but rejected a proposal (supported by Hydrogen Europe) of 6% RFNBOs by 2035.

This decision is not aligned with what was agreed in the September plenary vote for the Renewable Energy Directive (RED II), in which MEPs voted for 1.2% of all RFNBOs produced to be directed to maritime transport. This percentage is far higher than the 2% agreed and even the 6% proposed in FuelEU Maritime.

Hydrogen Europe doesn't thus understand the lack of coherence between the supply obligations and the weak off-taker quotas.

The Parliament also supported a 20% greenhouse gas emissions reduction target by 2035 and of 80% by 2050. This is more than the Commission's proposed targets of 13% by 2035 and 75% by 2050.

A multiplier of 2 for the use of RFNBOs toward the GHG target, introduced in the European Parliament report, is considered a positive element even though we believe it should have gone further (up to 5) to make up for the cost difference between heavy oil fuels and RFNBOs.

The exemption for RFNBO sub-quotas for companies and subsidiaries operating 3 or fewer ships has been kept, which Hydrogen Europe considers to be a missed opportunity for a timelier uptake in sustainable fuels by the sector. This will, in effect, exempt 60% of all shipping companies due to the structure of the sector which sees 50% of shipping companies operating with a single vessel.

The exemption creates a state of inequality between ship owners and there is the added risk that this loophole could see owners of large fleets split into smaller subsidiaries in order to take advantage of this exemption.

Jorgo Chatzimarkakis, CEO of Hydrogen Europe, said:

Today's vote represents a strong position from the Parliament that go beyond the Commission proposals and send a positive signal for the uptake of hydrogen in the road and maritime transport sectors.

"We are confident that clean hydrogen will play an important role in achieving the decarbonisation targets of both sectors."

He added: "We commend MEP Ertug for his tireless efforts to promote clean hydrogen solutions in Europe. We will work with Member States and the European Parliament to ensure ambitions are not diluted, and possibly even increased, during the trilogues, as there is clearly scope to increase targets and obligations in line with what was agreed at plenary for RED II."

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Another big day for European hydrogen, October 19, 2022