



To: Executive Vice-President for Prosperity and Industrial Strategy Stéphane Séjourné
Cc: Executive Vice-President for Clean, Just and Competitive Transition Teresa Ribera
Cc: Commissioner for Energy and Housing Dan Jørgensen
Cc: Commissioner for Climate, Net Zero and Clean Growth Wopke Hoekstra

13.02.2026

Dear Executive Vice-President,

Europe stands at a critical crossroads. As geopolitical tensions and global supply chains reshape competitiveness, the Renewable Hydrogen Coalition (RHC), representing **the renewable hydrogen sector, sees the Industrial Accelerator Act (IAA) as crucial to strengthening Europe's industrial base, securing first-mover advantage in the markets of the future, and advancing decarbonisation** through the creation of green lead markets.

Europe has rightly recognised renewable hydrogen and derivatives – or Renewable Fuels of Non-Biological Origin (RFNBOs) – as uniquely placed to decarbonise hard-to-electrify sectors but also strengthen Europe's energy security, competitiveness and resilience. Although Europe has had a strong head start, it is now facing strong competition from other regions advancing faster. The ramp-up of the European market has been slower as a result of multiple factors: slow deployment of infrastructure and projects due to persistently slow permitting, shortcomings in public funding schemes, lack of de-risking tools, and above all a lack of firm demand.

All efforts must now focus on implementing the adopted legal RFNBO targets¹ at national level, with ambition and adequate support measures to safeguard off-takers' competitiveness and ensure affordability for end-consumers. **Green lead markets should play a driving role in delivering these binding targets** (not replace them). Policy must continue to prioritise RFNBOs; any deviation will only weaken investor confidence and contribute to further unfair competition from fossil alternatives.

Lead markets should be targeted demand-creation instruments built around core design elements with a view to create a real business case for products made with renewable hydrogen:

- **Ambitious quotas in public procurement for products made with renewable hydrogen.** Such quotas should be combined with additional tools, including preferential taxation, support schemes and the use of Carbon Contracts for Difference to close the price gap, truly create demand certainty, and unlock investment upstream in European value chains.
- **Prioritising sectors highly relevant for renewable hydrogen and most able to absorb costs for minimal impact on end-consumer prices to deliver significant and cost-effective decarbonisation.** For example, the car manufacturing sector offers a strong opportunity to create green lead markets for flat green steel made with renewable hydrogen. The EU's recent decision in the

¹ In the Renewable Energy Directive, FuelEU Maritime and ReFuelEU Aviation adopted in 2023.

2035 ICE phase-out sets an important precedent that should be strengthened by mandating the use of renewable-hydrogen-based steel in procurement rules and be extended to more sectors (e.g. in construction). Other sectors could also be considered including defence, notably for the consumption of e-fuels for military shipping and aviation.

- **Mandatory labelling that clearly distinguishes renewable-hydrogen-based products from fossil-based alternatives.** A voluntary label may not be widely used and fail to make an impact. Technology-neutral labelling risks obscuring fundamental differences in climate impact, energy security and resilience for Europe. For steel, such a label would be particularly relevant and could translate into a sliding scale approach, i.e. relating the embedded emissions to recycled content. The label should have different CO₂ abatement performance levels, e.g. Near zero, then classes A to F. To create a mandate for flat RFNBO-based steel, **the best performance classes** (i.e. Near Zero and A) in the label **should be combined with an RFNBO requirement on the hydrogen used.**

But measures to boost demand should also help strengthen European manufacturing and industrial sovereignty in strategic technologies such as electrolyzers.

The Commission's consideration of Union origin requirements for electrolyzers goes in the right direction. These requirements should be designed in a way that **supports the development of a competitive value chain creating value, innovation, and high-quality jobs in Europe** (rather than limiting itself to the assembly of components manufactured elsewhere) to secure European industrial manufacturing leadership.

If Europe fails to scale up renewable hydrogen, it risks losing an entire sector, forfeiting competitiveness in key industries, and diminishing its sovereignty in strategic technologies – ultimately weakening its geopolitical relevance. Placing renewable hydrogen at the heart of the IAA will provide the foundation for Europe's industrial decarbonisation, strengthen its global competitiveness, and support the development of a more resilient and future-proof European economy.