

RENEWABLE HYDROGEN INDUSTRY DECLARATION

A NEW DEAL FOR A STRONGER EUROPE

Brussels, 4 December 2025

Faced with geopolitical shifts, security threats, and instrumentalised strategic dependencies, Europe must centre its industrial, defense, and energy strategies around what makes us stronger: resilience, strategic autonomy and renewables. Europe needs renewable electrolytic hydrogen and its derivatives, and the renewable hydrogen sector needs Europe.

Renewable hydrogen and derivatives are uniquely placed to complement electrification, decarbonise hard-to-electrify sectors and secure Europe's leadership in the industries of the future and cutting-edge electrolyser technologies. It offers resilience as Europe faces structural vulnerability from fossil fuel dependence. It enables electricity grids to be more flexible and integrate more renewables, and can reduce curtailment and unlock new business opportunities for the renewable sector. These benefits bring jobs for Europeans across Europe.

In July 2020, the European Union launched its Hydrogen Strategy with a grand vision that catalysed the emergence of a new industrial value chain across Europe. Halfway through this decade, it's time for a stocktake. Today, about 600 MW of electrolyser projects are operational and 3 GW are under construction across Europe. The Hydrogen Strategy aimed to install 6 GW by 2024.

We are doing our part and stand ready to collaborate with the EU to drive progress together.

Despite the challenges - delays, learning curves - the European renewable hydrogen sector has scaled at an impressive pace compared to other industries. Electrolyser manufacturing capacity has increased within a few years, from 1 GW to 10 GW soon coming in operation, and to reach 15 GW by 2026.^[1] Europe is home to some of the biggest projects worldwide.

Existing policies have provided a strong starting point but additional measures are needed to create viable business cases, reliable demand, and the scale required for success. With the right enabling policies put in place, altogether, our coalition members could put online close to 18 GW of renewable hydrogen production projects between 2026 and 2032.

The decisive five years

Entering the second half of the decade, we call on policymakers to seize this pivotal moment.

To ensure a level playing field with low-carbon hydrogen, Europe should continue prioritising renewable hydrogen across policies and funding instruments. And while policymakers must **implement adopted binding renewable hydrogen targets faster** with clear compliance trajectories and give markets visibility by establishing **binding 2040 targets and continue pushing for global regulations driving the uptake of** renewable hydrogen and derivatives in industry, aviation and shipping, **we invite policymakers to collaborate with us to enable confident Final Investment Decisions (FID):**

[1] According to the European H2 Observatory



1

Create demand incentives that work for products made with renewable hydrogen

The hydrogen sector has an offtake problem. To deliver the binding renewable hydrogen targets, ensure the cost-competitiveness of green products and informed choices:

- Establish binding minimum quotas in public procurement in priority sectors including vehicle manufacturing (e.g., cars made with green steel), defence (e.g., for EU-made e-fuels for military aviation and shipping), and construction (e.g. buildings or infrastructure made with green steel) as “lead markets.”
- Set preferential taxation and product labelling clearly differentiating fossil versus renewable energy-based products content.

2

Improve supply conditions

- Adjust the RFNBO Delegated Act to recognise the slower market ramp-up in a targeted way without reopening it entirely: Before the end of 2026, extend the transitional phase for additionality while maintaining grandfathering and legal certainty for projects that passed FID. Clarify that supported renewable assets, including under two-sided Contract for Difference or whose public support is ending, are eligible to produce RFNBO. Maintain the remainder of the Delegated Act unchanged, pending the Commission’s assessment, to maintain investment certainty.
- Ensure supported RFNBO projects (e.g. via state aid) count towards legal RFNBO targets.
- Lower taxes and levies on renewable electricity and renewable hydrogen across Europe. Taxation should no longer favour fossil fuels over renewables.²

3

Build infrastructure to help us deliver volumes

- Accelerate the buildout and funding of electricity and hydrogen infrastructure as a matter of “overriding public interest”, including through binding timelines as well as fast-track permitting and priority grid connection for the most mature projects.
- Ensure stronger integrated planning of electricity and hydrogen grids³ to connect in priority renewable power hubs with industrial hydrogen demand hubs across Europe.

4

A funding framework fit for scaling

- Maintain and enhance the European Hydrogen Bank to ensure public funding goes to the most mature and viable projects .
- Make deadlines for project completion flexible so projects are not penalised or lose support for delays beyond their control, such as infrastructure, grid connection, or target transposition.
- Combine unused public funds under the Bank to increase its budget - our sector needs 6-8 billion EUR per auction to meet REDIII RFNBO targets and bridge the cost gap with fossil alternatives. If not feasible, temporarily allow combining European and national funds (capped at 100% of the cost gap) so offtakers⁵ can invest now while staying competitive .

A mutual commitment

In return, the European renewable hydrogen sector commits to accelerating investments and final investment decisions, ensuring rapid build-out of projects already close to maturity.

Europe has the talent, the projects, and the industrial base. By working together – Industry and policymakers - we can secure Europe’s global leadership in renewable hydrogen and deliver on our shared climate and industrial goals.

[2] Electricity accounts for 60-70% of the cost of hydrogen with taxes and levies reaching 30-40% of the electricity cost itself. RAP stresses (2025) that taxes (excluding VAT) and levies added to electricity (3.0 cents/kWh) in 2024 were double those added to gas (1.6 cents/kWh) on average across the EU, although approaches vary significantly between Member States.

[3] including involving ENNOH in offshore grid planning

[4] E.g. those with key permits such as environmental and grid connection obtained at the time of bidding.

[5] Only looking at the REDIII RFNBO targets, BloombergNEF estimates that they will represent 2.1 million tonnes of renewable hydrogen in 2030, and applying an IRA-like support of EUR 3/Kg or the EHB ceiling support of EUR 4/Kg. Such amounts are small compared to what Europe still pays for fossil fuels (e.g. EUR 375.9 billion spent on imported fossil fuels in 2024, EUR 111 billion still disbursed in subsidies in 2023) and given what is at stake in terms of climate change mitigation, energy security and competitiveness.