

To:

Mr Frans Timmermans, Executive Vice-President for the European Green Deal

Mr Paolo Gentiloni, Commissioner for Economy

Mr Thierry Breton, Commissioner for Internal Market

Ms Kadri Simson, Commissioner for Energy

CC : Member States representatives

European Council Cabinet

Brussels, June 29, 2021

FOR THE INCLUSION OF HYDROGEN IN THE CARBON BORDER ADJUSTMENT MECHANISM

JOINT LETTER

The European Union has adopted an ambitious Clean Hydrogen Strategy and the signatories of this letter strongly stand behind it. The Strategy as well as a number of national hydrogen plans anticipate partial reliance on hydrogen imports to cover EU demand. In this context, it is critical to ensure that imported hydrogen respects the upcoming EU standards especially in terms of CO2 emissions.

While hydrogen is meant to be the energy vector able to decarbonize hard-to-abate sectors (including feedstock) to achieve a carbon neutral Europe and further integrate renewable energies, today nearly all of the hydrogen is produced from fossil fuels both in the EU and globally. In this context, there is a risk that high levels of CO2 emissions are embedded into imported hydrogen which would be at odds with the EU Hydrogen Strategy and the EU Green Deal.

In addition such imports would introduce an unfair competition with the nascent EU based clean hydrogen production thus hampering the development of an EU hydrogen industrial value chain.

In order to avoid fossil based and highly emitting hydrogen imports, which would be similar to carbon leakage for hydrogen production, **the signatories of this letter call for the inclusion of the hydrogen sector in the upcoming carbon border adjustment mechanism regulation.**

We remain at your disposal for any further assistance.

Yours sincerely,

