



CEDEC press release

A hydrogen strategy for a climate-neutral Europe

Brussels, 8 July 2020

The European Commission today [adopted](#) its Hydrogen Strategy. CEDEC welcomes that this conceptual framework and strategic vision can be at the basis of the accelerated development of a sustainable hydrogen economy in the European Union.

The [strategy](#) sheds light on the role of hydrogen in achieving climate goals and the measures required by 2030. Specifically, it also proposes measures that remove current obstacles to market entry and advance the creation of a competitive value chain in the EU. In addition, some infrastructure requirements are also addressed. The Commission considers both legal and non-legal measures. Specific proposals for regulatory adjustment could be part of the legislative package announced in June 2021 to implement the EU's Green Deal.

From the point of view of CEDEC, however, there are some gaps in the concept and vision that deserve to be addressed.

According to the strategy, the main sources of supply for the large amounts of green hydrogen that will be needed in the future would be large-scale RES generation and imports. The potential of **decentralized hydrogen production** seems insufficiently addressed in the general storyline, although the concept of Hydrogen Valleys is welcomed. However, it seems to underestimate the considerable potential of decentralized hydrogen production to cover local and regional needs through local resources, avoiding additional investments in longer range transmission infrastructures.

In order to meet the expected demand for gaseous energy, it is of utmost importance to stimulate the hydrogen market by acknowledging the potential added value of **all available sources of hydrogen**, of course on the condition that their value chains are in line with 2050 sustainability goals.

The topic of **infrastructure at distribution level** is only addressed for blending of hydrogen in the natural gas network at a limited percentage in order to enable decentralised renewable hydrogen production in local networks, and only for a transitional phase. It mainly addresses the barriers to overcome, and less the potential to be developed. Only a more voluntary and long term approach will provide planning and investment security for distribution grid infrastructure providers.

Finally, the **heating market** is just mentioned briefly, leaving the impression that this is done for the sake of completeness only. There are no projections for the climate protection potential of hydrogen in the heat supply. As a result, no goals are outlined that could demonstrate the intention of the European Union to act in the broad area of heat supply, where there is great potential to implement cost-effective ways of energy system integration and to reconcile climate protection with affordability of the energy transition for consumers.

CEDEC Background information

CEDEC represents the interests of more than 1500 local and regional energy companies, serving 85 million electricity and gas customers & connections, and with a total turnover of €120 billion.

These predominantly small and medium-sized local and regional energy companies have developed activities as electricity & heat generators, electricity, gas & heat distribution system operators (including metering & data management), and energy (services) suppliers. The wide range of services provided by local utility companies is reliable, sustainable and close to the customer.