



## Statement by Executive Vice-President Vestager on the Important Project of Common European Interest “Hy2Infra”

Brussels, 15 February 2024

Today, the Commission approved the IPCEI “Hy2Infra”, the third Important Project of Common European Interest in the hydrogen value chain.

While the renewable hydrogen supply chain in Europe is still in a nascent phase, Hy2Infra will deploy the initial building blocks of an integrated and open renewable hydrogen network. This IPCEI will establish the first regional infrastructure clusters in several Member States and prepare the ground for future interconnections across Europe, in line with the European Hydrogen Strategy. This will support the market ramp-up of renewable hydrogen supply and take us steps closer to making Europe the first climate-neutral continent by 2050.

Hy2Infra involves 33 projects by 32 companies, including five small and medium-sized companies, from seven Member States: France, Germany, Italy, the Netherlands, Poland, Portugal, and Slovakia.

The participating Member States will provide up to €6.9 billion in public funding, so far the highest aid amount approved for IPCEIs in the field of hydrogen. This is expected to unlock additional €5.4 billion in private investments, for a total of over €12 billion.

Hy2Infra complements two previously approved IPCEIs in the hydrogen value chain: “Hy2Tech”, a research IPCEI and “Hy2Use”, that encompassed a mix of research and hydrogen production projects.

Hy2Infra is focusing on infrastructure and is based on two pillars:

The first pillar concerns the construction of infrastructure in regional clusters, and involves four different types of infrastructure along the hydrogen supply chain. Relevant projects include 3.2 gigawatt of large-scale electrolyzers; around 2,700 kilometres of new and repurposed hydrogen transmission and distribution pipelines; up to 370 gigawatt hours of large-scale hydrogen storage facilities; as well as handling terminals and related port infrastructure for hydrogen carriers.

Under the second pillar, participants will collaborate on interoperability to facilitate future interconnections and will contribute jointly to the development of common technical standards.

For instance, several participants in the “West Germany cluster” will build three electrolyzers in the Rhine-Ruhr area. This hydrogen infrastructure will connect to three different pipeline projects and have access to a storage facility. By mid-2027, the renewable hydrogen produced will be available to companies operating in the steel, cement, chemical, refinery, as well as mobility sectors. This cluster will significantly reduce CO<sub>2</sub> emissions of the off-takers and has an important cross-border dimension, with a pipeline connecting to the Dutch national hydrogen network.

Hy2Infra will also help Europe diversify energy sources and reduce fossil fuels imports. For instance, in line with the REPowerEU Plan, Hy2Infra participants will develop a port infrastructure in the Netherlands capable of handling hydrogen transport from overseas, either from other Member States with high renewable potential, like Portugal, or elsewhere in the world. Also, Hy2Infra includes an offshore pipeline project in Germany, to transport renewable hydrogen produced from wind farms in the North Sea, and a pipeline project across Slovakia, paving the way for future imports of hydrogen from Ukraine.

These examples illustrate precisely why we have this IPCEI and how an IPCEI is the right State aid tool to deal with highly interdependent and risky projects. The hydrogen infrastructure needed for the green transition requires an initial public funding boost to mitigate the financial risks associated with pioneer projects. In addition, collaborations within the IPCEI help reassure customers that there will be sufficient renewable hydrogen readily available for their hydrogen-based technologies, and give confidence to producers that the demand will be there along with necessary transport and storage infrastructure.

Beyond a significant contribution to our objectives in terms of hydrogen deployment, we approved

IPCEI Hy2Infra because it generates positive spillover effects across the EU. First, additional stakeholders will have the possibility to connect to and use open access infrastructure under non-discriminatory terms. Second, Hy2Infra participants will be amongst the first to face and solve the technical challenges linked to new large-scale infrastructure projects, generating operational experience useful to other market players. Indeed, participants commit to share their knowledge with the wider community, notably through collaborations with universities and research organisations. Thirdly, Hy2Infra participants will contribute to developing cross-border operational rules and to addressing standardisation gaps identified by the European Clean Hydrogen Alliance.

Further, the approved aid per beneficiary is capped at the so-called "funding gap". The State aid enables projects of great importance to the EU to take place, while ensuring that only those that would not take place without public support are supported and that taxpayers' money is wisely spent. And even for these projects, we have made sure that the public support does not crowd out, but rather crowds in, private investments.

IPCEIs are examples of truly ambitious European cooperation, where companies, Member States and the Commission, each and all, play their role and work together to reach a common objective.

STATEMENT/24/827

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