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## France Hydrogène Contribution to the consultation on the General Block Exemption Regulation (GBER) revision proposal

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The proposal includes new categories of investments aid exemptions including:

- Investments aids for equipment, machinery and industrial production using renewable hydrogen and low-carbon hydrogen
- Investments aids for hydrogen refuelling infrastructures, delivering both renewable and low-carbon hydrogen
- Investment aids for the acquisition of clean vehicles or zero-emission vehicles and for the retrofitting of vehicles
- Investment aid for the construction or upgrade of energy, in particular for gas infrastructures dedicated for the use of hydrogen and/or for renewable gases, or mainly used for the transport of hydrogen and renewable gases
- Investment aid for the promotion of renewable hydrogen

### A first legal definition for low-carbon hydrogen with a threshold

France Hydrogène is pleased that a **legal definition of low-carbon hydrogen covering both so-called “blue hydrogen” (fossil energies + CCS) and “pink/yellow hydrogen” (nuclear and low-carbon grid electricity)** is finally introduced for the first time with this proposal, in addition to renewable hydrogen that should be better defined within the revision of renewable energy directive (RED III). In line with the EU Hydrogen Strategy, proper definitions of hydrogen should be legally introduced for both renewable hydrogen and low-carbon hydrogen, meeting a **GHG emission reduction level compatible with the Renewable Energy Directive and the EU Taxonomy on Sustainable Investments** (meaning between 3 - 3.4 kgCO<sub>2</sub>eq/kgH<sub>2</sub>). A **common methodology to assess GHG reductions** from different production pathways should be adopted as soon as possible. France Hydrogène hopes that the definition of low-carbon hydrogen will also be included within the upcoming Hydrogen and Gas Decarbonisation Package.

### Inadequate carbon methodology for low-carbon hydrogen

However, France Hydrogène is deeply **concerned by the carbon methodology the EC is proposing to assess the carbon content of low-carbon hydrogen**. As such, the EC intends to determine it *“by the marginal generation unit in the bidding zone where the electrolyser is located in the imbalance settlement periods when the electrolyser consumes electricity from the grid”*. We consider this methodology would generate too much instability and illegibility for hydrogen producers as they won't have the adequate visibility on upcoming imbalance settlement periods. Instead, **the average hourly carbon content of the electricity mix** in the bidding zone where the electrolyser is located should be used. This method acknowledges the real carbon content of the electricity used to power electrolyzers.

### Investment aid for the promotion of low-carbon hydrogen

If the creation of a category of investment aid for the promotion of renewable hydrogen is a crucial step, this category should also be completed with **the promotion of low-carbon hydrogen**, or at least of electricity-based low-carbon hydrogen. Using low-carbon electricity as a complement to renewable electricity for hydrogen production allows **to deploy more projects in a cost-effective way, thus contributing to matching the European demand for clean hydrogen and strengthen its energy independency**. The [World Energy Council's study](#) show that countries such as France using all renewable and nuclear power generation sources to produce clean hydrogen can match their hydrogen demand by 2030 and 2050, while other EU countries relying exclusively on renewable energies will have to resort to about 50% of imports to feed their clean hydrogen demand. **Technological neutrality should be guaranteed**, just as it is proposed for investment aid for refuelling infrastructure or investment aid for equipment, machinery and industrial production using hydrogen (covering both renewable hydrogen and low-carbon hydrogen).