France Hydrogène

Engagée pour la transition écologique

Turning Europe's climate objectives into an industrial reality

Developing hydrogen in the fight against climate change, reindustrialization and energy sovereignty

May 2024

The European Union has embarked on its path to carbon neutrality by 2050, putting in place in recent years an ambitious framework, the Green Deal, with the reduction of our greenhouse gas emissions by 55% by 2030. As we enter a crucial phase for achieving our climate goals, Russia's invasion of Ukraine has generated a major energy and industrial crisis, revealing the European Union's deep strategic external dependencies.

In a particularly tense economic and geopolitical context, with significant risks of closure of our basic industries, temptations are emerging to once again oppose decarbonization and reindustrialization.
Essential changes in European energy and industry policies have already been made: renewable energies and nuclear energy are now increasingly recognized as complementary and essential levers to get out of our dependence on fossil fuels. This is particularly the case with the European legislative framework around clean hydrogen, which structures targeted demand by sectors through the setting of quotas in industry and transport. This new approach is a major opportunity, which we must capitalize on.
After the IPCEI, the Net Zero Industry Act (NZIA) and the Critical Raw Materials Act (CRMA) mark the emergence of a "realistic Europe" on the need to strengthen our industry and secure our critical supplies in the long term. A European value chain is being set up for the manufacture of key technologies for the production and use of clean hydrogen, driven by the dynamism of European research. We have the means to transform testing over the next few years and build a sustainably sovereign manufacturing industry based on hydrogen technologies.

Decarbonization, reindustrialization and strategic autonomy are therefore increasingly seen as three inseparable pillars of European policies. Carbon-free hydrogen is set to become a key component in building these three pillars. Transforming the trial requires a rapid and coordinated implementation of the tools needed to achieve our ambitions.

France Hydrogène calls for the following five recommendations

Continue the decarbonization effort by providing support for the use of hydrogen

Act on the levers of reindustrialization and structure the value chain

Set up genuine governance of the industry at the European level

Guarantee energy and industrial sovereignty

Direct financing tools to help the sector take off and enable Final Investment Decisions (FIDs) to be made

1 Continue the decarbonization effort by providing support for the use of hydrogen

- Maintain decarbonisation targets at 2040 with an interim target of 2035
- While ensuring technological openness to achieve the objectives: renewables and nuclear are complementary levers that must be treated fairly within the European framework
- Support the relevant uses of hydrogen both in industry and in mobility: structuring downstream demand by giving the right market signals to low-carbon products

2 Act on the levers of reindustrialization and structure the value chain

- Use and strengthen the framework set by the NZIA and the CRMA to ensure the control and competitiveness of our industrial value chain
- Adopt an integrated vision for electricity and hydrogen networks by 2050, and create the conditions to launch a massive coordinated investment plan in these networks
- Adjust the EU-ETS to the new climate ambitions for 2040 and ensure robust carbon pricing

3 Guarantee energy and industrial sovereignty

- Put in place a plan for the maintenance and competitiveness of our energy-intensive industries on European soil
- Enable Member States to promote local European content
- Promote the production of hydrogen and low-carbon synthetic molecules at European level by ensuring that the requirements imposed on European producers are also imposed on imports
- Continue the efforts undertaken on research and innovation

4 Direct financing tools to help the sector take off and enable Final Investment Decisions (FIDs) to be made

- Use monetary policy (ECB) tools and enable the European Hydrogen Bank to play an effective role
- Accelerate the establishment of national support mechanisms for hydrogen production
- Put in place a positive, stable and coherent European regulatory framework

5 Set up genuine governance of the industry at the European level

- Appoint an Executive Vice-President of the European Commission in charge of industrial policy

Read the technical note

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With more than 450 members, France Hydrogène brings together the stakeholders of the French hydrogen sector across the entire value chain: major industrial groups developing large-scale projects, innovative SMEs and start-ups supported by laboratories and research centres of excellence, associations, competitiveness clusters and local authorities committed to the deployment of hydrogen solutions.

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