Latest legal hydrogen developments in Europe including the financing to roll – out these important projects

H₂ Value Chain Conference



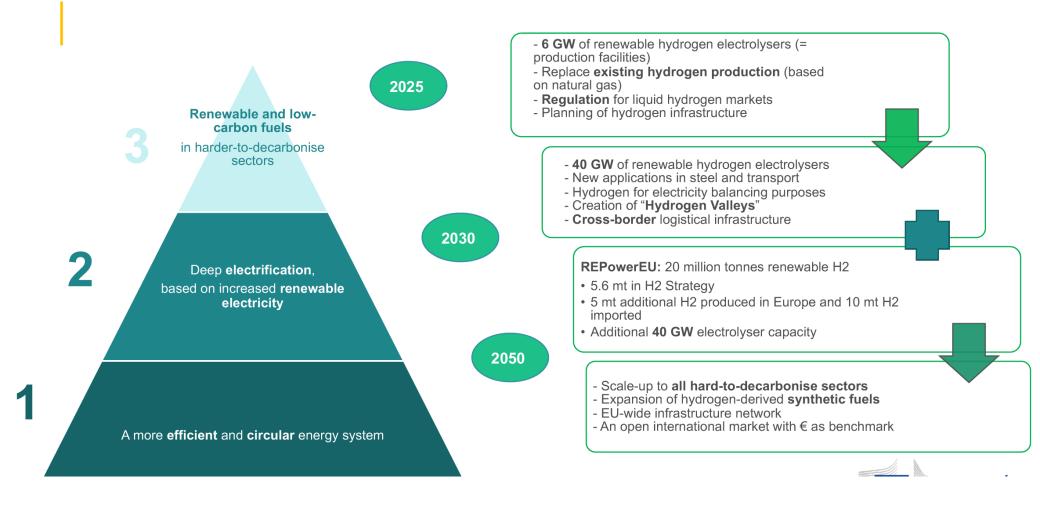
SCHJØDT

SCHJØDT AND HYDROGEN

- Involved with various clients in several hydrogen and ammonia projects
- Assisted in the establishment of the Green Hydrogen Organisation (gh2.org)
- Participating in a GH2 project together with representatives of companies, governments, development banks and some international law firms to develop Good Contracts Practice for Green Hydrogen
- Presented on the Green Hydrogen Global Assembly on 17-18 May 2022 in Barcelona
- Leads a core drafting group of developing model contract provisions for sale and purchase contracts for green hydrogen
- GH2 also presented the Green Hydrogen Standard
- Schjødt is a Partner in HyValue



REPOWER EU







IPCEI AND HYDROGEN



23 European nations launch IPCEI Hydrogen

· The Kingdom of Belgium

the Republic of Hungary

· the Republic of Bulgaria

the Kingdom of the Netherlands

the Czech Republic

· the Kingdom of Norway

the Kingdom of Denmark

· the Republic of Austria

· the Federal Republic of Germany · the Republic of Poland

· the Republic of Estonia

· the Portuguese Republic

· the Hellenic Republic

Romania

· the Kingdom of Spain

· the Republic of Slovenia

· the French Republic

· the Slovak Republic

· the Republic of Croatia

· the Republic of Finland

· the Italian Republic

· the Kingdom of Sweden

· the Grand Duchy of Luxembourg

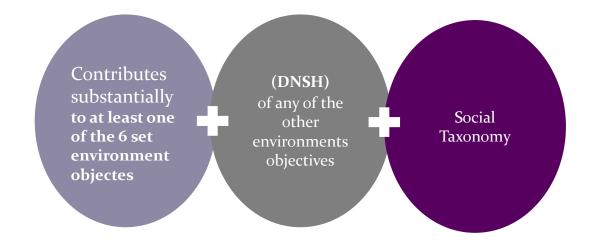


TAXONOMY



THE TAXONOMY REGULATIONS (2020/852) 3 CONDITIONS

- **1.** Contributes substantially to one or more of the environmental objectives:
 - (a) climate change mitigation;
 - (b) climate change adaptation;
 - (c) the sustainable use and protection of water and marine resources;
 - (d) the transition to a circular economy;
 - (e) pollution prevention and control;
 - (f) the protection and restoration of biodiversity and ecosystems.
- **2.** Does not significantly harm any of the other environmental objectives
- 3. Fulfil minimum of social requirements (the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Right)



WHAT IS ALREADY ADOPTED LEGISLATION BY THE EU?

- The Taxonomy Regulation 2020/852 of 18 June 2020
- First Climate Delegated Regulation 2021/2139 of 4 June 2021 technical screening criteria as contributing substantially to climate change mitigation or climate change adaptation
 - Hydrogen and ammonia regulated with screening criteria and do-not harm regulation
- Disclosure Regulation 2021/2178 of 6 July 2021

LEGAL BASIS TO BE GREEN: CLEAN ENERGY PACKAGE

- Energy Performance in Buildings Directive
- Renewable II Energy Directive
- Energy Efficiency Directive
- Governance Regulation
- Electricity Directive
- Electricity Regulation
- Risk-Preparedness Regulation
- Revised ACER Regulation





Brussels, XXX [...](2022) XXX draft

COMMISSION DELEGATED REGULATION (EU) .../...

of XXX

supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a Union methodology setting out detailed rules for the production of renewable liquid and gaseous transport fuels of non-biological origin THE PRINCIPLE OF ADDITIONALITY

THE RATIONALE IS TO ENSURE INCREASE IN RESCAPACITIES TO COVER ELECTRICITY DEMAND FOR H2 ELECTROLYSIS AND AVOID THAT GRID MIX WHICH IS NOT CONSIDERED «GREEN» SHALL BE USED TO PRODUCE GREEN HYDROGEN

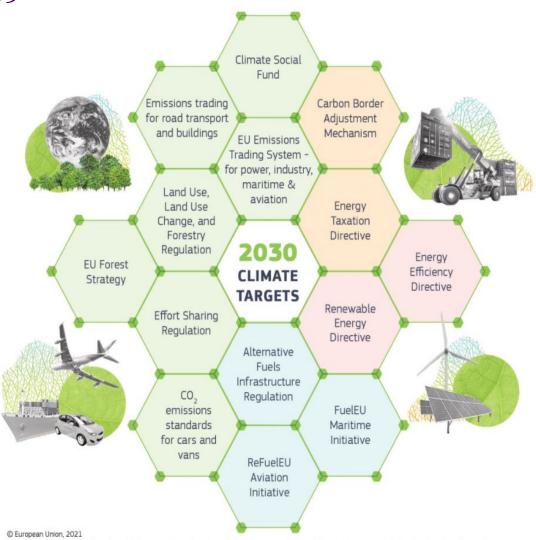
Article 4

Rules for counting electricity taken from the grid as fully renewable

- 1. Fuel producers may count electricity taken from the grid as fully renewable if the installation producing the renewable liquid and gaseous transport fuel of non-biological origin is located in a bidding zone where the average proportion of renewable electricity exceeded 90% in the previous calendar year and the production of renewable liquid and gaseous transport fuel of non-biological origin does not exceed a maximum number of hours set in relation to the proportion of renewable electricity in the bidding zone. This maximum number of hours shall be derived by multiplying the total number of hours in each calendar year by the share of renewable electricity reported for the bidding zone where the renewable hydrogen is produced.
- 2. Fuel producers may also count electricity taken from the grid as fully renewable if they have concluded one or more renewables power purchase agreements with economic operators producing renewable electricity in one or more installations generating renewable electricity for an amount that is at least equivalent to the

This draft has not been adopted or endorsed by the European Commission. Any views expressed are the preliminary views of the Commission services and may not

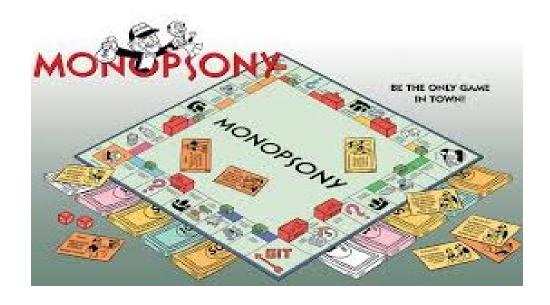
FIT-FOR-55





REPOWER EU AND THE NEW ENERGY PLATFORM – JOINT PURCHASING OF HYDROGEN

Norway and Iceland: third-countries?





EU HYDROGEN WEEK

Frans Timmermans, Executive Vice President of the European Commission

"We need a war-time mentality when it comes to development of **#hydrogen** "

"We need to consume 2x10 Mt of Renewable Hydrogen in the EU by 2030, it sounds bloody ambitious, IT IS bloody ambitious.

But exceptional circumstances call for exceptional measures.

For the next 2 years, my goal is to see Hydrogen projects reach Final Investment Decision.

For this, we will act on legislation to deliver:

- 1. More Renewable Energy
- 2. Legislative Clarity for Hydrogen (a pragmatic delegated act that helps, not hinders)
- 3. Market design and Hydrogen Targets
- 4. Finance

On Finance, we will launch on 3'rd of November the next large scale Innovation Fund supporting the RePowerEU targets. It will include support for hydrogen along the entire value chain:



On Finance, we will launch on 3'rd of November the next large scale Innovation Fund supporting the RePowerEU targets. It will include support for hydrogen along the entire value chain:

1'st window: 1bn EUR for electrification and hydrogen for industry

2'nd window: 700 million EUR for clean tech and

hydrogen

3'rd windown: 300 million EUR: Mid-size projects

We are working on a hydrogen bank to help derisk hydrogen investments.

We will launch a contract for difference scheme under the Innovation Fund to cover 100% of the cost difference with gray Hydrogen.

"I've said it before, I'll say it again: Hydrogen Rocks"

#euhydrogenweek



Birgitte Jourdan-Andersen

Partner, Oslo birgitte.jourdan-andersen@schjodt.com m: +47 476 81 408 - d: +47 23 01 15 84