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Executive Vice-President
Commissioner for Climate Protection

Mr Frans Timmermans European Commission

By e-mail: frans-timmermans-contact@ec.europa.eu

Reußenköge, 16 June 2022

## The Delegated Act to the Renewable Energy Directive poses a threat to the already existing production of green hydrogen

Dear Vice-President Timmermans,

Six years ago, GP JOULE initiated the eFarm project in North Frisia, the largest sustainable hydrogen mobility project in Germany to date. Five electrolysers produce green hydrogen near existing wind farms. Two hydrogen filling stations provide the energy for fuelling, among others, two fuel cell buses that operate here in regular service.

20 regional partners are participating in the eFarm project. These 20 companies show how efficient regional cooperation can be in the decarbonisation process. They not only ensure emission-free transport, but also are leading to a tangible energy turnaround and thus greater acceptance of renewable energies.

But eFarm is acutely threatened if the current draft of the Delegated Act on Article 27 of the Renewable Energy Directive is implemented in this way.

This is because Article 8 of the delegated act does not grant grandfathering (protection) to the electrolysers mentioned in Article 3 which are <u>directly connected</u> to renewable energy installations. This also includes eFarm.

The plants that supply eFarm with renewable electricity are directly connected to the electrolysers. These are not new plants, but wind turbines that have been in operation for more than 20 years and whose EEG (Renewable Energy Sources Act) subsidies have expired. The electricity purchased from these plants and used to produce hydrogen would not be considered sustainable under the current draft of the Delegated Act.

eFarm and similar projects would therefore not be able to generate green house gas quotas in the future and would thus have little chance of competitively producing green hydrogen for mobility.

Article 8 of the draft could grant grandfathering. But in its current version, this only lists those hydrogen production plants that draw their electricity from the grid (and



are defined in Article 4). Installations with direct electricity supply according to Article 3 are completely missing. This is not comprehensible.

Electrolysis with direct purchase of electricity is thus unreasonably disadvantaged.

**The solution:** Article 8 must also grandfather the installations designated in Article 3 (b) and read as follows:

"Article 3, point (b), and Article 4(2), points (a) and (b) do not apply to installations producing renewable liquid and gaseous transport fuel of non-biological origin that come into operation before 1 January 2027. Any additional production capacity added to these installations following their entry into operation will fall under the scope of application of this Regulation."

In the latest draft of the Delegated Act, we welcome the fact that the number of full utilisation hours for electrolysers for the production of green hydrogen has been adjusted to the available quantities of renewable electricity in the respective regulation area. We also support the goal of building additional renewable energy plants. In combination these points lead to a systematic ramp-up of the green hydrogen economy in Europe.

At the same time, however, excluding existing RE plants from developing a sustainable hydrogen infrastructure penalises the first movers of the energy transition. As it stands, the Delegated Act affects those who were the first to install renewable energy systems - more than 20 years ago. It penalises those who were the first to tackle the production of green hydrogen, thus creating new marketing perspectives for electricity from plants that are no longer subsidised. The Delegated Act discriminates against those who have long been helping to achieve the EU Commission's targets for reducing greenhouse gas emissions produced by the transport sector.

We would be pleased to invite you to a discussion in which we can explain our concerns in more detail.

We present our eFarm project in more detail in the appendix.

Yours sincerely

Ove Petersen

Founder & CEO GP JOULE

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