



# Exchange on hydrogen BMW/Equinor

7 May 2026



# Agenda

- H2GE project
- Competitiveness of blue hydrogen
- Regulatory/funding hurdles and way forward

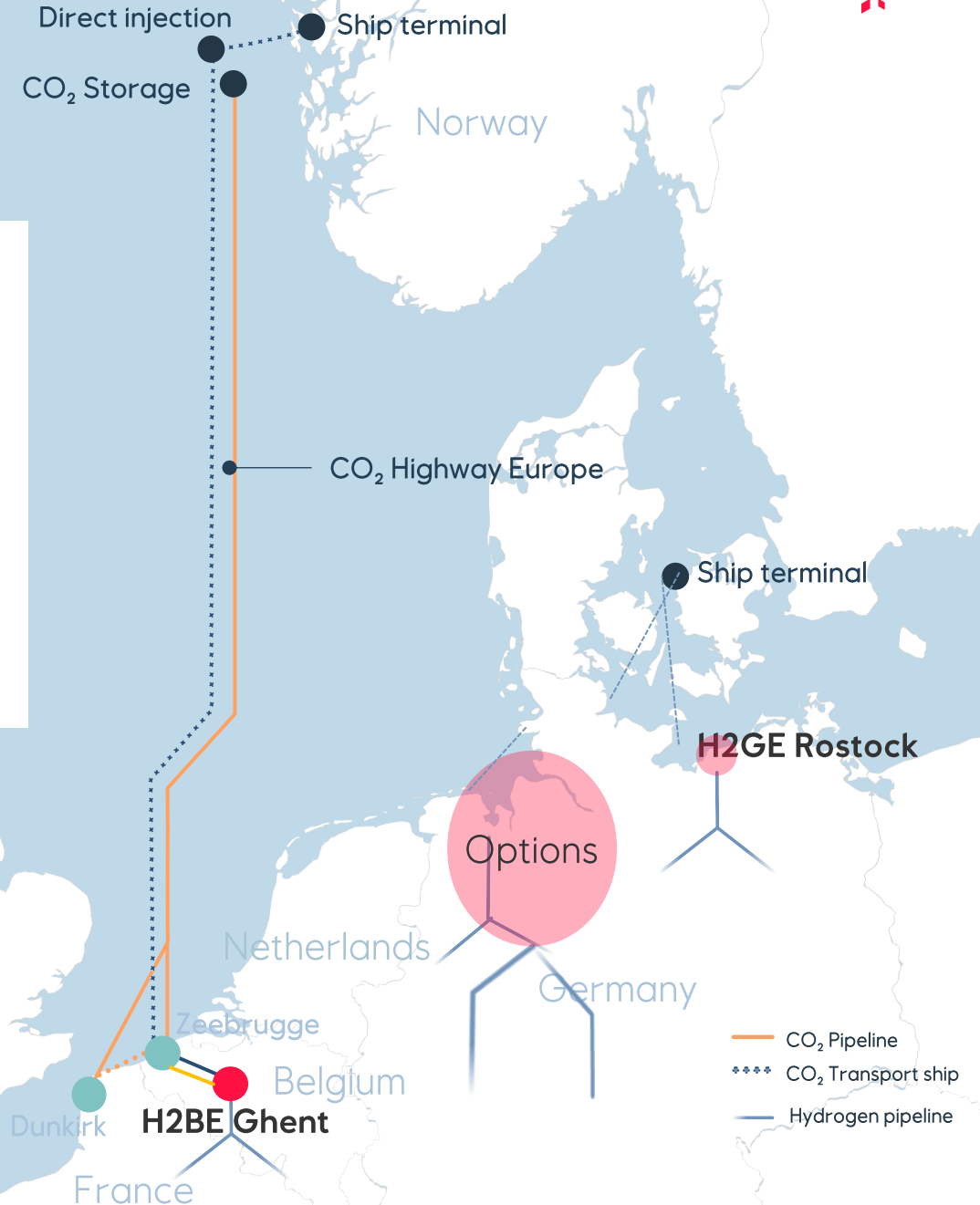


H2GE project

# NWE Hydrogen Portfolio Process – key focus areas



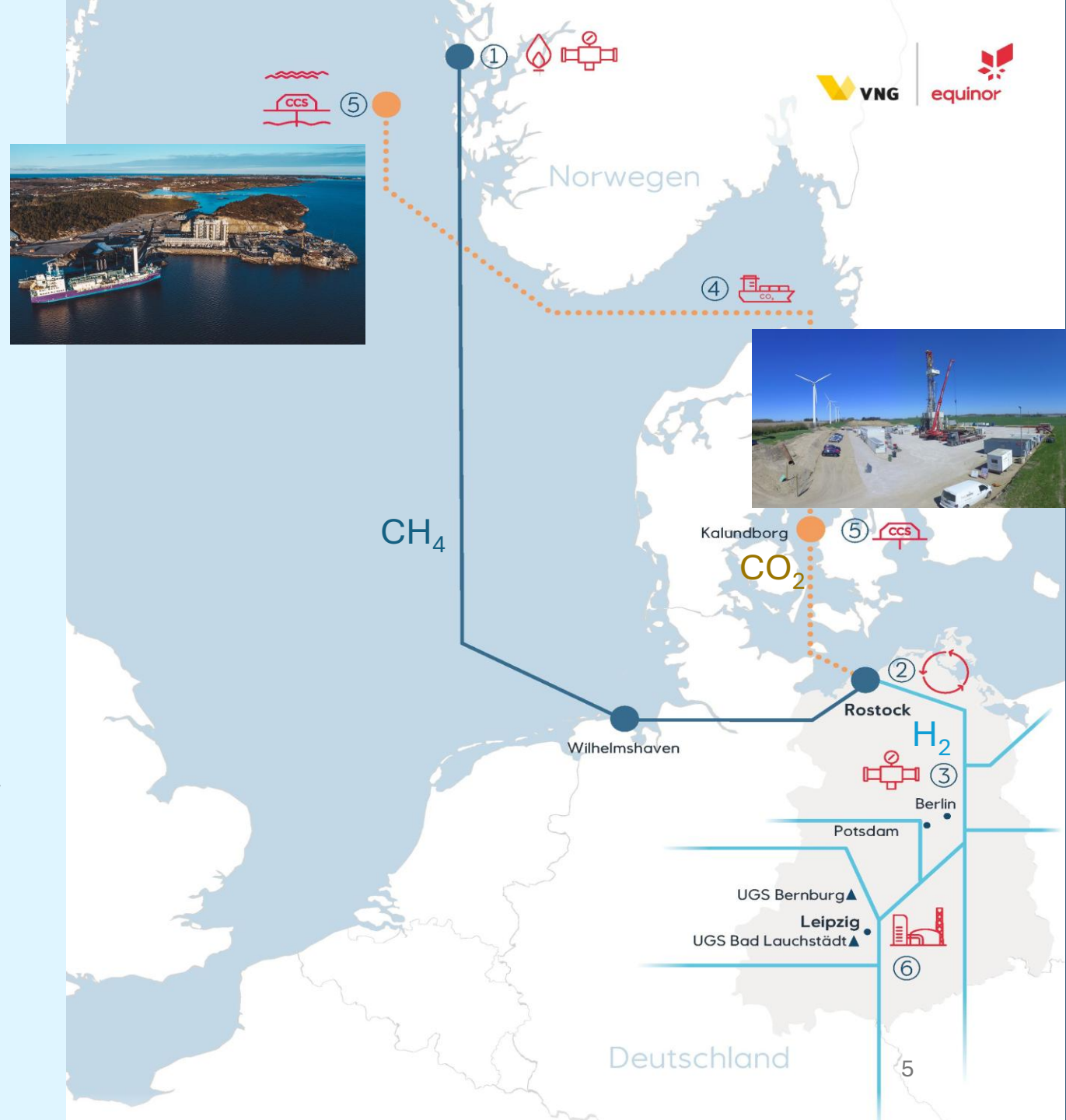
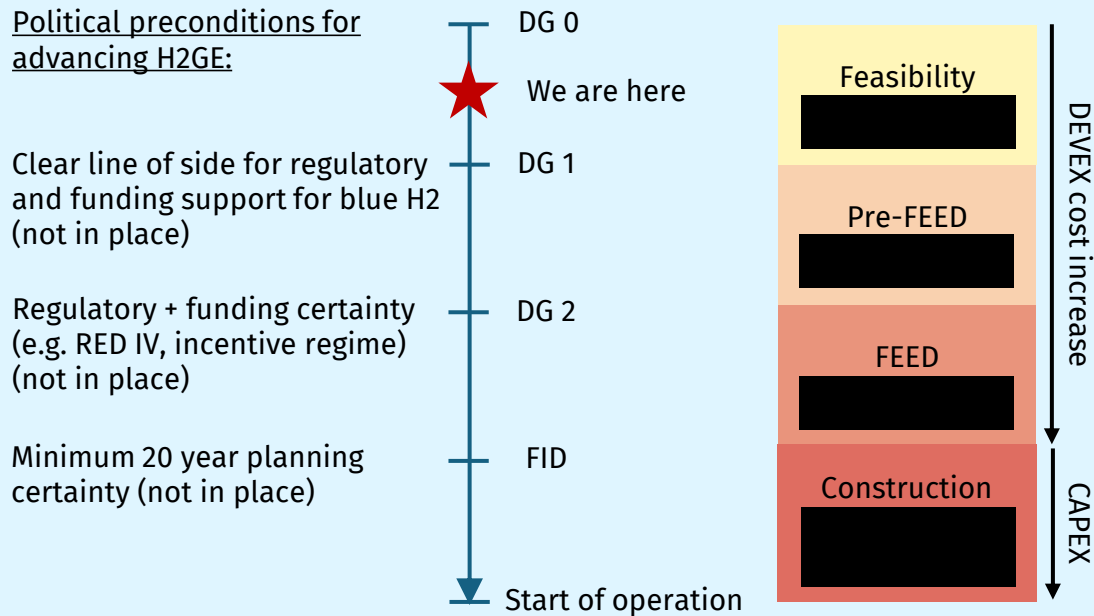
- I. Reshape projects to achieve a LCOH of [REDACTED] EUR/kg
- II. Develop H2GE Rostock and explore other German options to create best value-proposition for German industry
- III. Work with industrial partners, state and federal government to create the right policy, regulations and frame conditions to progress and realise low carbon hydrogen value-chains



# The project

- **1 GW** facility to produce **blue hydrogen** based on low-carbon natural gas
- **210,000 tons of H2 per year (approx. 8 TWh) base load 24/7**, foundation for the hydrogen ramp-up
- Capture of **approx. 1.8 million tons/year CO<sub>2</sub>** and **integration into CCS value chains**
- **Local partner VNG** and local value creation

Political preconditions for advancing H2GE:





# The scale of H2GE compared to domestic green hydrogen production



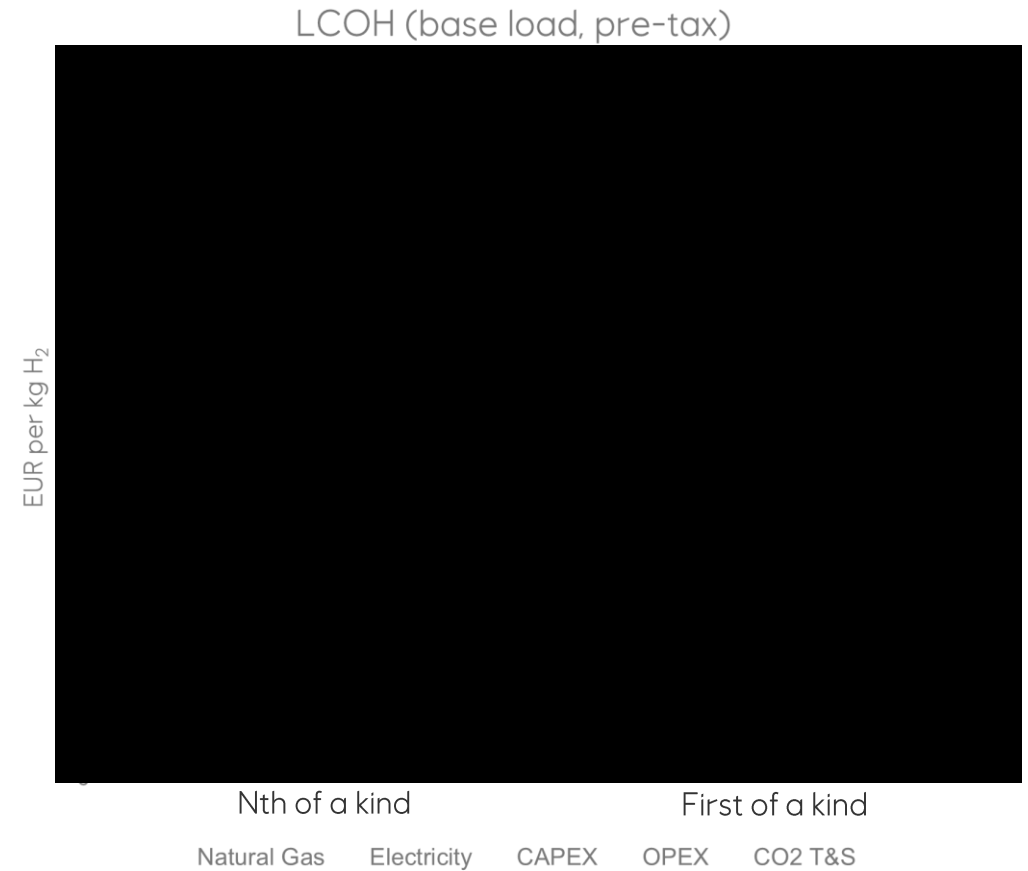
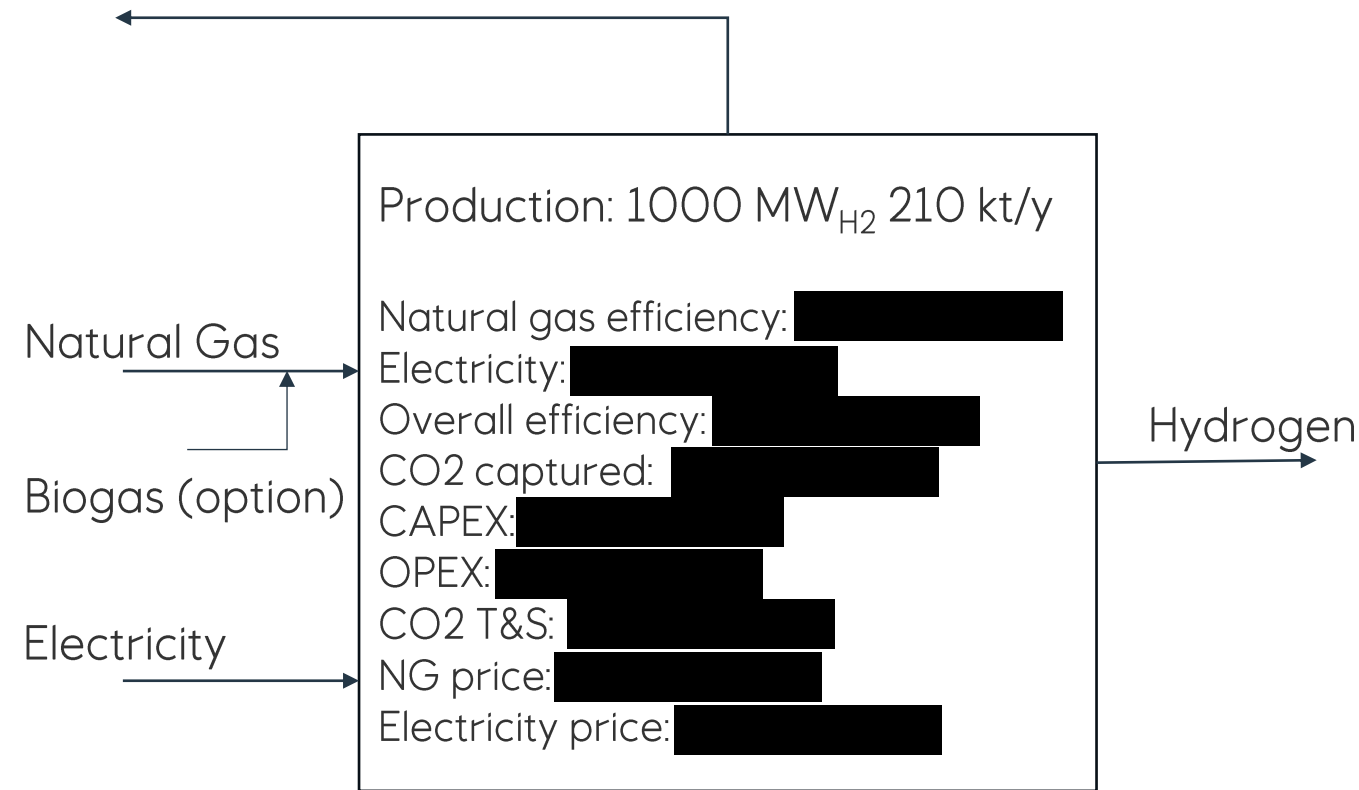
\*) EWI-Analyse „Entwicklungen im Elektrolyse-Hochlauf in Deutschland“. 2026. Link: [https://www.ewi.uni-koeln.de/cms/wp-content/uploads/2026/01/20260109\\_EWI\\_Analyse\\_Entwicklungen-im-Elektrolyse-Hochlauf-in-Deutschland.pdf](https://www.ewi.uni-koeln.de/cms/wp-content/uploads/2026/01/20260109_EWI_Analyse_Entwicklungen-im-Elektrolyse-Hochlauf-in-Deutschland.pdf)

# Competitiveness of blue hydrogen



# Levelised Cost Of Hydrogen (LCOH) at plant gate

CO<sub>2</sub> to transport and storage



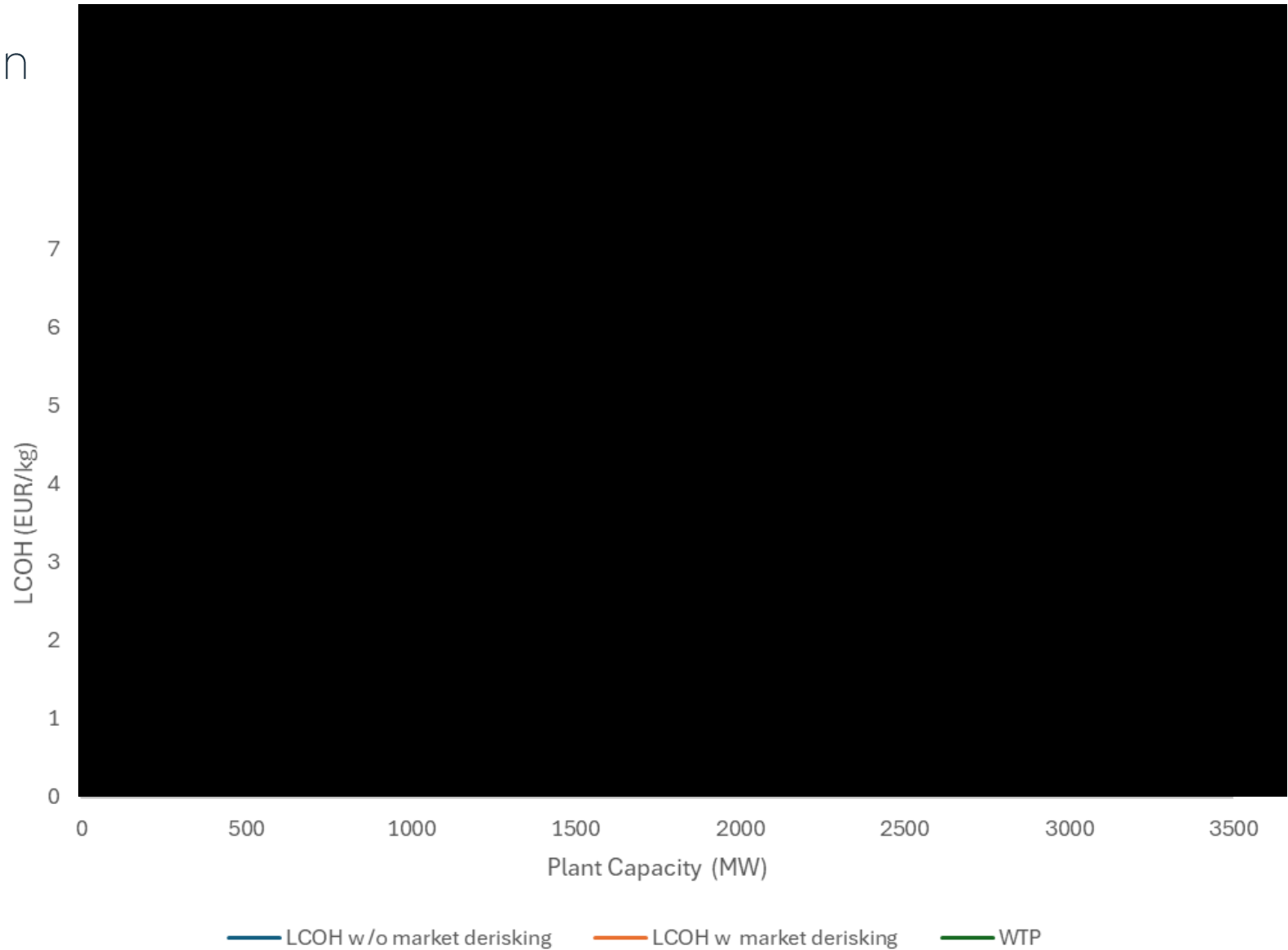
Capital cost component of LCOH depends on CAPEX, depreciation and WACC

Depreciation and WACC contains a risk premium and can result in 0.5 – 1.0 EUR/kg increase depending on the market risk



# Competitiveness of Blue Hydrogen for industrial use (base load)

LCOH	EUR/kg	
LCOH	EUR/MWh	
CO2 ETS		
break-even	EUR/t CO2	



# Regulatory / funding hurdles and way forward



## Current regulatory & funding situation from H2GE's point of view

Policy & regulation	National & EU Hydrogen strategies	Green, blue only second-best
	BMW 10 action points from September 2025	Green and blue on equal terms
	Green gas quota key points from February 2026	Green and blue on equal terms
	Hydrogen acceleration act from March 2026	Green and blue on nearly equal terms
	GHG quota in transport (RED III transport target) from April 2026	Green only
	Electricity tax exemption, Levy exemptions, Grid charge exemptions	Green only
	RED III industry target	De facto green only
	H2 core grid	Green and blue on equal terms
Funding & incentives	CO <sub>2</sub> -Differenzverträge (former KSV)	Green and blue on nearly equal terms
	Steel manufacturer funding	De facto green only
	H2Global	Green only
	EU Hydrogen Bank	Green only
	EU Innovation Fund	Green and blue on equal terms
	EU CEEAG state aid framework	Green and blue on equal terms
	EU CISAF state aid framework	Green, blue only second-best

→ Investing in blue H<sub>2</sub> is a constant uphill battle, current framework does not support investment




# Required policy changes for blue hydrogen

- **Government architect for new low-carbon value chains**
  - Example: H2BE in Belgium is a number one priority for the Flemish region and national governments
- **Consistent equality for blue hydrogen in all sectors**
  - EU and national hydrogen strategies
  - H2Global, EU H2 Bank
  - § 9a Abs. 1 Nr. 1 StromStG, § 25 EnFG, § 118 EnWG
  - Green gas quota
- **Upcoming RED IV discussion on EU level**
  - Transport: Include low-carbon hydrogen as a compliance option under the GHG quota from 2031
  - Industry: Industry target (%) = [total RFNBO + **LCF + Bio based fuels consumed in industry**] / [total hydrogen used in industry]
  - No phase-out of blue hydrogen
- **State guarantees for counterparty and infrastructure risks**
  - Avoidance of risk premiums (counterparty risk, political risk) could reduce funding need
- **Hydrogen-specific funding program**
  - Ongoing CfD discussion



# Belgian non-paper on low-carbon hydrogen in RED III

 Council of the European Union

Brussels, 25 February 2026  
(OR. en)

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COMPET 210  
IND 125  
ENER 85  
CLIMA 81

**NOTE**

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From: General Secretariat of the Council  
To: Delegations

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Subject: AOB for the meeting of the Competitiveness Council of 26 February 2026 :  
Safeguarding our industrial competitiveness through a pragmatic and  
technology-neutral hydrogen approach under RED III  
- Information from Belgium, the Czech Republic, Hungary, Poland and  
Slovakia

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Non-paper Presented by Belgium, supported by the Czech Republic, Hungary, Poland  
and Slovakia, on safeguarding our industrial competitiveness through a pragmatic and  
technology-neutral hydrogen approach under REDIII

*This non-paper outlines our concern regarding the implementation of the Renewable Fuels of Non-Biological Origin (RFNBO) targets for industry under the Renewable Energy Directive III (REDIII). We propose a pragmatic and climate-effective approach to support the decarbonization of Europe's energy-intensive industries while safeguarding industrial competitiveness.*

*This concern is not isolated: it mirrors structural and geographic realities across the European Union. Our joint climate ambitions require deep decarbonization of industrial processes, especially in sectors such as steel, chemicals, refining, and basic materials while at the same time Europe's competitiveness is at stake.*

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- “This non-paper outlines our concern regarding the implementation of the [RFNBO] targets for industry under the [RED III].”
- “In Belgium, SMR / ATR + CCUS [...] projects for the production of blue hydrogen [...] could see significant delays or cancellation because of the current interpretation of the RFNBO target under REDIII.”
- „reviewing the status of low carbon hydrogen under REDIII, [...] so that we make low carbon hydrogen count in the industrial targets in REDIII.”
- Supported by Belgium, Czech Republic, Hungary, Poland, Slovakia

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