STELLUNGNAHME

DWV
Deutscher Wasserstoff-Verband

Stellungnahme zur Marktkonsultation des Bundesministeriums für Wirtschaft und Energie (BMWE) zur IF25-Auktion

With regard to 4.1 of the IF25 Draft Terms (Maximum time to reach financial close and entry on operation): Is, from your point of view, more flexibility needed to cater for unexpected delays in the pipeline infrastructure required to supply offtakers in Germany? If so, how long should the extension be and why (e.g. referring to the date of first operation)? Could an extension of the maximum time to reach financial close and entry on operation specifically for projects wishing to participate in the German funding window cause undue market distortions? If so, how?

It is important to note that projects which are supposed to enter into operation within five years must have a functioning infrastructure, sufficient offtake agreements and financial backing from banks and other financial institutions. Five years are a minimum at least, given that delays in infrastructures can not be excluded as pipeline infrastructure is dependent that many offtakers take their FIDs.

***(2)** Are there other changes to the Draft Terms for IF25 deemed necessary from your point of view for cross-border deliveries of renewable hydrogen via pipeline to offtakers in Germany? Which key changes would you propose and why?*

DWV and its members believe that the Auctions-as-a-service window should be used on domestic hydrogen production rather than production in the EEA with only the hydrogen use happening in Germany. It is a chance to accelerate electrolysis rollout in Germany and to enable learning curves with domestic hydrogen projects. Domestic hydrogen production also enables to address the problem of electricity grid congestion in Germany as well as energy resilience, whereas (cheaper) hydrogen imports need less subsidies and do not contribute to solve these problems.

The focus on projects with at least 7000 full load hours limits the potential circle of participating projects, which could easily lead to distortions in the market.

***(3)** With regard to 2.3 of IF25 Draft Terms (Minimum or maximum restriction for project size and for bid volume): Please provide a detailed response which maximum grant amount per project, from your point of view, would be appropriate for the envisaged German IF25 funding window. Could a change in the limitations to size of the project (in terms of maximum grant amount or capacity installed) specifically for projects wishing to participate in the German funding window cause undue market distortions? If so, how?*

We believe that the maximum thresholds for the grant amounts are sufficient to enable bigger scale projects, as bid prices are expected to be rather low.

(4) *With regard to 3.6 of the IF25 Draft Terms (Ceiling prices): Taking into consideration the bid prices received in the IF23 and IF24 auctions, Germany considers to reduce the ceiling price for the dedicated German funding window to a maximum of 3 €/kg. Please provide a detailed response which ceiling price, from your point of view, would be appropriate for the envisaged German IF25 funding window. Could a reduction of the ceiling price to 3 €/kg specifically for projects wishing to participate in the German funding window cause undue market distortions? If so, how?*

We believe that the bid price of 4 €/kg is appropriate. There is no reason why the maximum bid price in the AaaS window should be lower than in the IF25 auction.

(5) *Several projects that were selected under the IF24 auction have subsequently withdrawn from the auction and decided not to sign a grant agreement. For this reason, Germany is examining ways to ensure that as far as possible all selected bidders proceed with signing of the grant agreement and ultimately implement their projects, while also discouraging speculative bids. One option would be to introduce a bid bond of e.g. 1% of the maximum grant amount for the respective project. This bid bond would be submitted to the German authorities after the project evaluated by the Commission and transferred to Germany. Please provide your comments on the proposed introduction of a 1% bid bond for the envisaged IF25 German funding window. If there are proposals for other measures to discourage bidders from submitting speculative bids, please provide those and explain the rationale behind those measures.*

There is generally a problem with speculative bids and a bid bond could be an interesting choice the limit these kind of bids. However, it might be possible this could cause a retreat from the AaaS auction as 1% might be too high of an amount. It is especially important for the projects to secure offtake – earlier auction rounds had awarded projects which then failed to secure offtake. This is subject to the change of regulation in terms of quotas and the RED III implementation as well as hydrogen prices being too high due to electricity grid levies and additionality / temporal correlation requirements (RED II). These measures have to be addressed which will then automatically result in more solid and less speculative bids.

(6) *With regard to 2.2 of the IF Draft Terms (Completion guarantee): Which changes to the provisions for the completion guarantee, if any, do you suggest specifically for the envisaged IF25 German funding window and why? Please comment in particular on the amount of the completion guarantee relative to the maximum grant amount (see*

question (3) above). Could changes to the provisions for the completion guarantee specifically for projects wishing to participate in the German funding window cause undue market distortions? If so, how?

We believe that the completion guarantee is appropriate.

***(7)** With regard to 4.2 of the IF25 Draft Terms (Sanctions in case of non-compliance with support requirements): Germany examines different options to relax the consequences of non-compliance specifically for the IF25 German funding window, including leaving the termination of the grant agreement/ calling the completion guarantee to the discretion of the granting authority and staggering the penalties for delays. Which changes to the sanctions in case of non-compliance, if any, do you suggest specifically for the envisaged IF25 German funding window? Please substantiate your response.*

The cumulation with the German GHG quota mechanism should be allowed, different to the AaaS window during the IF pilot auction. GHG quota in combination with the multiplier of 3 is the best enabler for FIDs in Germany right now. It should also be possible to use electrolytic Low Carbon Hydrogen in conformity to the rules of the Delegated Act.

***(8)** The IF24 auction applied the following timeline: start of auction in December 2024, bid submission in February 2025 and publication of evaluation results in May 2025. Is this timeline from your point of view adequate for the IF25 German funding window, in particular with regard to the time available to secure offtakers? Which alternative timeline would you suggest? Could changes to the timeline for awarding and granting the aid specifically for projects wishing to participate in the German funding window cause undue market distortions? If so, how?*

***(9)** With regard to 1.14 of the IF25 Draft Terms ("Resilience related requirements for the electrolyser"): Should there be changes to the origin requirements for electrolysers and, if so, which?*

We welcome the Resilience requirements for the electrolysers and advocated for those to be included in the AaaS window.

Deutscher Wasserstoff-Verband (DWV) e.V.
Tel.: +49 30 6295948–2 | h2@dwv-info.de
Robert-Koch-Platz 4 | D-10115 Berlin
www.dwv-info.de

Register: Amtsgericht Berlin (Charlottenburg) VR 17205
D-LobbyRG-Nr.: R002003
EU-Transparenzregister: 462906838391-79 –
Steuer-Nr. 27/663/55761
Vorstand: Dr. Bernd Pitschak (Vorsitzender), Friederike Lassen