Memory jogger

Scene Setter

Hy24 and Hydrogen Europe proposed a meeting to discuss a proposed Consortium to accelerate building of the European Network of hydrogen refuelling stations.

At the meeting of 25 November 2022 between Mr. Hololei and Hydrogen Europe first suggested a proposal for private public partnership (a consortium) could be established to support rollout of the 1000 refuelling stations needed to meet the AFIR ambitions.

The proposal has been refined over few weeks and an event is planned in the European Parliament on __ January 2023.

The proposal envisages the following:

- **Pooling of industrial resources** from companies committed to hydrogen mobility – avoids a series of fragmented initiatives to create a truly European network
- Creating a **central platform** to coordinate hydrogen supply and demand during the roll-out
- **Strong support of the financial sector** ready to commit to a credible plan for hydrogen for mobility
- Significant and **coordinated public support** from the European Union and member state governments

Objectives

- Learn more about the proposed consortium.
- Clarify the added role for merging of the investment coordination function of the consortium with a function of mobilizing and granting CAPEX and OPEX funding.

Line to take:

- Thank to Hydrogen Europe and Hy24 for initiating the discussion on a comprehensive package to enable investment in deployment of hydrogen refuelling stations.
- Stress the relevance of hydrogen as part of the future fuel mix and the need to establish the right enabling conditions. Note the ambitious hydrogen mandatory targets included in the AFIR proposal and the substantive amount of financial support that is available under the Alternative Fuels Infrastructure Facility.
- Recall that around 130+ projects are already rolled out or accepted for financing by AFIF.
• **Acknowledge** that we are still far away from AFIR targets: COM proposal would de facto lead to a total of max 1134 hydrogen stations by 2030, of which 710 would be located on the TEN-T network (240 to provide liquefied hydrogen) and of which around 424 will be located in urban nodes. Note that there is quite a concentration of hydrogen refuelling infrastructure in a few Member States.

• **Stress** that AFIR will create regulatory certainty and a push for market investment. Stress also that the revision of the CO2 emission performance standards for HDV will create a push for the hydrogen fuel cell truck planning of manufacturers.

• Welcome a discussion on how to best organise long term support so that AFIR targets can be met and **no significant gaps** remain.

• **Notice** that multiple possibilities for funding of H2 projects already exist at EU level (including RRF, Regional Funds and AFIF). The envisaged (financial) set-up should be clarified on technical level and possible options to help structure and facilitate investment could be explored. The question will also be – how much time does it take to set up which option and what is best suited to help the market with immediate impact?

• **Ask what** kind of feedback they have from discussions with Member States?

**Background Notes**

The proposal is based on the following integrated approach towards enabling hydrogen stations:

• Hy24 and the consortium will provide **equity**

• Banks will top up with **debt financing** thanks to the PPP capacity payment scheme

• EU + National Governments – to set up and provide a PPP scheme providing **capacity payments** to the operators of hydrogen stations in exchange for a well operated and reliable hydrogen station network.

  ▲ The capacity payment could be allocated in an ‘auction like’ process to serve identified geographic areas

• Automotive manufacturer and fleet operators - hydrogen capacity to be **pre-booked** for a specific period. Additional demand growth built into the business model (at the risk of the equity providers)
About Interlocutors:

**Hy24** is a 50/50 joint venture between **Ardian**, a world leading private investment house, and **FiveT Hydrogen**, a clean hydrogen investment platform.

**Clean H2 Infra Fund** is a 2bn private equity facility managed by Hy24. The fund was set up on the initiative of Air Liquide, TotalEnergies, VINCI Concessions, Plug Power, Chart Industries and Baker Hughes. The fund has also attracted additional anchor industrial partners such as LOTTE Chemical, Airbus, and Snam, Enagás, GRTgaz (together as one Anchor partner) and anchor financial investors such as AXA, Crédit Agricole Assurances, CCR, Allianz, CDPQ, JBIC as well as other investors: Border to Coast Pensions Partnership, the CMA CGM Group, ERAFP, Nuveen, Ballard, Schaeffler, Société Générale Assurances, Groupe ADP, EDF, Norinchukin, Caisse des dépôts, DBJ, Itochu, Groupama and BBVA.

**Ardian** (formerly Axa Private Equity) is a France-based, independent private equity investment company, founded and managed by Dominique Senequier. It is one of the largest European-headquartered private equity funds. The company was set up in 1996 as the AXA Group's private equity division, but later gained independence in 2013, and rebranded itself as Ardian. Ardian manages assets worth US$141 billion in Europe, North America and Asia. The firm offers a funds of funds, direct funds, infrastructure, private debt and real estate, and manages a direct portfolio of more than 150 companies, including Vinci Park, Luton Airport and SPIE. Its fund of funds segments owns stakes in over 1500 funds. Ardian's 880 investors include institutional investors, funds of funds, government agencies, sovereign funds, family offices, pension funds and insurance companies). The firm has been ranked one of the largest companies by amount raised in equity by Private Equity International.

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