

Implications of IRA and DOE funding on clean energy (hydrogen, CCS) and steel decarbonisation economics USA vs Europe

- PRELIMINARY ANALYSIS



Conclusion

- To level the playing field between regions we will have a CBAM, financial support but based on complex rules providing little planning security, focusing mainly on innovative projects (CEEAG/IPCEI/ETS-IF), we hope to have green lead-markets, RePower EU..., but the world continues to change and it will not be sufficient and on time
- On the other side the US has no carbon price and with IRA will provide massive amounts of financial support that will allow “greening” at scale – no strings attached: only incentives to push supply of decarbonized products; combining climate, security and industrial policy in one
- Current EU policy framework in place cannot be replaced and improved quickly
- At short term we need the maximum EU emergency measures, to accelerate solving energy crisis and push the decarbonization at scale, but the EU cannot win a subsidy race. It
 - Must Start developing for the mid-term to align policy with other regions in the world
 - Must make EU policy that makes EU investments less risky and costly and attracts investments vs outside
 - Should add EU competitiveness and (material and energy) supply as policy priority, next to climate
 - Make sure enabling conditions for EU (decarbonization) investments are in place when needed (eg H2 volumes)
- How to follow this up, also as signal to all EU companies?