Competitive Bidding in the Innovation Fund; Stakeholder Consultation

21 - 21 Nov 2022

Poll results

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1. What type of hydrogen should be supported under IF pilot auctions? Multiple choice (1/2)

Renewable hydrogen, in line with Delegated Acts of REDII

79 %

Biogenic hydrogen (from biomass) 20 % Hydropower hydrogen 25 % Low-carbon hydrogen, including "blue" hydrogen (i.e. with CCS) 31 % Low-carbon but not "blue" hydrogen 15 %

1. What type of hydrogen should be supported under IF pilot auctions? Multiple choice (2/2)

2

Difficult to assess at this stage



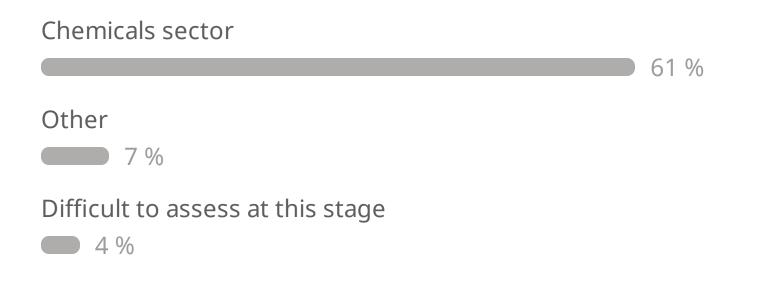


2. When supporting hydrogen, which demand sectors and applications should the IF pilot auctions focus on? Multiple choice (1/2)

Transport 38 % Industry 78 % Refineries 40 % Power to Gas, Power to Liquid production 33 % Steel sector 64 %

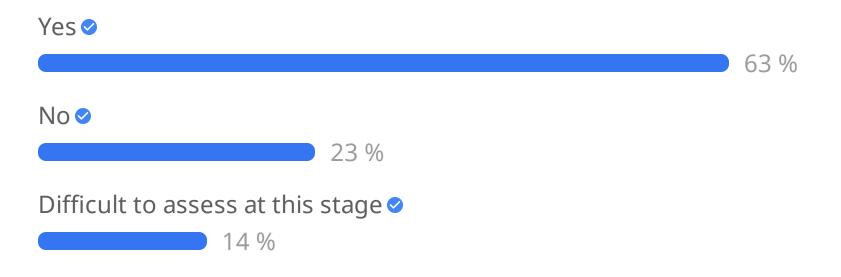
2. When supporting hydrogen, which demand sectors and applications should the IF pilot auctions focus on? Multiple choice (2/2)

222





3. Should light-duty transport be excluded from IF pilot auctions on hydrogen? Single choice



223



4. What should be the main objective of IF pilot auctions on hydrogen? Single choice



Hedging against main reference market price fluctuations



Hedging against several market prices fluctuations (e.g. with indexation, or prices composites)

 \checkmark



Hedging and providing subsidy to cover the funding gap/ green premium

73 %

Difficult to assess at this stage *♥*





5. Should hydrogen transport infrastructure costs be part of the bidding price under IF pilot auctions? Single choice (1/2)

12 %

Yes, even though mostly integrated and co-located projects are expected to participate in the pilot auctions

Yes, because already in pilot auctions there could be projects that have transport infrastructure elements

No, because there will be no level playing field between projects that have no infrastructure costs and those that have them

24 %

21 %

32 %

No, because there are other support mechanism for supporting hydrogen infrastructure

5. Should hydrogen transport infrastructure costs be part of the bidding price under IF pilot auctions? Single choice

(2/2)

Difficult to assess at this stage *S*



6. Which auction configuration would you find most attractive for IF pilot auctions? Single choice

(1/2)

Supply-side auction using CfD or fixed premium *⊘*

38 %

Supply-side a	auction	using	CCfD 🥑
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Supply-side auction for electricity using CfD ♥



Demand-side auction using CfD or fixed premium *⊘*

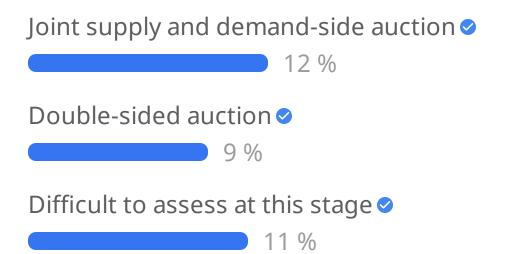
7 %

Demand-side auction using CCfD ♥

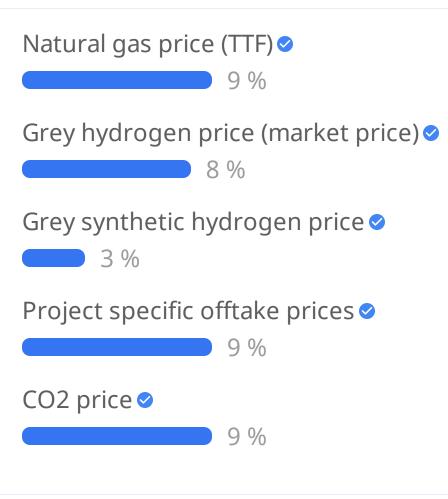
12 %

6. Which auction configuration would you find most attractive for IF pilot auctions? Single choice

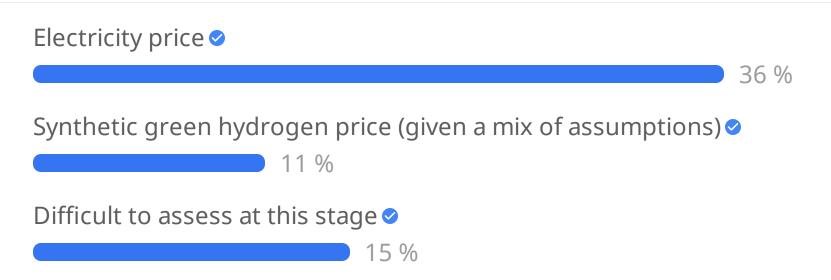




7. If a supply-side auction using CfD is chosen to be awarded under IF pilot auction, which reference price would be best suited to hedge price risks? Single choice (1/2)



7. If a supply-side auction using CfD is chosen to be awarded under IF pilot auction, which reference price would be best suited to hedge price risks? Single choice (2/2)



8. Do you see sufficient demand for hydrogen to establish the offtake contracts for the duration of the CfD support (likely to cover 10 years)? Single choice

Yes, there is sufficient demand to have offtake agreements committed throughout CfD support period

There is sufficient demand to have only initial offtake agreements committed - for the first years of CfD support

60 %

13%

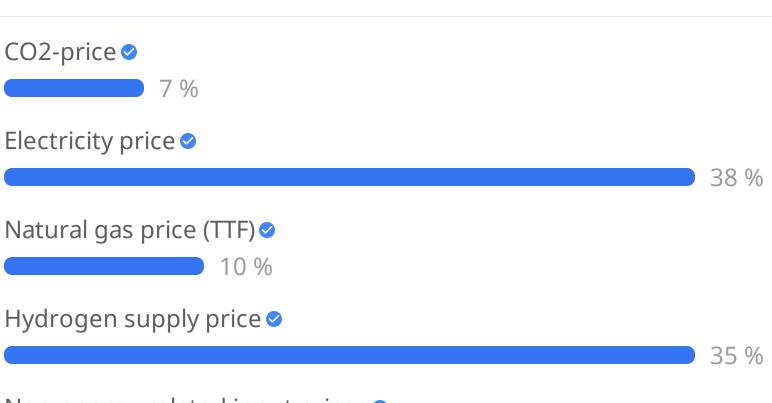
No, there is no sufficient demand and offtakers will have to be found at the time of financial close

15 %

Difficult to assess at this stage *♥*

12 %

9. What is the most relevant price risk factor that hydrogen consumers need a hedge against? Single choice (1/2)



Non-energy related input prices *⊘*

1 %

9. What is the most relevant price risk factor that hydrogen consumers need a hedge against? Single choice (2/2)

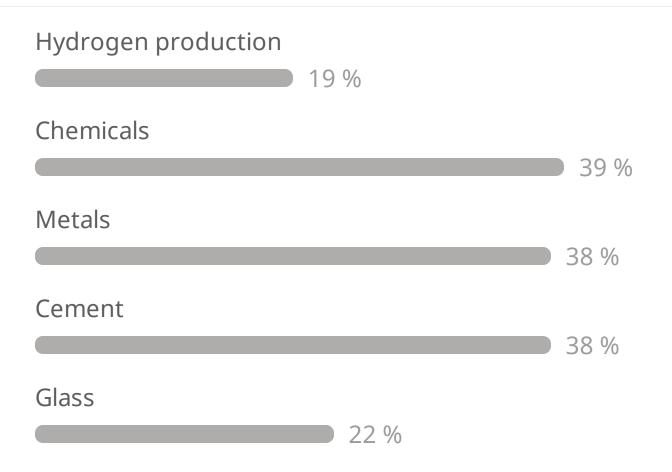


Other 2 % Difficult to assess at this stage ✓

6 %



10. For which sectors would carbon price be a good reference price? Multiple choice (1/2)





10. For which sectors would carbon price be a good reference price? Multiple choice (2/2) CCUS 56 %

Difficult to assess at this stage

13 %

11. Should a subsidy scheme for GHG abatement 096 reduction be primarily aimed at cost-effectiveness?

