

H2Global

H2Global | VBW: Wasserstoffauktionen — Ablauf und Beteiligungsmöglichkeiten

Emanuel Henrich, Head of Foundation Affairs | March 2024

The H2Global Mechanism

Efficient promotion of the H2 market ramp-up



H2Global's mechanism promotes timely and effective market ramp-up of clean technologies such as hydrogen

Key elements

Bridging



Defined System



Cost of Difference



Competition-based



Creating business cases and investment security.

Shifting the timing of market creation by promoting the market ramp-up until a viable low-carbon market has developed.

Long-term purchase agreements over 10 years.

Clear definition of max. funding volume, products, geography and (sustainability) criteria by funding body.

Financial compensation of Cost of Difference.

Set up of an intermediary — the **H**ydrogen **Int**ermediary **Co**mpany.



Double-auction: Marketbased bidding procedures on the supply and demand side.

Minimization of the price difference to be compensated by public funds.



Competition-based auctions for the purchase and resale of clean hydrogen and its derivatives through the intermediary Hintco



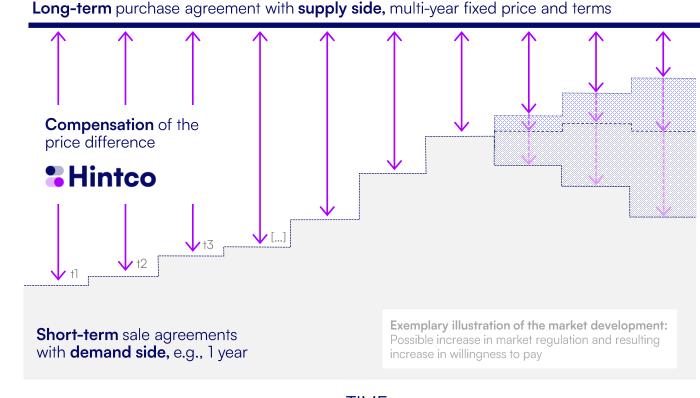


The H2Global market-driven compensation mechanism ensures the most efficient use of funds for maximum impact

Core value of H2Globals auction design:

H2Global auctions uncover supplier and offtake pricing dynamics.

To create **liquidity** and support market development, **short-term** and **broad-based price signals** are **decisive**.



TIME



PRICE (demand, supply

Design and Implementation of Funding Windows

Flexible and adaptable mechanism



The H2Global mechanism is flexible and can be customized according to funders objectives

Customized regarding:

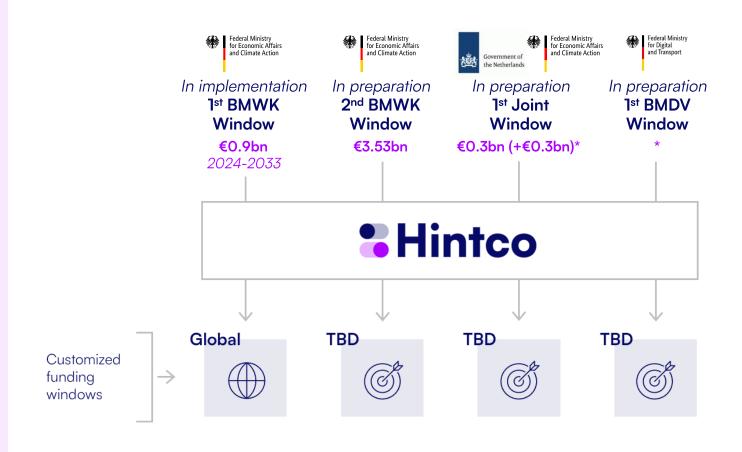
- Geography (global, regions, countries)
- H2 product selection
- Product and sustainability criteria

Adaptable to targets:

- Price optimization
- Promotion of green technologies
- Energy security
- Decarbonization of specific sectors
- Development policy

4 H2Global Funding Windows are currently in the works.

To date, **€5.03 billion** has been committed or earmarked* for the H2Global funding mechanism.

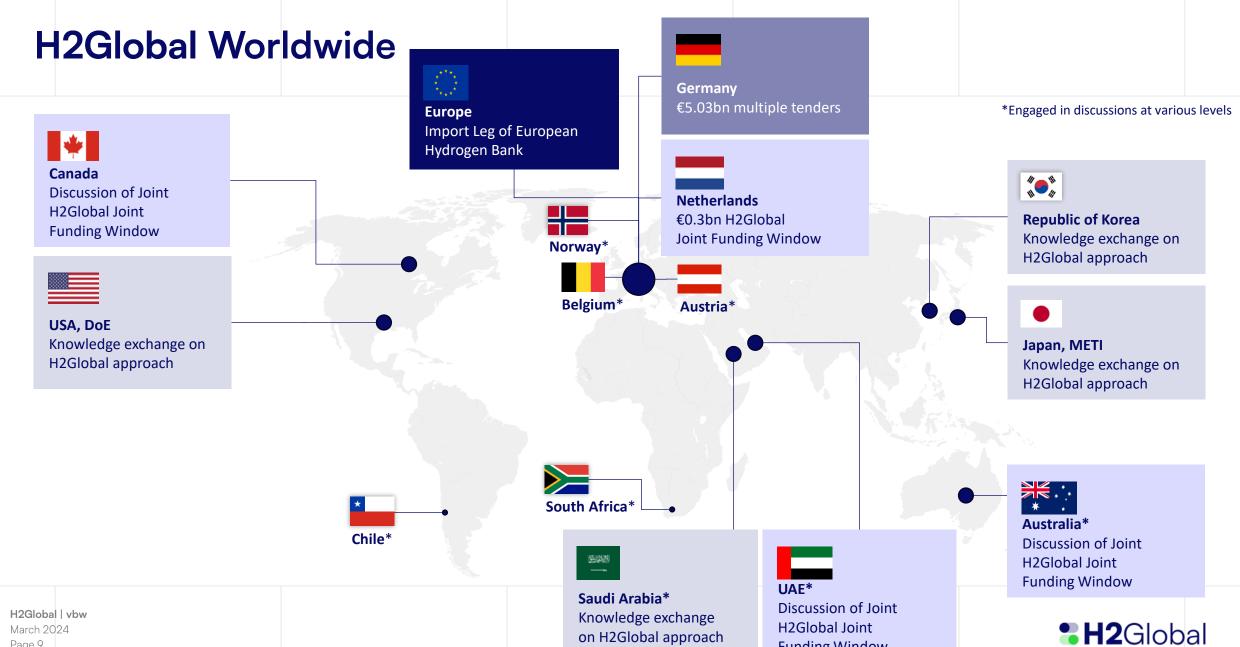




Structure for the Europeanisation of H2Global





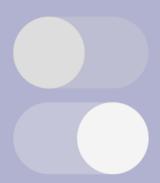


Funding Window

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H2Global Foundation

Platform for research, coordination, implementation, and exchange





A non-profit foundation with a for-profit intermediary is well suited for new market development



Research, instrument development & outreach

"Firewall" between donors engaged in the foundation and Hintco prevents conflict of interest





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Governments, Philanthropy

Funding body, grant authorities

Funds the price gap

Independent H2Global Stiftung holds 100% ownership of Hintco GmbH resp. H2Global Holding GmbH

Auction preparation & implementation



Three working groups currently serve to advance the discussion on critical issues affecting clean H2 market ramp-up

Working Group 1

Bridging the global H2 infrastructure investment gap

Working Group 2

Unlocking Demand -Hubs/Valleys & H2Global mechanism

Working Group 3

Alignment and impact of different H2 auction designs



Accelerating hydrogen deployment requires action on multiple fronts.

H2Global Foundation engages its donors to discuss important questions regarding the ramp-up of the hydrogen economy in its working groups.





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