

# Pál Ságvári

Hungarian Energy and Public Utility Regulatory Authority (MEKH)  
Vice President for Strategic and International Affairs

## Budapest Hydrogen Summit

10 April 2024

Hungarian Energy and Public Utility Regulatory Authority

*Clean energy, sustainable environment*

## The Renewable Energy Directive II-III,

- Key to the implementation of renewables across Europe, is to utilise **renewable fuels of non-biological origin (RFNBO)**, commonly referred to as **renewable hydrogen**, in sectors where direct electrification is not possible.
- **„liquid and gaseous fuels the energy content of which is derived from renewable sources other than biomass“**
- RED III sets out **Union-wide targets for the use of RFNBO**, setting clear demand-side potential for the use of renewable hydrogen by 2030 and 2035.

### Targets

1

In industry, up to **42% of all hydrogen used by 2030 shall be RFNBO**, expanding to 60% by 2035.

2

Biofuels and **RFNBO to occupy 1% of fuels in transport by 2025**. 5.5% of fuels used in transport shall be biofuels or RFNBO by 2030.

3

Member states with maritime ports should aim to ensure that by 2030, **RFNBO shall occupy 1.2% of the total amount of energy supplied to maritime transport** section.

### Guarantees of Origin (GOs) – RED III – Art. 19

- MS shall ensure that the origin of energy from renewable sources can be guaranteed as such in accordance with objective, transparent and non-discriminatory criteria.
- MS shall ensure that a guarantee of origin is issued in response to a request from a producer of energy from renewable sources.

### European Hydrogen Bank (EHB)

- The Commission designed pilot auctions for renewable hydrogen production. These auctions award subsidies to hydrogen producers in the form of a **fixed premium per kilogram** of hydrogen produced for a maximum of 10 years of operation.
- The EU's first EHB subsidy auction in February 2024 — with a total budget of **€800m** — attracted a total of **132 bids from 17 countries**.

# 2022 - The Revised Trans-European Energy Network Regulation (TEN-E)

The current (sixth) is the first list of PCIs and PMIs based on the revised TEN-E Regulation which **ends support for fossil fuel infrastructure** and focuses instead on the cross-border energy infrastructure of the future. It follows five lists of PCIs adopted, every two years, since 2013.



**New categories:** For the first time, **offshore renewable grids, hydrogen infrastructure and electrolyser** projects are recognised as key infrastructure to decarbonise the EU economy.



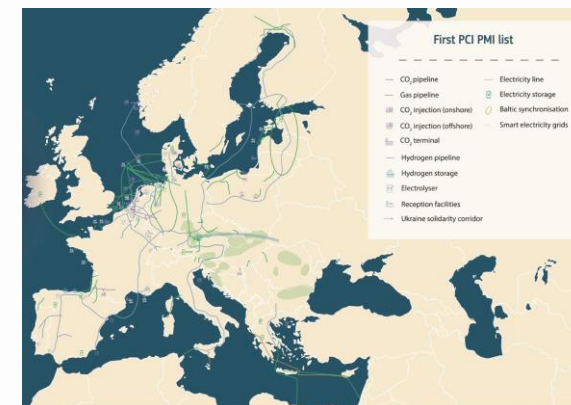
**PCI/PMI:** infrastructure projects aimed at completing the European **internal energy market** and help the EU to achieve its energy and climate objectives: delivering **affordable, secure and sustainable** energy.



**Funding:** PCI/PMI status is a requirement for eligibility, but not a guarantee for EU funding under the **Connecting Europe Facility (CEF)**. The PCI status already brings a wide range of advantages in terms of **political support** and **regulatory treatment**.

**6th list result:** The European Commission has accepted **65 hydrogen projects** out of the **179 submitted proposals**. The **29 Hydrogen Transmission projects** represent the majority, with **17 electrolysers, 9 ammonia reception facilities** and **7 underground storages**.

The proposals' overall success rate was **37%**.



## The EU Hydrogen and Decarbonised Gas Market Package: Revising the governance and creating a hydrogen framework

The agreement concretises the EU's 2020 Hydrogen Strategy

Sets the legislative base for the decarbonisation of gas markets and establishes the framework for a hydrogen market

Rules on gas quality allows for the blending with up to 5% hydrogen in the system

Differentiates between hydrogen transmission and distribution networks

Allows for a reasonable and efficient unbundling regime (horizontal and vertical)

2030 extension of the exemption from unbundling and TPA rules for existing hydrogen networks

Introduction of the European Network of Network Operators of Hydrogen (ENNOH) by 2028

NRAs are empowered to monitor the grid development, set tariffs and certify HNOs

### HU experience

1. Legislation (Gas Act) amendment for H2 integration in preparation
2. Study commissioned for the physical preparation for H2 integration
3. H2 can currently appear as „waste” in the system
4. Active NRA role in Hungary's negotiation position in the decarbonisation package.

### The EU Taxonomy Complementary Delegated Act (2023)

1. Definition of „sustainable” economic activities
2. Directs private investments
3. Gas and nuclear included as transitional green activities under strict conditions.<sup>4</sup>

Pál Ságvári  
Vice President for Strategic and  
International Affairs  
E-mail: [sneht@mekh.hu](mailto:sneht@mekh.hu)

**Hungarian Energy and Public Utility Regulatory Authority**

*Clean energy, sustainable environment*