Launch of the Clean Hydrogen Alliance

8th July

Speech/notes Deputy Minister João Galamba

Dear

Executive Vice Presidente of European Commission, Frans TIMMERMANS

Commissioner for Internal Market, Thierry BRETON

Commissioner for Energy, Kadri SIMON

Sec General of Hydrogen Europe, Jorgo CHATZIMARKAKIS

Dear colleagues, participants.

Ladies and gentleman's,

Good afternoon

As a member of the Portuguese Government, I am truly honoured to address those present here today for the launch of this common strategic project, the European Clean hydrogen alliance.

Today it's an extremely important day for Europe's energy transition ambitions, in particular for hydrogen.

Deep decarbonisation presents us, both as countries and as EU members, with a unique set of challenges, for sure, but mainly opportunities. Opportunities that we, as Europeans, must firmly embrace, looking into the future, together. The following must always be said: the climate crisis is also an industrial and technological opportunity for the European Union and its Member States. And Clean Hydrogen illustrates this perfectly.

I´m certain that this Alliance will highly contribute to the development of the Hydrogen Economy in Europe. By aggregating relevant stakeholders, by pooling tremendous resources to increase scale and drive prices down and by having a unique collective focus and drive we can accelerate the implementation of a green hydrogen economy, create a full hydrogen value chain in Europe and ensure global industrial and technological leadership.

I´m also certain that a small (average, in Europe) and peripheric country from southern Europe, like Portugal, having an active role within this Alliance will be a key element to push forward the broad use of hydrogen.

And, more importantly, it is a textbook example of how a common project can perfectly embody one of EU's biggest ideals: a common market, where all committed participants benefit precisely from the collective effort. This is particularly relevant in the Hydrogen ecosystem, where each individual stake, goal or strategy is only truly meaningful, and deliverable, within a wider context and as part of a common effort. This is why "Alliance" is the correct designation for what we are launching today: Only as a whole we may achieve our ambitious goals.

The transition to a new and fully integrated energy system is an opportunity for the development of new business models, more sustainable, more resilient and aligned with the long-term objectives of carbon neutrality.

Portugal's National Hydrogen Strategy perfectly matches the European Commission's vision for hydrogen and for smart sector integration. As an ambitious and innovative country with a robust track record in renewables, we bring forward our commitment and our current state of play in the hydrogen field. We want to produce large amounts of green hydrogen, produce it competitively, and we want to play a relevant role in the emerging hydrogen economy aligned with an industrialization strategy around hydrogen. These are objectives that can only be truly achieved in the context of a European Alliance.

Portugal is already committed to the European effort on clean hydrogen.

If in the 2019 solar auction we achieved results that exceeded our expectations, this year, we dare to go further and promoters will be able to deploy storage solutions, including hydrogen fuel cells.

We will have the basic legal and regulatory framework to allow production, storage, transport, distribution and consumption of hydrogen published before the end of august. Also this year, we will launch a 40 million euro or plus call to support clean hydrogen investment projects in Portugal.

Several municipalities already have clean hydrogen projects that involve local production of clean hydrogen, refueling stations and hydrogen powered buses for public transportation. Other projects, ongoing or planned, are referenced in our National Hydrogen Strategy and encompass most elements of the clean hydrogen value chain.

Another example of this commitment to the clean hydrogen economy is the large-scale industrial project in Sines. We want to leverage our highly competitive natural renewable resources – mainly sun and wind –, and the geographical location of Sines – a deep see port that is currently the main fossil energy hub of the country - and present a cluster of projects that can encompass most elements of the hydrogen value chain to produce, store, transport, use and export green hydrogen at an industrial scale. The Portuguese Government recently opened a call of expression of interest for mature projects that fit and can contribute to this vision and improve the contribution of Portugal to a European-wide integrated hydrogen value chain and make hydrogen export a reality.

There are other initiatives involving European and Portuguese companies that can be benchmark for the development of world class projects in Hydrogen, such as the production of climate-neutral synthetic hydrocarbons to be used in the decarbonization of several sectors, such as aviation. One particular project involves the construction of an industrial-scale Power-to-Liquid plant involving German, French and Portuguese companies.

Our National Strategy states a goal of at least 2 gigawatts of eletrolisers until 2030. Within a European Alliance that creates the conditions for long distance transport and trade of green hydrogen, as well the financial support mechanisms to kickstart this critical element of a functioning hydrogen economy, Portugal can go beyond its initial goal and commit to more ambitious production targets that fit European demand But this is something that we cannot commit to individually.

Increased ambition is a reality that only close cooperation and collective commitment can deliver.

Dear all,

The next decade will be a unique opportunity for the European Union to demonstrate that the decarbonisation of the energy system is not only a necessity, but also, and mainly, an opportunity.. By leveraging on, and optimizing all renewable electrification strategies, green hydrogen was the missing link for deep decarbonization to become a possibility, at the same time that it presents Europe with a real industrial opportunity.

The hydrogen economy is a clear example of how European Union's Climate and Industrial goals are part of the same vision, the vision so aptly put forward in the Green Deal.

Let me highlight three important messages before I finish:

1) The production of Green Hydrogen will facilitate the penetration of renewables and accelerate the decarbonization of various sectors, namely heavy transport and industry. Green hydrogen is thus a critical element in Europe decarbonization strategy, with clear synergies with electricity produced from renewable sources.
2) In particular, Portugal presents favourable and unique conditions to develop a (green) hydrogen economy. We have the right resources, very competitive conditions both for solar and wind, and a strategic geographical location that facilitates exports to the main consumption sites located in northern Europe.
3) Since individually we will not succeed, we must commit – collectively - to a European industrial policy around clean hydrogen that coordinates and mobilizes public and private investment in projects of production, storage, transportation and consumption of renewable gases in Europe. Hence the European Hydrogen Alliance is critical for individual and collective success.

In sum:

For all those reasons, (i) we strongly support the creation of the Alliance and also believe that Portugal can play a decisive role within this strategic partnership, (ii) we are the perfect partner for a trustful cooperation and the perfect country to share the forefront of hydrogen policy coordination and implementation. And finally, (iii) as a committed partner from a welcoming and sunny country we can be an excellent ambassador for this strategy to countries outside the EU.

Dear Commissionaires,

Colleagues, Ladies and gentlemen,

Let me finish by saying that it is time to elevate to an unprecedent level Europe's motto - not only 'united in diversity' but also 'united in adversity'-. It's time to forge new partnerships and new bridges between North and South, East and West. There is no Europe without all of us, truly embedded with this spirit. And we really need unity to tackle the challenges ahead.

If we all press on today

if we all make the right choices with no fear of failure.

If we understand that decarbonization is not a cost but a industrial and technological opportunity

if the understand that the risk of bold action is far lower than costs of not acting bold enough

And, of course, if we do it together, in the context of this Alliance, Portugal is certain that we will succeed and achieve our common and shared goals.

Thank you

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João Galamba, Deputy Minister and Secretary of State – Portugal