What does the EU's Clean Industrial Deal mean for hydrogen?

- The EU Commission's new Clean Industrial Deal (CID) aims to boost **clean and competitive transition** of European industries
- Several measures related to hydrogen are expected to be released this year, including the **Delegated Act on Low Carbon Hydrogen**
- The **Industrial Decarbonisation Accelerator Act** could impact the hydrogen sector within the broader decarbonisation context, increasing demand for clean, EU-made products such as steel

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What is the Clean Industrial Deal about?

The Clean Industrial Deal (CID) identifies **6 business drivers** for a successful and sustainable industrial transition in the EU.

- **Low energy costs**
- **Demand for decarbonised products**
- **Public and private investment**
- **Critical minerals and circularity**
- **Global markets and partnerships**
- **Reskilled workforce**

Several measures and action plans are proposed under the CID, notably...

- **Industrial Decarbonisation Accelerator Act** (Q4 2025)
- A comprehensive review of CBAM (Q3-4 of 2025)

Hydrogen and its derivatives continue to play an important role in the discussion with 4 major initiatives expected this year.

Q1 2025	Q2 2025	Q3 2025	2025
Publication of Low Carbon H2 Delegated Act	**Launch of the Hydrogen Mechanism**	**3rd European Hydrogen Bank Auction**	**Review of RFNBO* regulations**

**RFNBO: Renewable Fuel of Non-Biological Origin*

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A new Delegated Act on low carbon hydrogen will be published

The Commission will adopt a Delegated Act of the Gas Directive in Q1 2025, clarifying the **rules and methodology for "low carbon" hydrogen** defined as:

- hydrogen which the energy content derives from **non-renewable sources**
- with meets **at least 70% GHG emissions reduction** compared to fossil fuels comparator of 94 gCO2eq/MJ

	Definition	Methodology	Target	Subsidy
Low-carbon	✅ *Gas Directive 2024/1788*	In progress *Delegated Act by Q1 2025*	?	?

With the new Delegated Act...

H2 and derivatives producers can choose flexibly from options other than RFNBO

Investors will have more certainty on the H2 ecosystem

Certifiers to implement the low carbon methodology

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Existing measures will be enhanced or reviewed to meet the EU's H2 targets

3rd call under the European Hydrogen Bank (IF 25)

- Expected to launch in **Q3 2025**
- **€1bn budget** funded by the Innovation Fund (IF) collected from the EU ETS revenue
- Allocate subsidies for **domestic hydrogen production projects**
- Auction-as-a-service

Pilot Hydrogen Mechanism

- an **online matchmaking platform** for H2 buyers and sellers
- May cover **renewable** and **low carbon** hydrogen, and **derivatives** from within and outside of the EU
- To be launched in **mid-2025**

Review of the RFBNO Delegated Act

- The Commission is launching a study to assess the **effectiveness of the RFNBO framework** (i.e., adidtionality, hourly and geographical correlations)
- Addressing the barriers to upscaling of renewable hydrogen
- Supporting certification process with a regularly updated online Q&A

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Industrial Decarbonisation Accelerator Act (IDAA)

The upcoming Act, which is to be published in Q4 2025, will introduce the following measures to boost European industrial decarbonisation

A **voluntary label** for low carbon industrial products, starting with **steel** in 2025 and later **cement**

Applying **non-price criteria (resilience, sustainability, and local content requirement)** in public procurement for strategic sectors

Faster permitting for energy and industrial decarbonisation projects (e.g., modernisation of steel production sites)

Such measures are expected to:

- Allow companies to **collect green premium** and **inform customers**
- Boost **demand for EU-made** clean products
- **Resolve permitting bottlenecks** for critical decarbonisation projects

What happens next?

In summary, the **Clean Industrial Deal** (2025) extends the effort of the European Green Deal (2020) to **boost the industrial competitiveness** while **meeting Europe's climate targets**.

To achieve this dual goal, a coordinated effort needs to happen between...

Clean and affordable energy

Domestic manufacturing

Global partnerships

Policy and regulation

Finance

Our take at Yamna

While new measures can boost demand for clean products (e.g., green steel), future action plans should address three critical areas:

- **Legal and regulatory certainty:** Establish a clear legal framework to provide visibility and confidence for market players and investors.
- **Accelerated implementation:** Ensure a fast implementation of the established legal framework to enable timely investment decisions for 2030 and beyond.
- **Avoiding subsidy overlap:** Prevent competition between RFNBO and low-carbon alternatives, as both are essential for achieving the EU's decarbonisation goals.

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Yamna, green molecules producer, is developing several green hydrogen and derivatives projects worldwide

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