

#H2OffThePress

**The UK launches round 2
of the Hydrogen
Allocation Round (HAR)
funding program**



**Strong steps positioning
the UK as a H2 hub?**



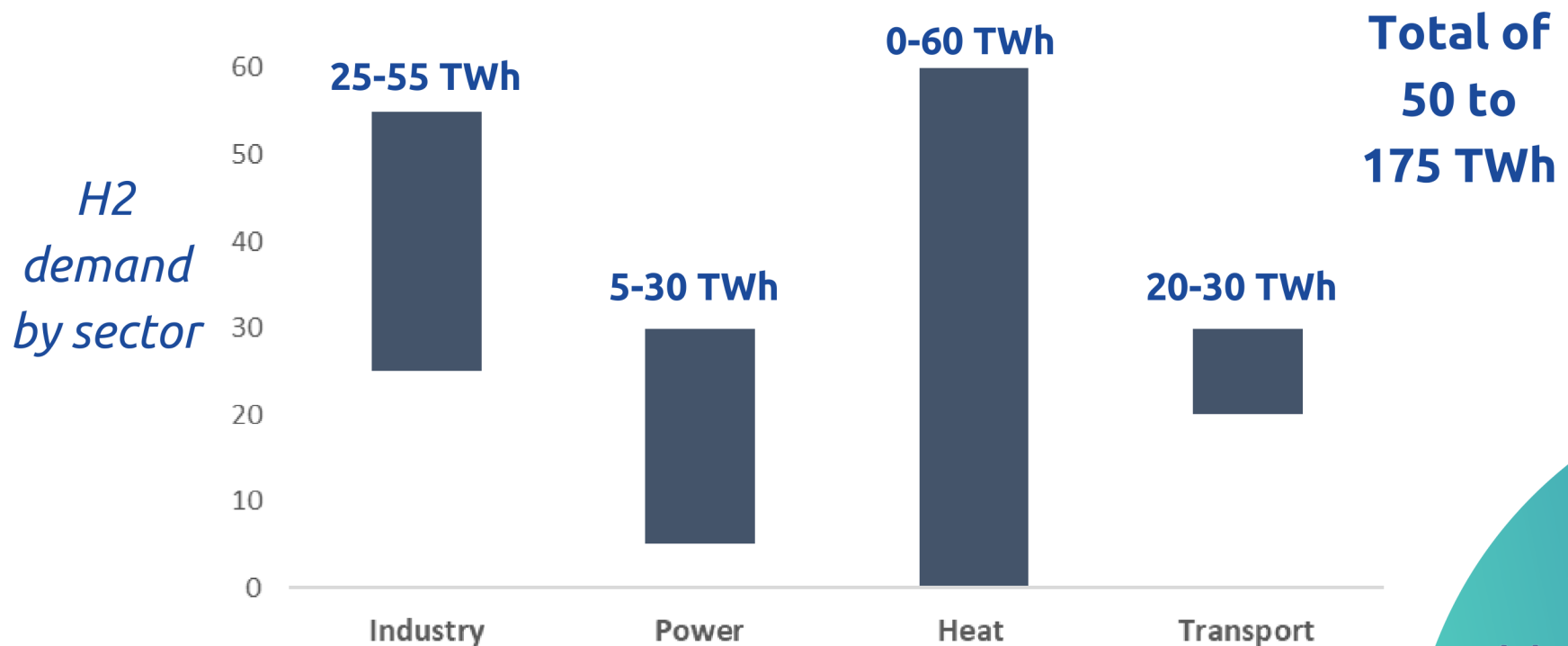
Ambitious capacity targets to position the UK as a H2 hub



→ The UK has adopted ambitious capacity targets for green and blue H2



→ These capacities are aimed to satiate high projected consumption demands and position the UK for a H2 future (2035)



HAR round 1 has closed with a 125 MW awarded volume



The round 1 of Hydrogen Allocation Round (HAR) was launched in July 2022 with a view to assist projects operational from 2025

→ 11 projects were announced as winners in December 2023 with



Total awarded capacity
125 MW



Subsidy period
15 years



Total Budget
£ 2 billion



Area of production
The UK



Average strike price
£ 9.49 per kg H2



Additional construction support
£ 90 million

HAR round 2 is live now with higher capacities up for grabs



The round 2 of Hydrogen Allocation Round (HAR) was launched in December 2023 with an increased allocation of **875 MW**

→ HAR2 targets projects in their development phase for electrolytic H₂ and H₂ produced via gasification/pyrolysis of biomass/wastes

Bid Requirements include



Engagement level

- LoI/MoU with at least one offtaker (must be **domestic**)
- Budgetary quote/RFI with a technology supplier(s)



New build hydrogen production facilities, including new phases of existing projects, with at least 5 MW of new capacity



Must demonstrate access to finance (financial plan/ status of discussion with financiers)



Projects need to be operational between 2026 and 2029

2024

2025

2026



**Dec 2023-
Feb 2024**

*Expression of
Interest stage*

Feb-Apr 2024

Application stage

Early 2025

Contracts awarded

2026

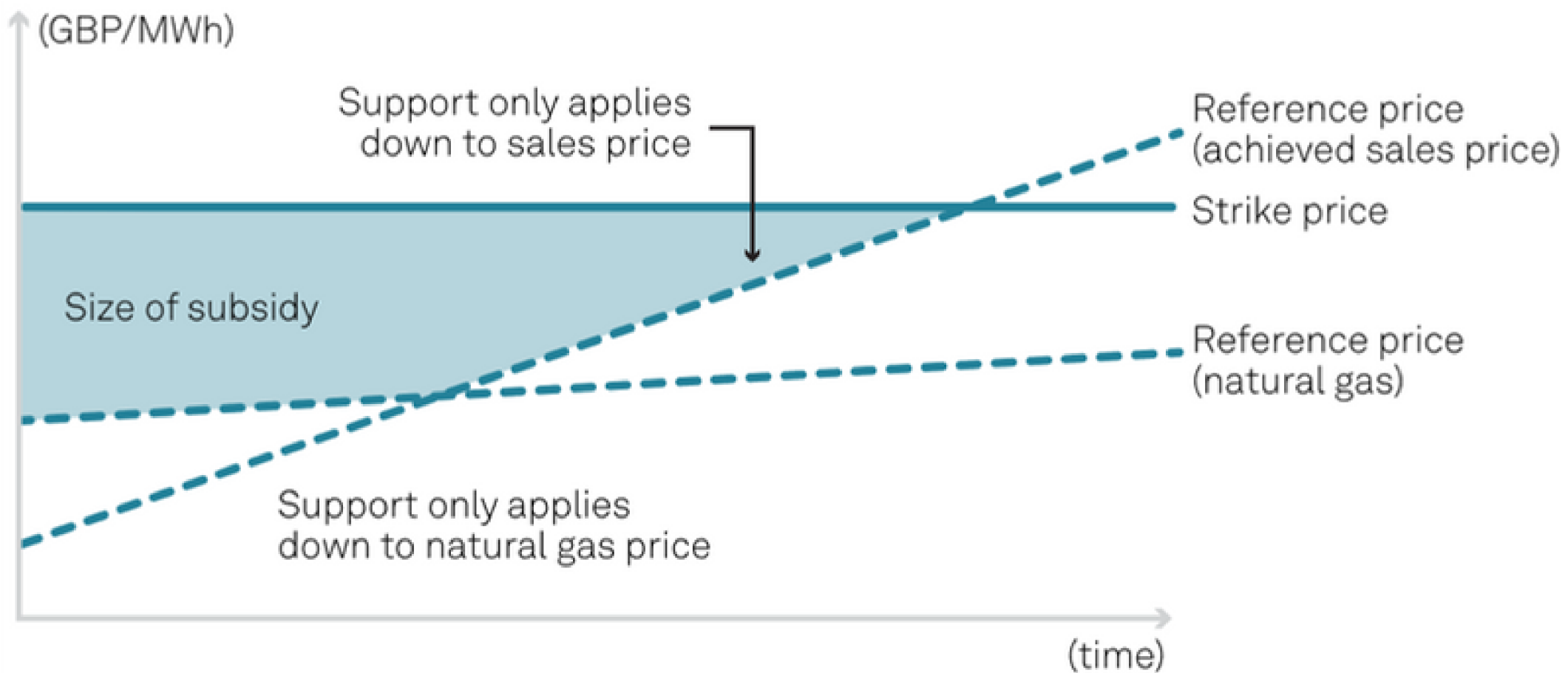
*Expected FID of
projects*

A CfD style production subsidy using natural gas price as floor price



Projects applying to HAR2 will also be considered for revenue support through the Hydrogen Production Business Model (HPBM)

→ The HPBM aims to provide price support through a variable premium model, with volume support provided indirectly via a sliding scale approach



The level and specific components of the Strike Price and cost components will be negotiated on a project-by-project basis

HAR rounds are set to be conducted annually to achieve ambitious 2030 goals



The UK government set out ambitions to hold annual HAR programs for the HPBM in a bid to boost production capacities



HAR3 and HAR4 are planned to be launched after 2025 with a combined capacity of 1.5 GW to accelerate the achievement of 2030 targets

