

# Fit for 55: A Game-Changer for Green Hydrogen



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**With its “Fit for 55” legislative package, the EU is setting new standards in climate protection. German electrolysis company Sunfire welcomes the ambitious proposals – but still sees a need for improvement in some areas.**

In mid-July, the European Commission presented its roadmap towards climate neutrality 2050 on almost 4,000 pages. After an initial analysis, Sunfire CEO Nils Aldag comes to a positive assessment about the draft legislation: “Apparently, the European Commission is not only setting targets, but also fills them with substance. All sectors are being held accountable and everyone must contribute to decarbonization – from steelworks to airlines. This will take Europe a huge step forward on the road to climate neutrality.”

As the title of the legislative package suggests, the initial focus lays on the recently tightened EU climate target: 55 % less greenhouse gas emissions by 2030. Sustainably produced hydrogen plays a key role in this. In order for Europe to become “Fit for 55” in time, the European Commission wants green hydrogen to gradually replace the grey equivalent used so far in energy-intensive industries and account for at least 50 % of the hydrogen used in industry by 2030.

Green hydrogen can only be produced from electrolyzers that utilize renewable electricity to split water. Sunfire is one of the world’s leading electrolysis companies. Nils Aldag explains: “Our technologies are mature and ready for industrial scale. The EU has recognized that development and has set ambitious targets for the use of green hydrogen”, he comments on the “Fit for 55” package. “But the EU could be a bit bolder in some sectors – the technology certainly allows it.”

In his opinion, this also relates to the transport sector. Here, the European Commission has decided on a differentiated approach regarding the individual modes of transportation: While passenger cars will no longer be allowed to emit greenhouse gases by 2035 at the latest, aviation will be subject to future quotas for the blending of alternative fuels. For the use of electricity-based synthetic fuels (e-Fuels), the Commission proposes a sub-quota of initially at least 0.7 % for the year 2030, which is to increase in several stages to at least 28 % by 2050. “The EU should step up ambition here”, Aldag says and explains: “In Europe, various projects focusing on the

production of e-Fuels via power-to-liquid routes are already being implemented. The proposed quotas for synthetic kerosene in aviation remain significantly behind the current plans of the project developers.”

In order for green hydrogen and synthetic fuels to be produced in the required quantities, the expansion of renewable energies must be accelerated. In this regard, the European Commission has set decisive signals in its “Fit for 55” package. The share of renewable energies in the EU across all sectors is to rise to 40 % by 2030, more than double the current level. The Commission also proposes answers to the question of financing. Other than through a strengthening of emissions trading, the use of green hydrogen in industry is also to be financed through so-called Carbon Contracts for Difference (CCfD) which reward companies for investing in climate-friendly technologies. Among other things, resources from the ETS Innovation Fund will be made available for this purpose.

Stakeholders like Sunfire are now eagerly awaiting the further EU legislative process. The upcoming months promise exciting and dynamic negotiations between the European Parliament and EU Member States. A final agreement is not expected before summer 2022.



## About Sunfire

Sunfire is a global leader in the production of industrial electrolyzers based on pressurized alkaline and solid oxide (SOEC) technologies. With its electrolysis solutions, Sunfire is addressing a key challenge of today's energy system: Providing renewable hydrogen and syngas as climate-neutral substitutes for fossil energy. Sunfire's innovative and proven electrolysis technology enables the transformation of carbon-intensive industries that are currently dependent on fossil-based oil, gas, or coal. The company employs more than 650 people located in Germany and Switzerland.

For more information visit [www.sunfire.de](http://www.sunfire.de)