

H2Accelerate

Position paper on the Alternative Fuels Infrastructure Regulation

With the Alternative Fuels Infrastructure Directive being in place since 2014, the shortcomings of this current policy framework make it clearly visible that there is a need for strong, detailed, and binding methodologies for Member States to calculate their respective zero and low emission vehicles (ZLEV) and alternative fuels infrastructure targets, and adopt supporting measures.

The implementation of the current directive has resulted in different levels of action among Member States, which will not stimulate the deployment of the dense, pan-European network of alternative fuels infrastructure needed by end users and that the EU needs to meet 55% greenhouse gas emission reduction target by 2030. The new regulation, proposed by the Commission, has the potential to lift market barriers and support the needed market growth of hydrogen trucking, also by creating strong interlinkage between different EU policy initiatives.

The H2Accelerate collaboration is looking to develop the use of hydrogen to decarbonise heavy-duty long-haul trucking across Europe and to build the required supporting infrastructure. Members of the H2Accelerate collaboration expect the new Alternative Fuels Infrastructure Regulation (AFIR) to set an ambitious framework for EU-wide infrastructure plans with:

Strong, detailed, and binding EU rules for hydrogen trucks and infrastructure roll-out

- We support the mandatory deployment targets for hydrogen refuelling stations in AFIR and the Commission's proposal setting long-term and clear targets along the TEN-T corridors with the implementation timelines as suggested.
- AFIR needs to set binding requirements for Member States through a robust governance mechanism that creates the conditions to stimulate the deployment of hydrogen trucks at a progressively increasing scale.

Rules enabling even roll-out of hydrogen infrastructure all over the EU, with minimum coverage of publicly accessible refuelling points for hydrogen trucks in all Member States

- Member State targets need to ensure that hydrogen trucks can circulate freely along the TEN-T core network by 2030 and that refuelling stations are equally provided within urban nodes.
- AFIR needs to establish a common minimum on which markets can build and start to deliver further infrastructure in response to vehicle demand from markets. We support the Commission's proposal for publicly available hydrogen refuelling stations being available every 150 km, along the TEN-T core and comprehensive network, and one publicly available hydrogen refuelling station in every urban node by 2030.
- AFIR needs to apply a clear and transparent target mechanism harmoniously, at a similar level and time across all EU Member States.

Consistency with other EU policy initiatives, such as CO2 standards for HDVs and EU research, innovation, and infrastructure support programs

- AFIR needs to remain consistent with other EU policy initiatives, in particular with the regulations setting CO2 emission performance standards for HDVs, in order to secure demand for the new infrastructure via vehicle mandates.

Sustainable funding mechanisms for early development phases of the hydrogen investment – with synchronized and combined hydrogen truck and HRS funding

- Meeting the AFIR targets will require a significant level of public support and contribution to the total investment costs, especially in the early phases of development and deployment of hydrogen trucks and hydrogen refuelling stations – it is expected that schemes similar to the German 'NOW' funding scheme (providing funding for 80% of infrastructure CAPEX and 80% of the cost delta between H2 vs diesel vehicle purchase price) would provide sufficient financial support to enable early roll-out.
- This is expected to be needed for as long as the level of demand for vehicles remains at comparatively low levels and will not allow a business case for infrastructure investment to be developed. However, with increasing vehicle fleets the level of support is expected to go down to the point where public support will only be needed for infrastructure in remote locations with little demand.
- The necessary capital subsidies can come in the form of "project-based schemes" aimed at synchronising and accelerating the emerging hydrogen sector, where typically both hydrogen trucks and refuelling stations can be funded under the same or related programmes. These programmes, such as the EU's CEF, the Clean Hydrogen Partnership, and the Innovation Fund should provide substantial levels of support per station and per vehicle; other forms of capital grants provided by Member States can provide important support for these investments.

Technology neutrality towards hydrogen fuel technologies

- Mandatory deployment targets for hydrogen refuelling stations in AFIR should be implemented as soon as possible and need to remain technology neutral with regards to hydrogen refuelling technologies. AFIR should create a market environment to allow for

necessary hydrogen refuelling station standardization but should not enforce different types of technology.

- Future market uptake of liquid hydrogen technology cannot be predicted today. Regulators should allow the industry to first define refuelling standards before mandating specific technologies.
- The minimum hydrogen refuelling station capacity limits as proposed by the Commission should be maintained, as these are required to ensure basic levels of delivery volumes on sites; and technical and safety standards of hydrogen stations should be made consistent across the EU.