

H2Global Expands

Both Local and Global: New H2 Auctions Catalyse International Hydrogen Market

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As the global shift to sustainable energy continues to gather pace, the European hydrogen market offers unprecedented opportunities. Recent developments in Germany and the European Union highlight strategic advances in both production and infrastructure.

While the second auction of H2Global in Germany has not yet begun, and the official bidding notice has not yet been issued, **recent discussions** within the Federal Government and statements by the CEO of HintCo **suggest that there may be significant changes to the auction's rules.**

With **more than €3.5 billion pledged**, Germany's second green hydrogen auction heralds a major shift. While the first auction in 2023 was only open to non-EU projects, the second auction will not only have a global lot, **but also a lot for EU projects and regional lots.** In the first auction, all non-EU projects had to compete on a global scale. In the upcoming auction, however, projects will be able to compete within designated regions, increasing their chances of success. These regional lots cover **North America, Asia, Africa, and South America & Oceania**, each with funding allocations between €300 million and €600 million. This inclusive approach not only strengthens local hydrogen industries but also promotes international collaboration and strategically diversifies production sources, ensuring that each region has the potential to host a winning project.

As the second H2Global auction approaches, stakeholders should start preparing early due to the complex nature of the bidding process, which is conducted under the rules of **public procurement laws in Germany.** This process requires a formalized proposal submission, with all communications conducted in German. Additionally, any corporate documents from bidders not originally in English must be translated into German by certified translators. The wide range of tasks — from constructing hydrogen production facilities to managing transport — means that the complexity is typically too great for a single company. Forming a **consortium is not only advisable but often essential** to meet this broad scope of requirements. Starting the search for suitable partners early on is key to building a strong, competitive team.

Meanwhile, the European Commission has launched its second auction through the **Innovation Fund and its European Hydrogen Bank**, thereby increasing its support for the production of renewable hydrogen within the EU. **Scheduled for 3 December 2024,**

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the auction will distribute up to €1.2 billion to facilitate the growth of a sustainable hydrogen market, with the aim of reducing investment risks and promoting industrial competitiveness.

To further strengthen Germany's role in the hydrogen economy, the Federal Government also approved the **construction of Europe's largest hydrogen network**. **With a budget of €18.9 billion**, by 2032 a network of 9,040km (60% from the conversion of existing gas pipelines and 40% from new construction) will be implemented. It is designed to connect major industrial locations and energy production sites all over Germany, provide robust connections across Europe and enhance the infrastructure needed to support the growth of the hydrogen market.

These initiatives reflect a proactive stance in shaping a climate-neutral future and present a range of opportunities for producers, consumers, and traders within the hydrogen sector. To ensure our clients are well positioned to capitalise on these developments, BLOMSTEIN is equipped to navigate the complexities of this emerging market. Our public procurement and ESG practices have been dealing with hydrogen projects, including advising on the first H2Global auction 2023. If you are interested in the development of (green) hydrogen or need legal assistance, you can rely on our outstanding expertise. Please do not hesitate to contact [Dr. Florian Wolf](#) and [Bruno Galvão](#).