

Market update Hydrogen Network Netherlands

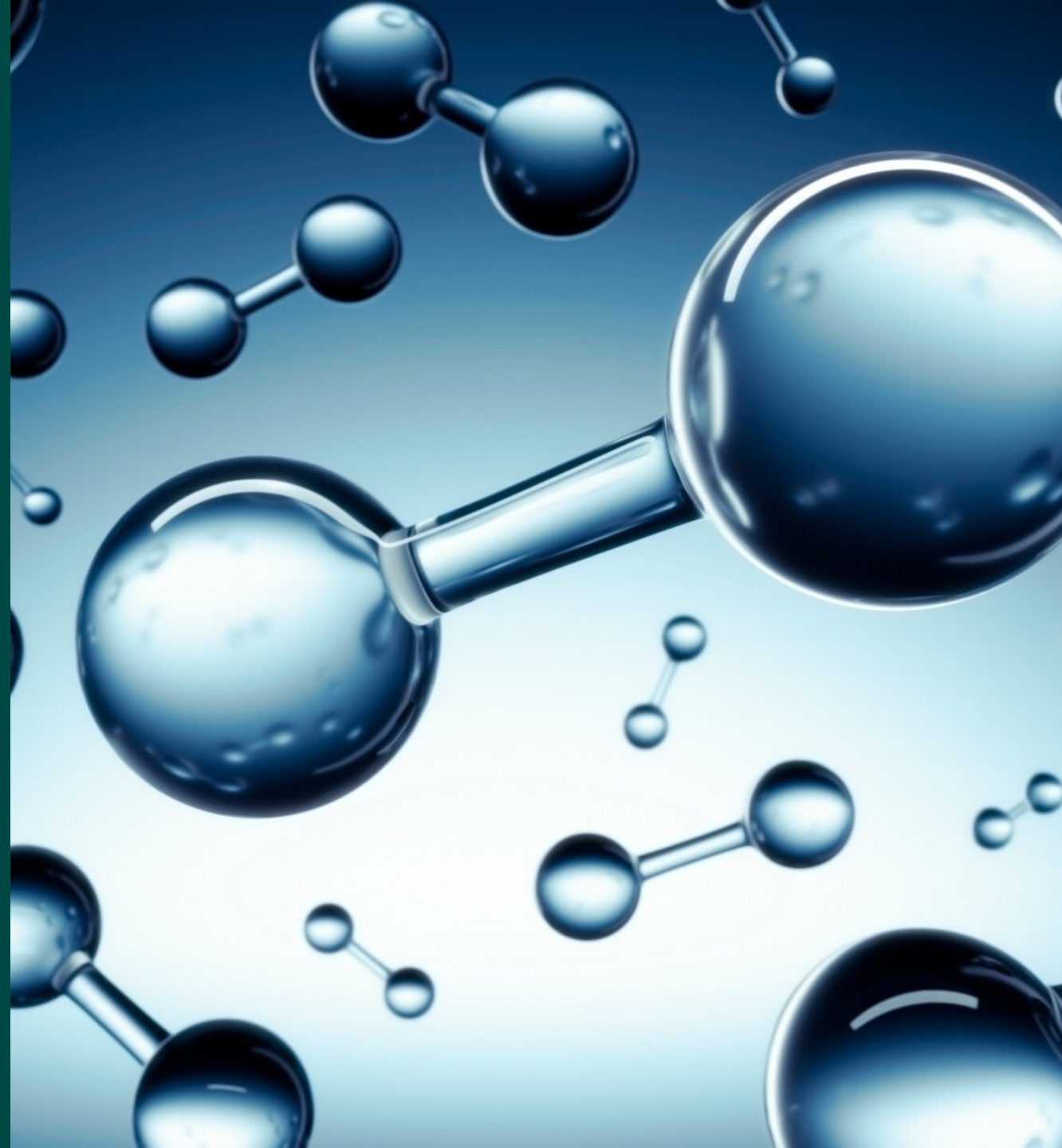
29 June 2023

Warm welcome

- Introduction to Hynetwork Services
- The last webinar was in June 2022.

Aims:

- Update on policy and regulatory framework;
- Update market parties about progress on various developments concerning the national hydrogen network, including the shift of the 'Uitrolplan';
- Parties receive a comprehensive introduction to the CSA process
- Keep parties updated on the trialogue process



Agenda

➤ Development Hydrogen Network Netherlands

Update on policy frameworks Economic Affairs and Climate Policy

Gijs Postma

*MT member of the Directorate of Energy market,
DG Climate and Energy*

Update on the development of the Hydrogen Network Netherlands

Guido Custers

Gasunie, Project Director Hydrogen Network Netherlands

Update on the business development process

Anouk van den Berg

Gasunie, Commercial manager Hydrogen Network Netherlands

Update on commercial contracts

Sandrie Egberts

*Gasunie, chairman trialogue table Energie Nederland,
VEMW and Hynetwork Services*

➤ In dialogue

➤ Network lunch



Practicalities

The webinar will be recorded and published on the website

Ask questions via Mentimeter



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Update on policy frameworks from the Ministry of Economic Affairs and Climate Policy

Gijs Postma

Market update - 29 June 2023



Ministerie van Economische Zaken
en Klimaat

Development of hydrogen infrastructure

Gijs Postma

Ministry of Economic Affairs and Climate Policy



Contents

1. Short overview of hydrogen policy
2. Regulation
 - a) >2031: Decarbonization Package
 - b) <2031: Service of General Economic Interest



1. Hydrogen policy overview

- › Letters to Parliament on several hydrogen related issues (upscaling, infrastructure, energy diplomacy, etc.)
- › In total € 10 billion investment by Dutch Government in Hydrogen
- › Related to infrastructure:
 - Permitting procedures ongoing in several regions (Rijkscoördinatieregeling)
 - Several plans for import terminals
 - Offshore: production pilots (1-100-500 MW) & first € 50 mln for infrastructure
 - Research on 'decentral' infrastructure (cluster 6, distribution grids; in cooperation with Netbeheer Nederland and IPO)



2. Regulation

Two-phased approach

1. As of 2031: regulated as in (first drafts of the) Decarbonization Package.
2. Until 2031: Service in the General Economic Interest (SGEI) (in line with Altmark criteria)



2. As of 2031: Regulation by law

- › Decarbonization Package: Trialogue ongoing between European Council, European Parliament and European Commission.
- › Decision on Gas Directive and Gas Regulation expected this year.
- › Implementation into national law within 24 months:
 - Hynetwork Services as Hydrogen Network Operator
 - Regulations on:
 - Tariffs
 - Third Party Access
 - Etc.



2. Until 2031: SGEI

- › The development of the transport network as Service of general Economic Interest.
- › Subsidy grant to cover the losses made during start-up phase (EUR 750 million)
- › Regulation by subsidy provisions, in line with forthcoming Gas Directive and Gas Regulation
- › Provisions on:
 - Governance roll out plan >> HNS shall consult modifications of the roll out plan
 - Tariffs
 - Third Party Access
 - Quality (98% or 99,5% purity, to be determined)
- › Standardized transport contract being negotiated by HNS, companies and representative organizations (VEMW, Energie Nederland)



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Thank you for your attention

Update on the development of the Hydrogen Network Netherlands

Guido Custers

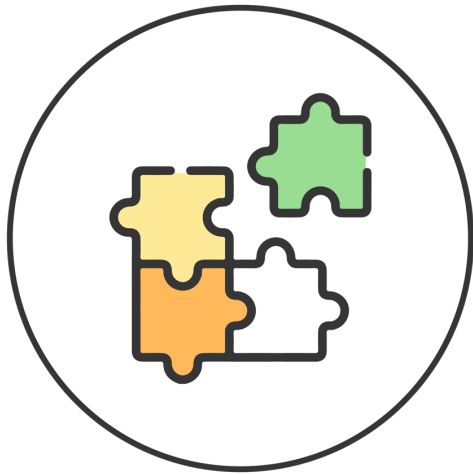
Market update - 29 June 2023

Objectives

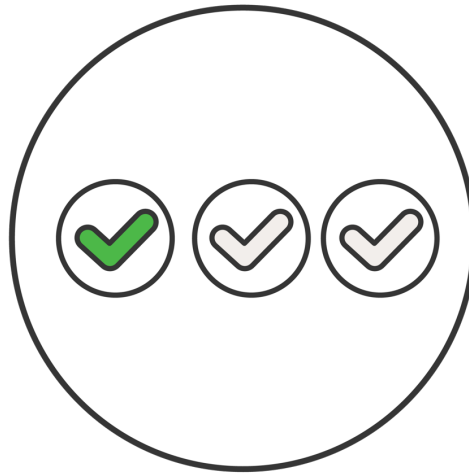
- Achieving CO₂ reduction
- Developing a national hydrogen network
- Taking a leading role in the energy transition
- Gateway to NW Europe



General update project



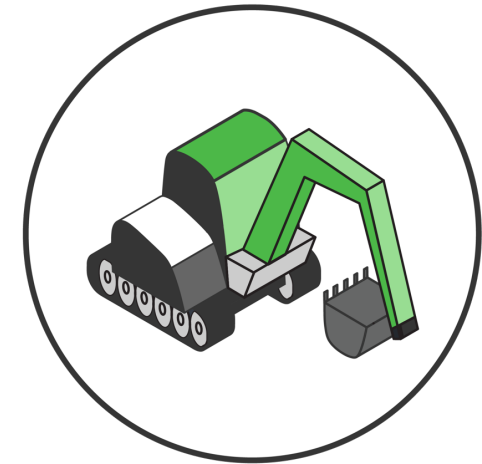
**Together with
stakeholders, we
energetically
get to work**



**Permits
procedures
have started**



**Partner in the
Delta Rhine Corridor**



**We are going to
start building in
Rotterdam!**

Update on the 'Uitrolplan'



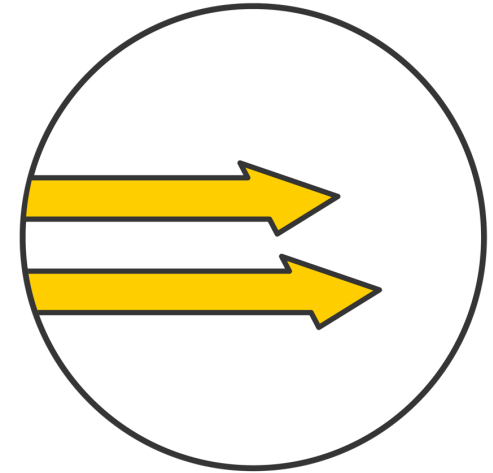
**Gained more
insights**



**Ready in
2030**



**Part of timeline
changes**



**In step with
market development**

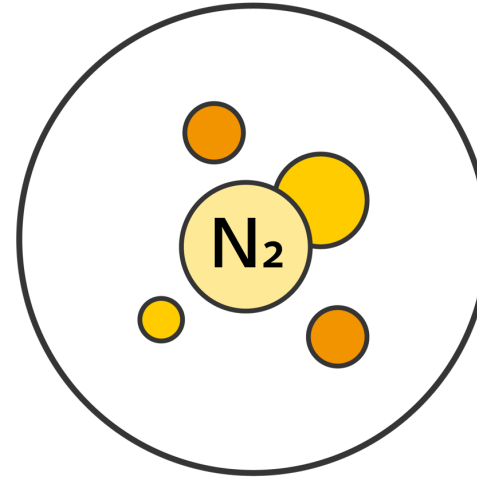
A number of factors led to changes in the planning



**Changes in
the gas market**



**Partner in
DRC**



**Nitrogen
problem**



**Availability
of resources**

Phase 1: 2025-2027



Phase 2: 2028-2029



- Hydrogen network
- Industry cluster
- Import
- Hydrogen storage (salt cavern)
- Import terminal

Phase 3: 2030 and beyond

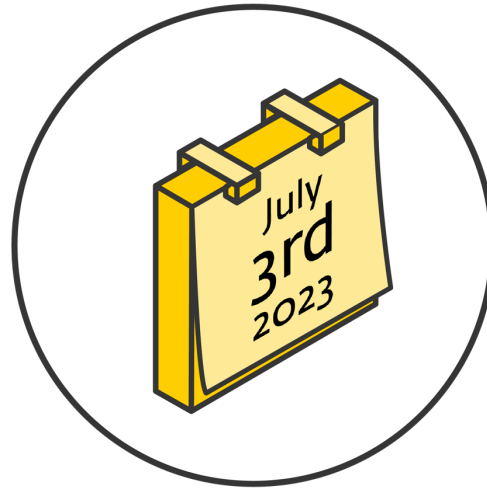


- Hydrogen network
- Potential (offshore) hydrogen network
- Industry cluster
- Import
- Hydrogen Storage (salt cavern)
- Import terminal

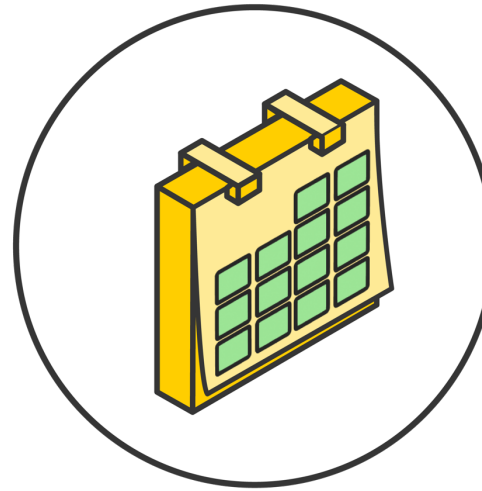
Consultation process 'Uitrolplan'



**Roll-out plan
(‘Uitrolplan’) will
be posted on the
HNS website**



**Online from
3 July 2023**



**4 weeks to
respond**



**Next
steps**

Update on the business development process

Anouk van den Berg

Market update - 29 June 2023

General market developments

- Growing market interest, also abroad
 - Talked a lot with our stakeholders
 - Presence at trade fairs and events
 - In conversation with cross border TSOs
 - Workshops on service provision
- 1st Transport Agreement signed
- Due to increased interest streamlining of process needed



Key developments related to the Connection Study Agreement (CSA)

1.

We see significant **growth** in the **number of market parties** expressing interest in hydrogen transport services

2.

Increasing **interest** in connections to the network

3.

Need to set up a **process** to have the right connections ready at the right time

4.

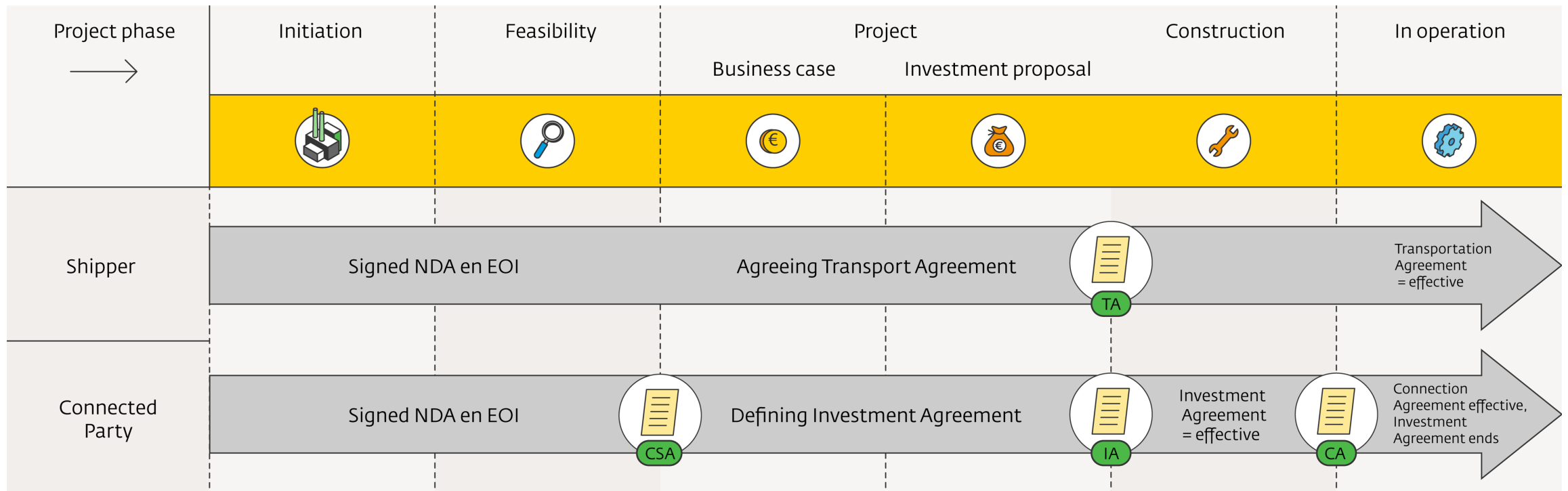
Connection Study Agreement

Creating mutual commitment

	Preparation	Invest and build	Operational
Network	Using €750 million	Transport Agreement	Transport Agreement effective
Connection	Connection Study Agreement	Investment Agreement	Connection Agreement

- The SGEI (NL: DAEB) (750 million) should give the market confidence that the network will be developed.
- The CSA gives individual parties greater certainty that the connection will be prepared.

Business development process



What is a Connection Study Agreement?

- An agreement between HNS and a customer who wants a connection
- Parties agree to work towards a binding investment agreement and realisation of the connection.
- HNS will start the necessary study work.
- Before that begins, we ask for a guarantee of €150,000. It will only be claimed if the study work does not result in a investment agreement.
- Next steps:
 - More details on CSA contract and process will be available on the website mid-July.
 - Feel free to contact us for more information.

Update on commercial contracts

Sandrie Egberts

Market update - 29 June 2023

Triologue Process HNS / VEMW / E-NL

Preparations <2025

- Hybrid negotiated TPA
- EZK sets access and tariff conditions
- HNS has consulted and published standard T&C contract (May 2022)
- **HNS is working towards a 1.0 version of GT&Cs at triologue table (July 2023)**

Start operation in the coastal areas 2025-2027

Connecting 2028-2029

- Implementation of European rules in Dutch law
- Regulator ACM will be involved
- **Amendment process will lead towards a 2.0 (or further) version at triologue table**

Further development of the network 2030 and further

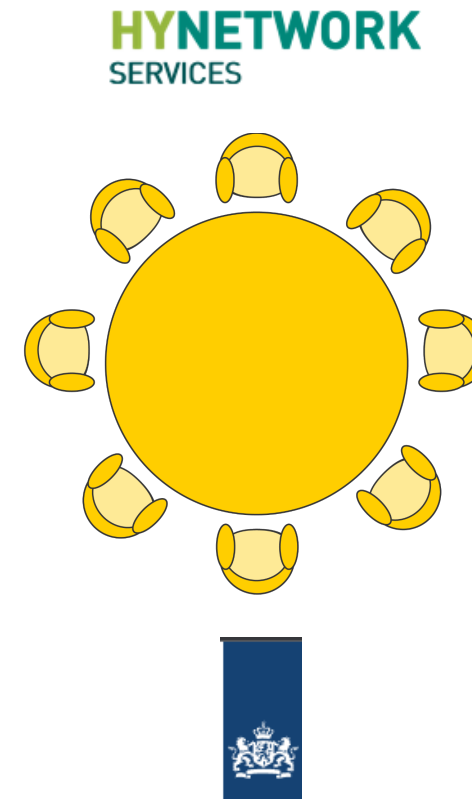
- Full implementation of European rules
- ACM acts as regulator
- **GT&Cs amendment process in place**

Scope and level of detail will increase overtime

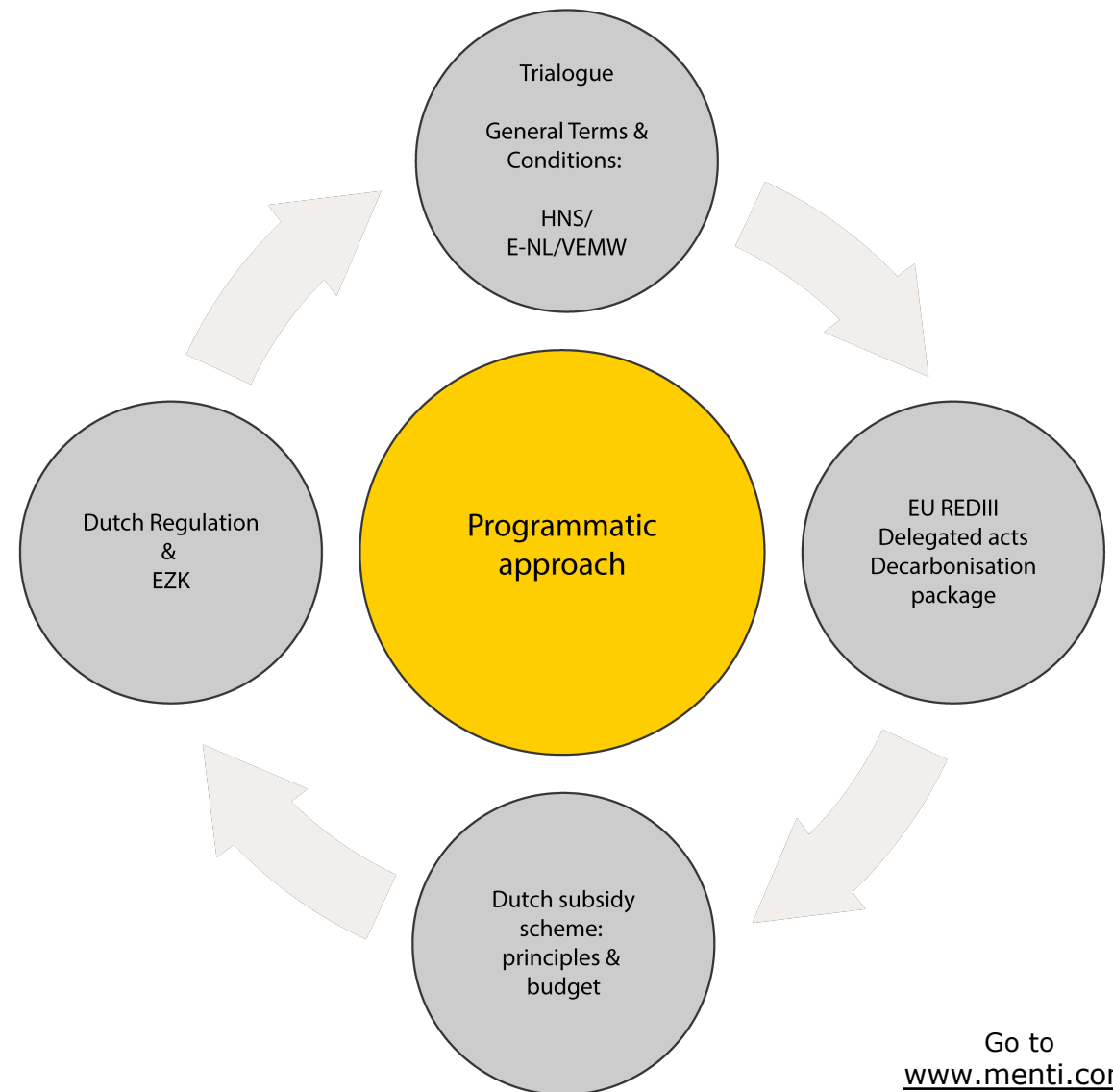
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Triologue Process HNS / VEMW / E-NL

- Creation of the Triologue table
- To find common ground for its contract, HNS invited VEMW and E-NL to jointly develop positions and agree upon critical terms & conditions which must be broadly supported by the market
- Process and way of working
- Results so far
- Future role of the Triologue table



A programmatic approach is needed to combine the various, complicated rules for the hydrogen supply from Brussels (EC), the Dutch government (EZK) and business (HNS) so we can come to a workable set of conditions.





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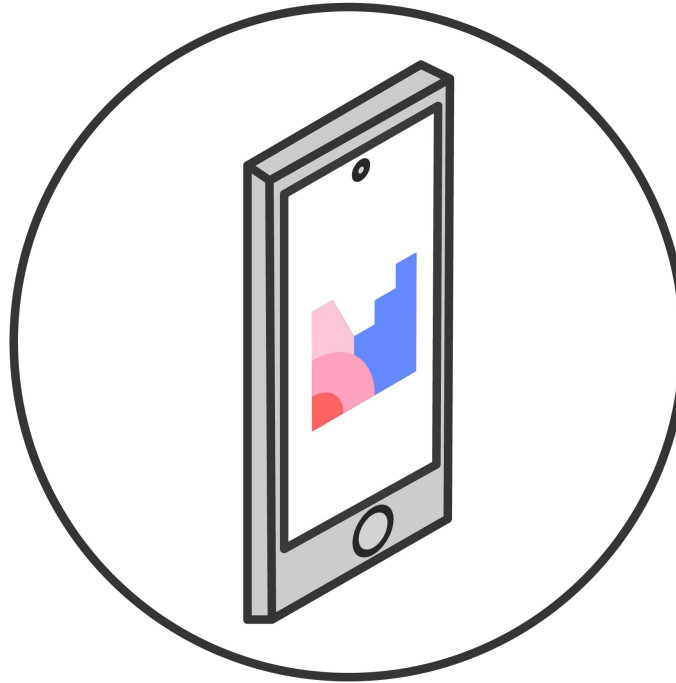
Next part of the programme

In dialogue (11:30 - 12:00) – also for livestream

- Answering questions about and discussing further development of Hydrogen Network Netherlands.

Network lunch (12:00 - 13:00)

- The stream will not be available.



Questions via Mentimeter

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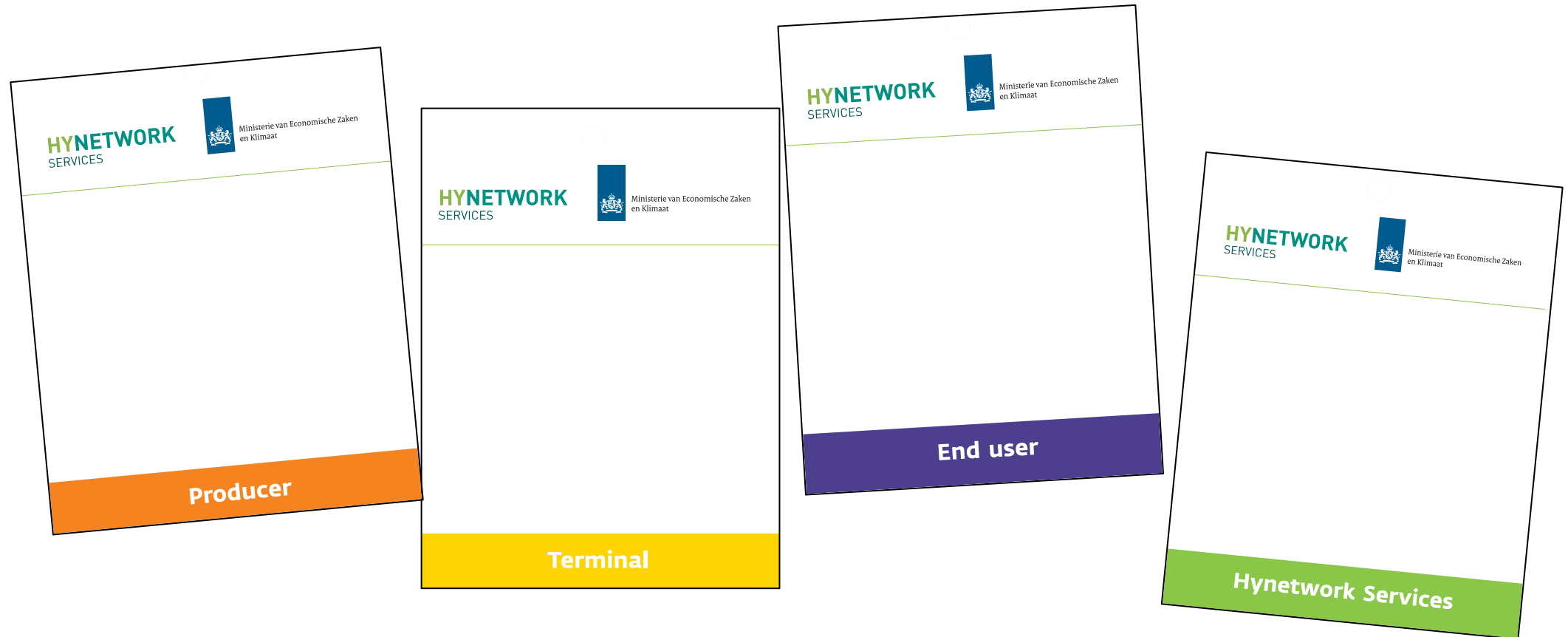


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Closing

- Aim:
 - Update on policy and regulatory framework
 - Participants are updated on the various developments concerning the national hydrogen network including the shift of the roll-out plan ('Uitrolplan')
 - Participants receive a comprehensive introduction to the CSA process
 - Participants are updated on the trialogue process
- Consultation on the roll-out plan ('Uitrolplan') start 3 July
- CSA contract will be available in mid-July

Network lunch



Thank you from the HNS team!

**Further questions?
Get in touch with your contact person**

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