

# Policies to accelerate hydrogen deployment



## Shell advocates five policies to support the growth of hydrogen:

- The development of hydrogen strategies with clear long-term objectives and short- and medium-term milestones. For example, the EU hydrogen strategy which was published by the European Commission in July 2020, and the Dutch Klimaat Akkoord (National Climate Act);
- The creation of standards for decarbonised hydrogen production pathways, together with a methodology to calculate life-cycle greenhouse gas emissions and associated certification. For example, the EU taxonomy for sustainable activities;
- Policies to stimulate demand for decarbonised hydrogen in key sectors such as heavy duty transport and industry, including carbon pricing in combination with targets. For example, Canada has proposed regulations for the Clean Fuel Standard to drive investment and growth in its clean fuel sector and the European Commission has proposed a binding target for EU industry as part of the Fit for 55 proposal to switch partly to renewable hydrogen;
- Support for mechanisms that encourage decarbonised hydrogen projects and reduce the cost difference between decarbonised hydrogen and conventionally produced hydrogen. Mechanisms include carbon contracts for difference, increased public funding for projects, supportive taxation of clean hydrogen<sup>3</sup>, production incentives for renewable electricity and funding for research and development; and
- Support for infrastructure planning and investment that creates conditions for a hydrogen market. For example, the International Partnership for Hydrogen and Fuel Cells in the Economy (IPHE) Regulations, Codes, Standards & Safety (RCSS) Working Group is acting as a catalyst for international cooperation and to facilitate the harmonisation of codes and standards in infrastructure and transport.

<sup>3</sup> Shell's definition of clean hydrogen includes hydrogen made from renewable sources (usually referred to as green hydrogen) and hydrogen made from natural gas with carbon capture and storage (usually referred to as blue hydrogen).

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