

MUNICH HYDROGEN SUMMIT – KEY INSIGHTS AND HIGHLIGHTS

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Watson Farley & Williams (“WFW”) and UniCredit had the pleasure of hosting the first ever Munich Hydrogen Summit on 30 June 2022, a hybrid event focussing on hydrogen projects, investments and financing. Speakers from major industry players, technology providers and developers as well as financing experts shared their insights, with WFW providing regulatory expertise.

Please find following a high-level summary of each session of the summit. To watch any of these discussions in full you can access our recording of the event [here](#).

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KEY INSIGHTS AND HIGHLIGHTS

WFW Partner Christian Bauer welcome address

WFW Munich Energy and Infrastructure Partner Dr. Christian Bauer opened the first ever Munich Hydrogen Summit, welcoming an audience involved in all areas and aspects of the hydrogen sector. With regards to the development of hydrogen he said: *"We are still at an early stage of development. Some of our clients are small municipalities, but movement in the hydrogen space is accelerating"*.

The EU regulatory landscape is taking shape

This acceleration can be felt at a policy level, where the recent delegated acts on green hydrogen have given rise to intense discussion about the definitions of green hydrogen that will define the market for the years to come. *"While the lack of regulatory framework and permitting barriers are perceived as relevant risks by financial institutions, we finally have something to work with"* said WFW Milan Counsel and regulatory expert Giannalberto Mazzei. Giannalberto also shared the results of the European Clean Hydrogen Alliance’s Permitting Working Group for Hydrogen, to which he contributed.

The extent to which these criteria will be transferable in an international context, for example to shipping deals concerning green hydrogen in Namibia or the UAE, remains subject to debate. *“There are working groups and projects attempting to develop some form of trans-national certification, like CertifHy”* commented WFW Hamburg Partner and regulatory expert Dr Maximilian Boemke.

Impulses for a digital B2B hydrogen technology marketplace

“A transparent online marketplace is key for the successful upscaling of the hydrogen economy globally”, said Dr. Björn Lüssow. While Amazon rules the online retail business, there is still no fully integrated online marketplace for hydrogen electrolyzers, systems and components. Dr. Lüssow is looking to change that. Together with fuel cell engineer Steven Oji, he has developed *“Hyfindr.com”*, the rapidly growing marketplace that has already reduced the time needed to find fuel cell systems and related components from weeks to a matter of minutes.

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Financing hydrogen projects, from a lender's perspective

“Sustainability is a critical part of our new strategic plan and the lens through which we do business” said Martin Würth, Managing Director of Natural Resources, Specialised Lending at UniCredit. Similar to how it positioned itself for wind financing when that was a developing asset, UniCredit is now at the forefront of hydrogen project financing. Whilst wind energy and hydrogen can both be classed as renewable energy, when it comes to lending the two differ substantially. Martin expertly talked the audience through these differences and the emerging hydrogen financing landscape in his speech.

Turkey promising for hydrogen projects

Recent global events have highlighted the importance of, and driven demand for, further energy independence, including more support for renewable energy in Europe. The European Union (“EU”) has responded with its programme, *“REPowerEU”*. However, there is a clear gap between the current and hoped for future status of Europe’s hydrogen production capacity. It seems likely, therefore, that the EU will look outside its own borders to meet capacity demand, with the MENA region being posited as an example. But, *“How can it be sustainable, if hydrogen has to be shipped from halfway around the world?”* asked Ali Köse of H2 Energy Solutions. Ali showcased Turkey as a potential candidate for geographically sustainable hydrogen production.

The flexibility of fuel cells: Infrastructure-Independence

“Flexible, scalable and resilient power” is what Andrew Koob is implementing at HYREF. Their methanol-based, infrastructure-independent fuel cells are superior to their diesel counterparts when it comes to the balance of sustainability, robustness and efficiency. This quality allows them to be utilised in a variety of scenarios, from maritime and other forms of transport to the telecommunications sector. Accordingly, they excel in serving as an ad hoc solution for locations without infrastructure, remote telecommunications and disaster response. Andrew revealed a glimpse into areas where bio-/methanol and also hydrogen could make a real difference once its economy is upscaled.

Equity investments in hydrogen projects

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"KGAL digs deep. It asks the technical questions others are often unwilling to"
Thomas Engelmann of KGAL explained. When asked what a protocol for evaluating the bankability of a hydrogen project might be, Thomas stated that one cannot generalise in an industry that is still so young. As Head of Energy Transition at the institutional investment firm KGAL, based in Bavaria, he carefully dissected the strategies related to hydrogen project equity investment. *"What type of projects will be the first to be tackled? The very CO2 intensive industries, the hard-to-abate sectors"* said Engelmann.

The world's largest hydrogen-based power plant is being built

With the Centrale Electrique de l'Ouest Guyanais ("CEOG"), Meridiam is building the world's largest hydrogen-based power plant, in French Guiana. Part of the plant's innovative set-up includes using hydrogen as a storage medium, that can be released on-demand using fuel cell technology, which is supporting the energy demands and needs of the local population. The biggest challenge lay in developing and constructing a *"stable and technically sound powerplant, that runs from 8am to 8pm"*. Meridiam is looking to use CEOG as a blueprint for future projects. *"We've been looking at a lot of projects in the UK"* concluded Giles Newton, Meridiam's Business Development Director for the UK.

The palette of electrolyser technology continues to grow

Stephan Gabaret is CFO of Sunfire, a global market leader in electrolyser technologies. In his speech, he outlined the three primary types of electrolyser technology currently dominating the hydrogen electrolyser market produced by Sunfire, namely alkaline, SOEC and PEM. Sunfire recently received EU and state aid through the Important Projects of Common European Interest ("IPCEI") scheme. *"We are now deploying our technology into commercial projects"* he noted, citing RWE, P2X and CIP as current project partners.

"What type of projects will be the first to be tackled? The very CO2 intensive industries, the hard-to-abate sectors."

Green Steel grows in Sweden

"We may have to change our name in the future. We are not only a steel production company, large-scale green hydrogen production is at our core. We start with steel, but that's not where we end" said Kajsa Rytberg-Wallgren of H2 Green Steel. In replacing key processes in steel-making, Sweden-based H2 Green Steel will reduce CO2-emissions to a fraction of current industry standard levels. The company has already received €86m in Series A funding, is currently raising approx. €4bn in Series B funding, and will *"hopefully see diggers in the ground in the coming weeks"*. They received the permissibility permit the day after the summit. Production of green steel at their site will begin in 2025, aiming for 2.5Mt in phase 1 ramping up to 5Mt by 2030. Ammonia, aluminium, shipping fuel and cement are the next hard-to-abate sectors on the horizon for H2 Green Steel.

CLOSING REMARKS, FURTHER INFORMATION, OUTLOOK

The event concluded with a lively Q&A led by Dr. Christian Bauer.

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Whilst preparation for the next WFW hydrogen event is currently ongoing, there are plenty of other useful updates available on our website (see our Hydrogen Hub) to keep you informed in the meantime.

We look forward to hopefully hosting another Hydrogen Munich Summit in the future!

Munich Trainee Dario Neumann also contributed to this article.

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