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# Update

## Energy

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## Call for Expression of Interests (EoI) for Green Hydrogen Cluster in Portugal

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On the 21st of May, the Council of Ministers approved the National Energy and Climate Plan 2021-2030 (PNEC 2030), establishing the goals of the national climate and energy policy, such as the reduction of greenhouse gas emissions, new targets for the incorporation of energy from renewable sources and energy efficiency, as well as the lines of action and measures to be adopted for the decarbonization of society.

On the same day, the government has approved the National Strategy for Hydrogen, aiming to promote the gradual introduction of hydrogen as a sustainable and integrated pillar in a broader strategy of transition to a decarbonised economy.

It is estimated that the creation of an industrial cluster in this field could attract investments of 7 billion euros to Portugal by 2030.

Both national plans include a commitment to increase, within the next decade, the production and incorporation of renewable gases such as hydrogen, foreseeing the end of electricity production from coal by 2023 in Sines through the construction of a Green Hydrogen Production Plant.

Such project, to be developed by a Portuguese-Dutch consortium, will represent a base investment of over 2.85 billion euros, becoming the main Green Hydrogen Production Centre in southern Europe, exporting hydrogen to northern Europe.

The government expects that, once in operation, Sines Green Hydrogen Plant will have the capacity to produce, through the process of electrolysis of water using electricity generated from solar power plants or wind farms, 465,000 tonnes of hydrogen per year, eliminating the emission of 18.6 million tonnes of CO2 annually.

With a total capacity in controllers of at least 1 GW by 2030, the Green Hydrogen Plant is expected to start production in 2022.

**Aiming at creating a consortium with research, innovation and industrialization activities, which can be financed by community funds**, while integrating the dimensions of production on an industrial



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scale, processing, storage and transport, and internal and external consumption, through exports, based on national and European strategic partnerships, the government, through Ordinance n.º 6403-A/2020, published in National Official Journal on 17.06.2020, **opened applications for companies to submit their projects that can complement the green hydrogen plant planned for Sines**.

**A period for expression of interests (EoI) for participation in the future Important Project of Common European Interest (ICPCEI) Hydrogen, to be submitted to the European Commission (of which the Sines project is the anchor project), is thus initiated.**

Considering "*advantageous to initiate a process of expression of interest, giving national and international companies the opportunity to participate in several projects in this hydrogen sector, provided that the national and European strategic coherence is guaranteed", the Portuguese government prescribed, trough the Ordinance No. 6403-A/2020 that "this listening of the market and possible complementarity of projects will allow to strengthen the Portuguese application to IPCEI (Important Project of Common European interest) and encourage synergies at the level of industrial 'cluster*".

As established in the Ordinance n.º 6403-A/2020, companies that intend to join this consortium must present innovative projects within the hydrogen sector that translate into added value for Portugal, demonstrating that there is "*a market failure and very high technological or financial risk, and therefore cannot be carried out without external support*" and declaring "*having the economic and financial capacity necessary for the development of the proposed project*".

**Interested companied must submit their proposals by July 17, 2020, with the result to be known by July 27.**

The expressions of interest will be analysed by a Project Admission Committee involving the government areas of Digital Economy and Transition, Environment and Climate Action and Science, Technology and Higher Education and Foreign Affairs, supported at technical level by DGEG (General Energy and Geology Administration) and LNEG (National Energy and Geology Laboratory).



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