

Joint Open Letter - Towards an Effective Hydrogen Target in Industry

To: Commissioner Jørgensen

Copy: Executive Vice-President Ribera, Commissioner Hoekstra

Brussels, 27 October 2026

We are writing on behalf of the largest hydrogen consumers in the EU, with a call to use the upcoming review of the Renewable Energy Directive (RED) as an opportunity to deliver a competitive hydrogen market that enables a thriving European industry.

To that end, **we support the policy direction considered by DG ENER that revises the industry target to better align it with the scale-up realities of the hydrogen market.** Building on ambitious demand-side policies and with comprehensive protections for first movers, an **EU-level indicative hydrogen target in industry** can deliver stronger decarbonisation outcomes whilst boosting industrial competitiveness.

Our members are committed to decarbonisation, and they are investing in it. However, the current RFNBO industry target in RED III is not delivering according to its intention. Reported EU green hydrogen production is currently less than 50 thousand tonnes, i.e., less than 1% of total EU hydrogen consumption. This is reflected in the delayed transposition of the industry target as only two Member States have implemented it to date. The underlying reason is that renewable hydrogen costs have not fallen as expected, projects are being delayed or cancelled, and hydrogen producers and consumers competing globally cannot absorb the cost gap on top of the ETS and CBAM.

We are consequently asking that the current RFNBO industry target approach be overhauled and not carried forward as is in the next framework. We believe that reviewing the RED provides a singular opportunity to address these implementation challenges, deliver necessary enabling conditions (i.e. renewable and low-carbon energy availability and affordability; clear demand and investment signals; accessible and operational infrastructure) and allow for the clean energy and industry sectors to thrive. To that end, we recommend building on the positive elements included in DG ENER's considerations:

- **Move towards an indicative EU-level hydrogen industry target** since anchoring the target at EU-level will facilitate burden-sharing across Member States and enable project deployment where it is most efficient.
- **Complement the industry target with a mechanism that incentivises early movers** to valorise their decarbonisation investments while boosting hydrogen consumption where the market conditions are most conducive to its uptake.
- **Develop complementary lead market measures in order to stimulate demand for renewable and low carbon products** while closely aligning with related EU-measures, such as the Industrial Accelerator Act or the conclusions of the Critical Chemicals Alliance.
- **Allow for production pathway flexibilities and inclusion of low carbon molecules** to reduce production costs, deliver larger volumes, and accelerate industrial decarbonisation.

To conclude, industry cannot decarbonise at the expense of its competitiveness. A technology-neutral EU-level indicative target, backed by incentives for renewable and low carbon use and enabling conditions, would give investors a credible signal and keep European industry in Europe.

We would welcome the opportunity to discuss these proposals with you as the framework takes shape.

Yours sincerely,

Ammonia
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