

What will happen after the publication of the draft of the hydrogen core network?

The hydrogen core network is the kick-off for the hydrogen infrastructure in Germany with a focus on the transportation level - comparable to a highway. The first phase of the project will provide the foundation for the development of the hydrogen infrastructure in Germany. In a second phase, this foundation will be developed through an integrated network development plan for gas and hydrogen - similar to federal and national roads, with connections to cities and towns.

First phase:

On 15.11.2023, the transmission system operators (TSOs) published the draft of the hydrogen core network, which was submitted to the Federal Network Agency (BNetzA) for consultation until 08.01.2024. The consultation was a preliminary informal consultation. This preliminary consultation procedure aims to prepare the approval process for the hydrogen core network and facilitate timely approval once the formal application has been submitted.

The authorities are currently evaluating and reviewing the comments received. The TSOs will consider the results in their final joint application for the core network in coordination with the BNetzA. The submission deadline for the joint application for the core network has been extended by the BNetzA to May 21, 2024 in accordance with Section 28r (2) sentences 1 and 2 EnWG.

The requirement for submission of the joint application is that a financing model adapted to the capital market be included in the law. A parliamentary procedure has been initiated in accordance with the Energy Industry Act (EnWG - find out more <u>here</u>).

Once the official joint application has been submitted, it is reviewed and examined again by the Federal Network Agency. Approval is given within two months following submission of the completed application.

Second phase:

The second stage of hydrogen core network development is focused on demand-based development of the core network. It will include regular public consultation, every two years, based on the scenarios and the network development plan. The scenario framework must cover the full range of possible developments within the framework of the Federal Government's climate and energy policy targets and system development strategy. In addition, the specific hydrogen requirements from the regions are considered across all network levels. The network development plan therefore includes measures for the later phases in the development of the core network.

The aim is to build a large-scale, interconnected hydrogen network to accelerate the hydrogen rampup, according to a hydrogen network development plan based on scenarios and needs. This planning should be carried out in an integrative process alongside the network development planning for natural gas in order to take into account the interactions between the two areas and exploit synergies.

The Federal Cabinet has established the necessary legal bases. The corresponding amendment to the Energy Industry Act is currently in the parliamentary process. The scenario framework for the first integrated network development plan for gas and hydrogen is to be submitted to the BNetzA by the network operators on 30 June 2024. In this way, other industries and sectors that could not yet be included in the hydrogen core network can also be included in the future network planning for hydrogen. Therefore, it cannot be excluded that potentials that are not included in the hydrogen core network can also be connected before the target years of the next Network development plan (2035). As part of the preparation of this scenario framework, the TSOs will conduct a new market survey for production and consumption hydrogen demand at the beginning of 2024.