

Press Release

H2Global and THE: Cooperation agreed to support the ramp-up of the hydrogen market

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HINT.CO GmbH (HINT.CO), Trading Hub Europe GmbH (THE) and the H2GLOBAL Foundation (H2Global) have agreed on the basis for a planned cooperation in the area of establishing a future hydrogen market. To this end, the partners signed a memorandum of understanding (MoU) in Hamburg today.

The aim of the MoU between H2Global, as an innovative instrument for the market development of a green hydrogen economy, HINT.CO as an intermediary for the implementation of the instrument and THE as the market area manager in the German gas market is the development of an efficient and practice-oriented process landscape for trading in green PtX products. The partners want to further define the complementary interfaces of THE, HINT.CO and H2Global in the PtX area and thus promote the development of a functioning market for PtX products.

In the first phase of the cooperation, the partners intend to develop a model for a suitable trading structure for PtX products. The partners will work together in different working groups. In particular, questions about storage, balancing and the transfer of ownership of the PtX products, the establishment and operation of trading points, security of supply, a possible use of control energy and the question of certification of the green property and the possibility of mass balancing of the PtX products clear up. "The procedure will be closely coordinated with the Federal Ministry of Economics and Climate Protection (BMWK) and will be completed by 31 December 2022 if possible. The cooperation with THE should contribute to the further development of the H2Global instrument and create synergies for everyone involved," says Timo Bollerhey, Managing Director of HINT.CO.

In the second phase of the cooperation, the developments are implemented and converted into a permanent cooperation. The partners intend to find regulations that will create a market model that takes into account the European requirements (EU regulation, Hydrogen and Decarbonised Gas Market Package). The model is intended to ensure non-discriminatory trade and be based on the specifications of the relevant grant notifications. In addition, it will be examined whether and how the experiences made by THE in connection with the gas supply security tasks could be transferred to the PtX products. "We will develop a model with which trading in PtX products can be organized in a non-discriminatory and future-oriented manner," explains Dr. Sebastian Kemper, Managing Director of THE.

State Secretary in the Federal Ministry for Economic Affairs and Climate Protection Philipp Graichen: “H2Global is an innovative and efficient instrument to make our energy supply safer and more sustainable. A very good and clear opportunity to advance the market ramp-up of hydrogen. The use of green PtX products makes an important contribution to climate protection and the decarbonization of the economy. Trading Hub Europe, as an experienced player on the market, can provide crucial support here in the cooperation.”

The partners:

The aim of the H2Global Foundation is to promote climate and environmental protection. One element of this is a mechanism developed by the foundation and the BMWK for the auction-based promotion of a timely and effective market ramp-up of green hydrogen and power-to-X products (PtX) on an industrial scale. In order to promote the ramp-up of a green hydrogen economy in an efficient and market-oriented manner, pricing is carried out within the framework of H2Global using a double auction model. The lowest offer price and the highest selling price are each awarded the contract. Long-term purchase agreements with fixed prices create investment security, private investments can be financed and can start immediately. This is implemented via the 'Hydrogen Intermediary Network Company', HINT.CO for short. The difference between purchase and sale contracts is offset by government grants. H2Global is considered a central funding program of the federal government.

HINT.CO is held by the H2Global Foundation and serves as an intermediary for buying and selling green hydrogen and PtX derivatives. This is implemented in the course of a double auction mechanism, one of the core elements of the H2Global instrument. At the end of December 2021, HINT.CO received a funding commitment of EUR 900 million for the purchase of PtX derivatives from the Federal Ministry of Economics and Climate Protection (BMWK) in order to implement an initial bidding process this year.

THE is the market area manager in the German gas market and was founded by German transmission system operators. The high-pressure pipeline system in the Germany-wide Trading Hub Europe market area has a total length of around 40,000 km and connects more than 700 downstream networks. The tasks of the market area manager include: the balancing group management, the operation of the virtual trading point and the procurement of control energy. In addition, THE will take on tasks related to gas supply security in the future.

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