

Shaping the global energy transition.

H2Global | Idea, Instrument and Intention
June 2023

H2Global — an innovative instrument to promote a timely and effective technology and market ramp-up of sustainable hydrogen and its derivatives

Key elements

Bridging



Creating business cases and investment security.

Shifting the timing of market creation by promoting the market ramp-up until a viable green market has developed.

Defined System



Long-term purchase agreements over 10 years.

Clear definition of max. funding volume, products, geography and (sustainability) criteria by funding body.

Contracts for Difference



Financial compensation in analogy to CfD mechanism.

Set up of an intermediary — the **Hydrogen Intermediary Company**.



Competition-based



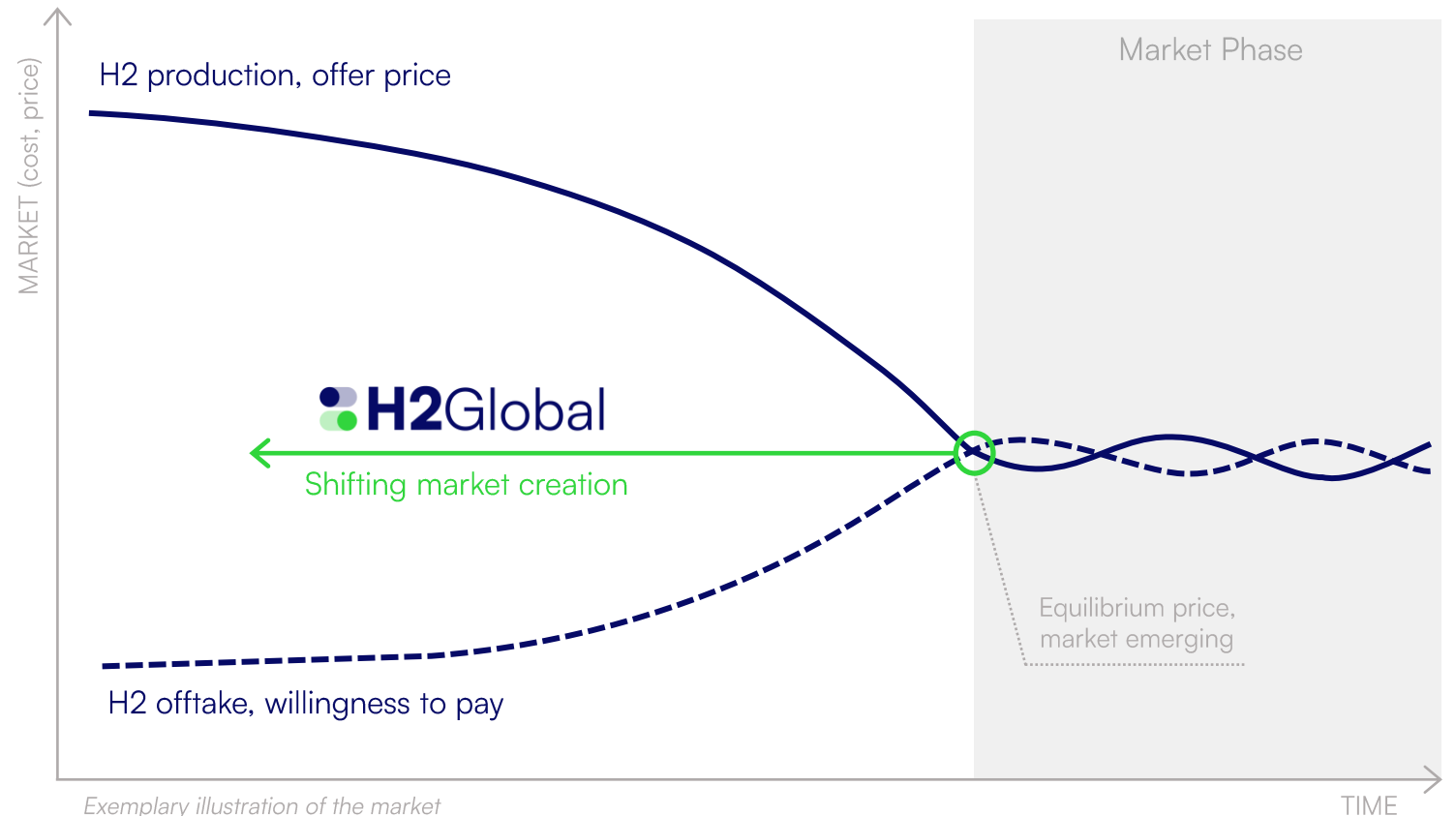
Double-auction: Market-based bidding procedures on the supply and demand side.

Minimization of the price difference to be compensated by funds.

H2Global's catalytic effect shifts market creation forward allowing early market opening

H2Global bridges the gap between supply and demand

Immediate creation of simulated market on supply and demand side



Exemplary illustration of the market development

Competition-based auctions for the purchase and resale of sustainable hydrogen and its derivatives through the intermediary Hintco



Unlocking the economic puzzle of sustainable hydrogen with the H2Global market-driven compensation mechanism

H2Global auctions uncover supplier and offtake pricing dynamics

Short-term and broad-based price signals are crucial to create liquidity and support market development.

Long-term purchase agreement with supply side, 10-year fixed price and terms

Compensation of the price difference

 Hintco

Short-term sale agreements with demand side, e.g., 1 year

Exemplary illustration of the market development:
Possible increase in market regulation and resulting increase in willingness to pay

PRICE (demand, supply)

TIME

The flexible instrument empowers governments to shape the global hydrogen market through customized funding windows

Customized regarding:

- Geography (global, regions, countries)
- H2 product selection
- Product and sustainability criteria

Adaptable to targets:

- Price optimization
- Promotion of green technology
- Energy policy
- Decarbonization of specific sectors
- Development policy

Definition of
- geography
- products
- criteria



Funding body A

Funding body B

Funding body C

Funding body D



Customized
funding
windows



Global

Region

Country

Country



The first BMWK grant of 900 million euros showcases the modular system for tailored financing

Geography*

- Competition-based purchasing beyond EU and EFTA; delivery to Belgium, Netherlands or Germany.
- Competition-based sale to German and European companies; awarded to the highest bidder.

Products produced based on renewable H2*

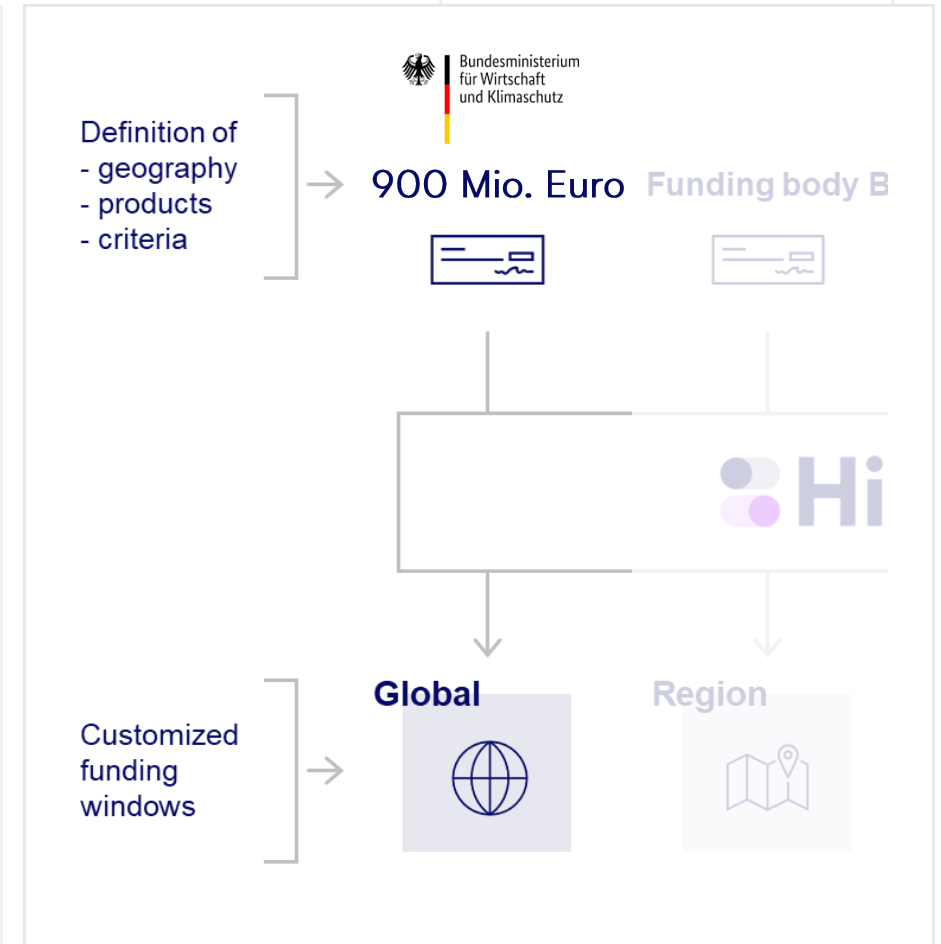
- Ammonia
- Methanol
- e-SAF

Criteria*

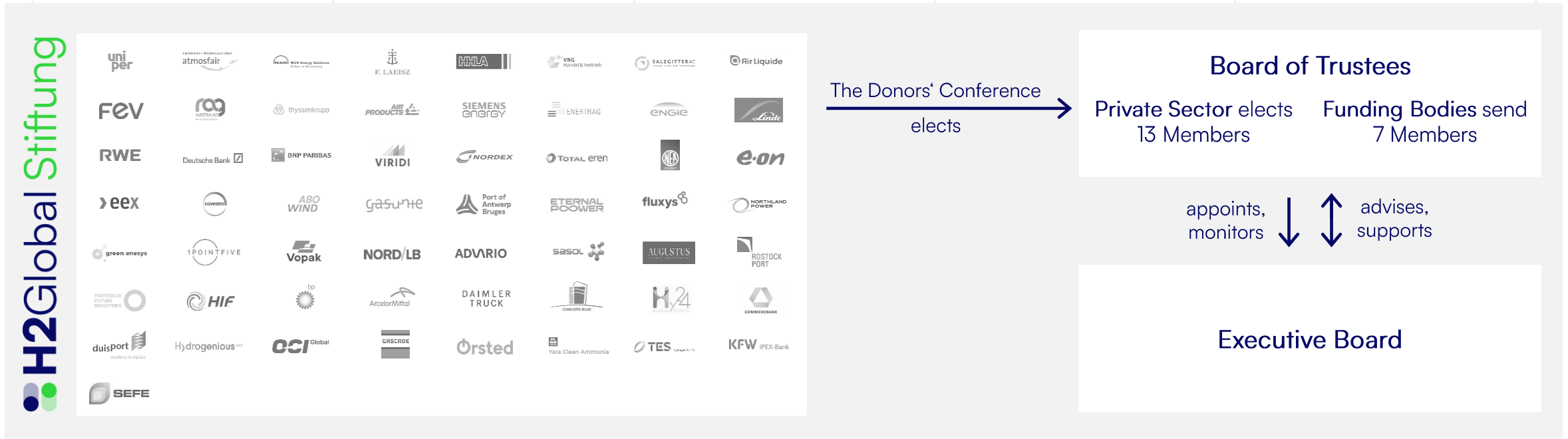
- Electricity from renewable sources must be used for production.
- Criteria for renewability of electricity and greenhouse gas balancing are oriented towards REDII, resp. DAs.

*Incomplete information. All details are without guarantee. Details, see:

- a) Zuwendung aus dem Bundeshaushalt, Einzelplan 09, Kapitel 0904, Titel 896 02
- b) Anlage 2: Weitere Nebenbestimmungen und Hinweise



The non-profit foundation effectively enables this public-private initiative, which is constantly evolving and adapting to market developments





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