
Aurora Energy Research, Iberia Group Meeting
14 September 2021, 11.00 AM – 13.30 PM (CEST)

The role of green hydrogen in Iberia

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With Europe's ambitious decarbonisation targets as background, over the last year Spain and Portugal have unveiled their own decarbonisation strategies (i.e. 2050 roadmaps, hydrogen strategies, etc.). These documents are varied in detail and approach, but demonstrate a high level of commitment and shed light into government plans to achieve Net Zero by 2050.

Green hydrogen is expected to play a crucial role in decarbonising the Iberian economies due to three key reasons: i) the vast potential for renewable energy in Iberia will lead to lower green hydrogen production costs than in other European regions; ii) policy efforts seem to be focused on green hydrogen vs. other low carbon alternatives (e.g. nuclear, or CCS); and iii) the proposed hydrogen targets are highly ambitious, creating valuable opportunities for the industry.

As a result, there is visible momentum in the hydrogen industry. Notably, major announcements have been made by large players in the market, creating a pipeline of hydrogen electrolyser projects of around 3 GW that could become operational before 2030 across Iberia. Reaching the ambitious government targets of 6 GW by 2030, however, will depend on the evolution of some key factors: i) policy to support the deployment of hydrogen electrolyzers; ii) policy to foster green hydrogen demand in key economic sectors; and iii) a regulatory framework that facilitates the uptake of the technology and gives confidence to investors. If these barriers are tackled correctly, Iberia could see a flourishing green hydrogen sector during the next decade and beyond.

In this Group Meeting session we will start with an analysis of the role for green hydrogen in Iberia to then focus on the main business models for hydrogen electrolyzers. The session will address the following questions:

- What is the role for hydrogen in Iberia? What level can hydrogen demand reach by 2050? How will it be supplied?
- Which are the main business models for hydrogen electrolyser investments in the next decade? What business model can deliver the lowest cost of hydrogen in Iberia?
- How competitive will green hydrogen be when compared with blue hydrogen or grey hydrogen?
- What are the key considerations and implications for policy makers?

The Chatham House Rule will apply.

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