

State Support Needed to Drive Funding for Hydrogen Projects, Say Sources

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Bracewell's **Ro Lazarovitch** recently told *ICIS* that policy support from European governments is essential to driving investments in the hydrogen sector, which comes on the heels of the European Investment Bank (EIB) calling promoters of electrolyser manufacturing and electrolyser deployment projects to submit their proposals for funding by April 5, 2022.

"EIB has pledged not to fund further unabated fossil fuel projects. It has a preference to invest in renewable projects to meet EU's 2030 and 2050 renewable goals. For that reason, the EIB is likely to prefer green hydrogen projects over blue (produced from reforming gas or other fossil fuels) or pink (produced from electrolysis using nuclear energy) hydrogen projects," said Lazarovitch.

Lazarovitch added that project finance could play a key role in the hydrogen market, but it requires stable cash flows, preferably through take-or-pay contracts with floor pricing to limit the risk factor.

Developing battery storage alongside hydrogen projects could be another option of attracting further funding in the sector. Lazarovitch said "the appetite for battery storage is rising and UK has led the way in this field."

Independent Commodity Intelligence Services (ICIS) is part of the LexisNexis Risk Solutions Group portfolio.

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