



## HYDROGEN AUCTION (IF25 HYDROGEN AUCTION)

### AUCTION TOPICS AND BUDGET

**Total budget: €1.3 billion** (sourced from EU ETS revenues) and is divided into three topics:

1. RFNBO Hydrogen (General) €600 million | No restriction on off-takers
2. RFNBO & Electrolytic Low-Carbon Hydrogen (General) €400 million | No restriction on off-takers
3. RFNBO & Electrolytic Low-Carbon Hydrogen for Maritime and Aviation €300 million | At least 60% of hydrogen supplied to maritime or aviation off-takers

A bid ceiling of €4/kg of hydrogen applies across all topics.

'Auction-As-A-Service' allows Member States to allocate additional national funding to projects in their territories not covered by the Innovation Fund's limited call budget. For the IF25 Hydrogen Auction, **Germany** will contribute €1.3 billion for Topic 1 and **Spain** will contribute €278.6 million for Topic 1 and €136.4 million for Topic 3.

### WHAT IS THE PURPOSE OF THE HYDROGEN AUCTION?

The IF25 Hydrogen Auction is a financing mechanism from the Innovation Fund that supports the production of renewable fuels of non-biological origin (RFNBO) hydrogen and electrolytic low-carbon hydrogen from new capacities installed in the EU and European Economic Area (EEA) through a competitive auction, awarding a fixed premium payment for a maximum period of 10 years.

By providing predictable, output-based support per kilogram of hydrogen produced, the auction aims to:

- reduce the cost gap with production of fossil fuel-based hydrogen,
- de-risk first-of-a-kind and large-scale projects, accelerating and mobilising private investment,
- enable price discovery and market formation for clean hydrogen through transparent information,
- and reduce the administrative burden to applicants accessing EU funding support
- and accelerate investments aligned with the EU's climate and industrial policy objectives.

### WHO CAN APPLY?

Projects located in the EU or European Economic Area (EEA) that:

- Install new hydrogen production capacity using electrolyzers (minimum 5 MWe, single location; no virtual capacity pooling)
- Produce renewable fuels of non-biological origin (RFNBO) hydrogen and/or electrolytic low-carbon hydrogen (topic-dependent)
- Comply with resilience requirements, including that at least 75% of electrolyzers originate in a country different than China
- Have not started works before submitting the application
- Can credibly reach financial close within 2.5 years of grant signature
- Can credibly reach entry into operation within 5 years of grant signature

Applications may be submitted by single entities or consortia. Hydrogen may be sold to off-takers, self-consumed, or stored, subject to topic-specific conditions.

### HOW DOES THE HYDROGEN AUCTION WORK?

Support is awarded through a pay-as-bid, fixed-premium auction:

- Applicants submit a bid requesting a premium (€ per kg of hydrogen produced)
- Bids are ranked solely on price, from lowest to highest €/kg
- Projects must pass qualification criteria (admissibility, eligibility, relevance, and maturity)
- Funding is awarded until the available budget per topic is exhausted

Payments are made biannually, based on certified and verified hydrogen production, for a maximum of 10 years after entry into operation.

A completion guarantee covering 8% of the requested grant amount applies to guarantee that the project reaches financial close and entry into operation within the required timeframe.

### WHAT'S NEW THIS YEAR?

- **Increased budget and broader scope:** This Auction supports both RFNBO and electrolytic low-carbon hydrogen and introduces three topics, including a dedicated maritime and aviation topic.
- **Revised requirements:** This Auction strengthens security-of-supply, resilience and project maturity criteria, aligned with the Net-Zero Industry Act, revises combination rules for direct consumers and includes the 'Do-No-Significant Harm' principle.

### TIMELINE

- **Deadline for submission:** 19 February 2026 (17:00 CET)
- **Evaluation:** March – May 2026
- **Grant agreement signature:** by November 2026
- **Applications must be submitted via the [EU Funding & Tenders Portal](#).**

### WHY APPLY?

- Predictable output-based support linked to verified hydrogen production
- Reduced investment risk through predictable, long-term premiums
- Opportunity to scale clean hydrogen production in Europe
- Contribution to EU climate neutrality, energy security and industrial leadership