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## Editor's letter: Hydrogen guest stars in gas industry's 2020 story

The old joke - that hydrogen is the fuel of the future and always will be - is doing the rounds once more, amid a surge in activity around hydrogen technology.

So, what's different this time? It's easy to be cynical and point to the false dawns suffered by hydrogen in recent history, and the significant technical and economic hurdles yet to be overcome. It's not even clear what a hydrogen economy might look like, whether it would be dominated by blue or green, used mostly in industry or energy storage or transport, or where and how it would be produced and distributed and by whom.

The main difference between now and then is this: public opinion is now overwhelmingly in favour of radical climate action, and the flames of climate urgency are lapping at the feet of politicians and executives alike. Hydrogen, as a means of decarbonising molecules and coupling the gas and electricity markets, now has the benefit of significant political backing and commercial momentum, helped in no small part by the economic and social upheaval caused by the global pandemic.

As a result, the past 12 months are littered with net zero pledges and national and regional hydrogen strategies, technological partnerships, and pilot project and build-out proposals – which combine to form a multi-billion-dollar price tag. In the case of the European IOCs, this has meant strategic pivots which include, and bank on, the development of commercial-scale carbon capture utilisation and storage (CCUS) and blue hydrogen production capability.

Is it enough? Costs for wind, solar and electrolysis technology are all expected to fall, which will aid the economic case for a scale up of H<sub>2</sub>. The need to support a massive roll-out of variable-output renewables will require some degree of system integration for which hydrogen is ideal. But in most sectors hydrogen must compete with electrons - without the cost benefits, established infrastructure or mature market systems enjoyed by natural gas.

This Gas Matters SpotLight aims to probe just some of the myriad issues surrounding the development of a hydrogen economy. We start by looking at the reform of the European Emissions Trading System (ETS) and its role in promoting hydrogen in Europe's "deep decarbonisation" programme. We'll also be looking at the prospects for blue hydrogen, considering who will be the main actors in a hydrogen economy, examining the economics of ammonia export and more.

Expect this to be a starting point for Gas Matters to integrate hydrogen more deeply into its coverage in the future. Hydrogen was a guest star in the gas industry in 2020 – and it shows no signs of stepping out of the limelight.

Rachel Parkes, Editor  
Gas Matters

*The views contained in this editor's letter are solely those of the editor and do not necessarily reflect those of Gas Strategies.*



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