



CEGH & AGGM
**GREEN
HYDROGEN
WEBINAR**

24. OCTOBER 2023

Agenda



- **Introduction**
- CEGH GreenHydrogen Index
- AGGMs inGRID



Natural Gas

Gas trading places in Austria and in CEE:

- CEGH-VTP: benchmark hub for CEE region
- EEX CEGH Gas exchange markets in Austria and in the Czech Republic

Biomethane

Support the development of biomethane markets and its role in the future energy mix:

- CEGH GreenGas Platform
- EFET CEGH Standard Contract for Biomethane Certificates

Green Hydrogen

Support the development of hydrogen markets:

- CEGH Green Hydrogen Index
- Build-up of future hydrogen markets

CEGH GreenGas Platform

Easy access to trading in biomethane / GOs



- Platform was developed closely with market participants.
- CEGH GreenGas Platform allows buying and selling of (GOs) or bundled GOs together with biomethane or only biomethane without GOs.
- Connected Registers:
Austria: E-Control and Register AGCS
Germany: DENA register
- According to market feedback start as "bulletin board" and as "auction".
- Easy registration and newsletter function
- Expansion to other countries and extension of functionalities possible.
- **EFET CEGH Biogas Certificate Standard Agreement was published in July 2023**

Filter Zurücksetzen

Status
 offen
 beendet
 veröffentlicht
 zurückgezogen

Unternehmen

Angebots ID

Seite

Register

Nachweis

Land

Veröffentlichungsdatum
to

Gebotszeitraum
to

GEROT SAUGABE BIS AUF WIDERRUF MÖGLICH

Veröffentlichungsdatum: 22.01.2023 11:08
Angebot ID: 948

Landwärme CE Trading Kft. Produkt

Biomethan mit Herkunftsnachweis/Zertifikat
Register / Nachweis / Herkunftsländ
DENA / DENA Biogascertifikat / Deutschland

Gebotszeitraum
bis auf Widerruf

Gefördert
Nein

Minimum Preis
172.90 € / MWh

Menge: **0,342 MWh/h** Lieferzeitraum: 01.01.23 06.00 - 01.01.24 06.00

Menge: **3,004 MWh** Biomasse (f8 BiomasseV (1), Ausschließlichkeit (2), Mengengericht plausibel (4), Ersatzstoffgehalt (5), Einspeisemenge in Erdgasnetz (6), Massenbilanzierung bis zur Einspeisung in das Erdgasnetz (7))

Produkte (keine Gewähr) - Stand: 09.06.2021

EEG 2004 - Grundvergütung Biogas EEG 2009 - Grundvergütung Biogas
EEG 2009 - Grundvergütung Biogas (auch Biomasse außerhalb BiomasseV) EEG 2014 - Biomasse
EEG 2017 - Biomasse (gesetzlich) EEG 2021 - Biomasse (Ausschreibung) EEG 2021 - Biomasse (gesetzlich)
EEG 2021 - Bioabfall (Ausschreibung) EEG 2021 - Einspeisungsvergütung ausgefallene Anlagen Biogas (Biomasse)
E-WarmG 2008 - Wärmenutzung BafW EnergieStG - Stromsteuerbefreiung (Biomasse)
TEHG - Befreiung von Abgabepflicht (Biomasse außerhalb MWV) KWKG 2017 - innovative Wärmespeichern
KWKG 2017 - innovative Wärmespeichern (Anteil Biomethan in KWVG) KWKG 2017 - Wärmenetze u. -speicher

GEROT SAUGABE BIS AUF WIDERRUF MÖGLICH

Veröffentlichungsdatum: 31.05.2022 13:50
Angebot ID: 927

Wien Energie Vertriebs GmbH & Co KG Produkt

Herkunftsnachweis/Zertifikat
Register / Nachweis / Herkunftsländ
AGCS Biomethan Register Österreich / Biomethannachweis / Österreich

Gebotszeitraum
bis auf Widerruf

Minimum Preis
40,00 € / MWh

Menge: **876 MWh** Produktionszeitraum: 01.12.21 - 01.12.22 Biomethan auf Basis von Biogas (B110000)

GEROT SAUGABE BIS AUF WIDERRUF MÖGLICH

Veröffentlichungsdatum: 31.05.2022 13:50
Angebot ID: 928

Wien Energie Vertriebs GmbH & Co KG Produkt

Herkunftsnachweis/Zertifikat
Register / Nachweis / Herkunftsländ
AGCS Biomethan Register Österreich / Biomethannachweis / Österreich

Gebotszeitraum
bis auf Widerruf

Minimum Preis
40,00 € / MWh

Menge: **848 MWh** Produktionszeitraum: 01.11.21 - 01.12.21 Biomethan auf Basis von Biogas (B110000)

CEGH GreenHydrogen Indices

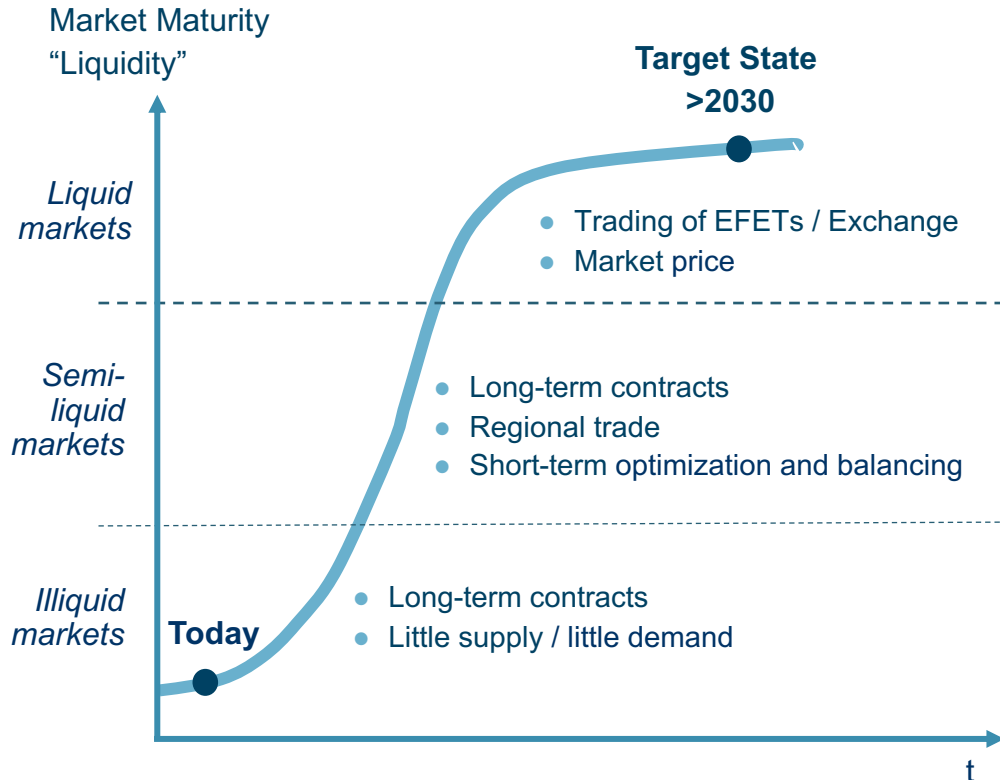
- **CEGH Hydrogen Indices facilitate** monitoring the „cost gap“ between hydrogen and alternative sources of energy supply and enables market participants to evaluate business cases for hydrogen projects.
- **Further enhancements of price assessments** planned once the hydrogen market becomes more liquid (e.g. benchmarking costs of supply, “net-back pricing”).

Stakeholder Dialogue

- **CEGH engages with key stakeholders** including politicians, regulators, producers and offtakers.
- Key areas for alignment include regulatory frameworks (e.g. third-party access to hydrogen infrastructure), market model (entry-/exit system vs. physical hub), balancing code, design of framework agreements etc.

Green Hydrogen – Development of Liquidity

Different Instruments in Different Market Maturity Stages



Green hydrogen / GOs of green hydrogen

Useful trading instruments to be offered:

Exchange (financial Clearing / Clearinghouse)

Platform based trading (Broker)

Balancing instruments

Standardized contracts (EFET)

Build-up of institutional & regulatory requirements

Price Information & Transparency

Auction- / Bulletin-Board / "Physical" Services

(Work in Progress)





Agenda

- Introduction
- **CEGH GreenHydrogen Index**
- AGGMs inGRID

CEGH GreenHydrogen Indices (since Dec 2022)

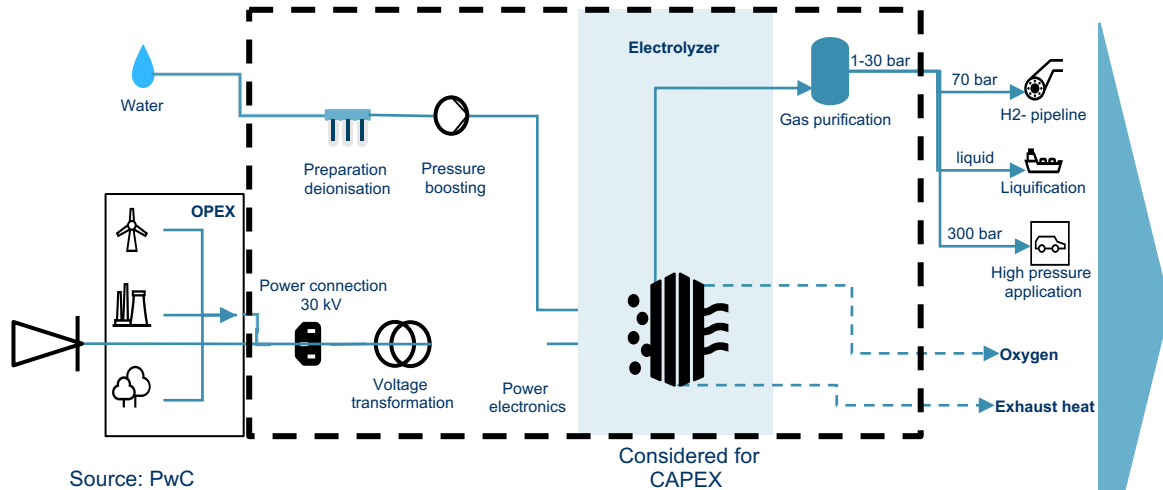
Measuring the Value of the Various “Shades” of Green Hydrogen



Index	Green Power Supply for Hydrogen Production	Product Definition
<p>CEGH GreenHydrogen Spot Index</p>	 <ul style="list-style-type: none"> • Sourcing of “grey” power in the day-ahead market • Sourcing of guarantees of origin via exchange / platforms 	<ul style="list-style-type: none"> • Cheapest Day-ahead power prices optimized with a yearly hPfc
<p>CEGH GreenHydrogen Forward Index</p>	 <ul style="list-style-type: none"> • Sourcing of “grey” power in forward markets • Sourcing of guarantees of origin via exchange / platforms 	<ul style="list-style-type: none"> • Cheapest Monthly, Quarterly, Seasonal and Yearly power prices optimized with yearly hPfc
<p>CEGH GreenHydrogen PPA 40 Index</p>	 <ul style="list-style-type: none"> • 40% of green power (renewable PPA) and 60% “grey” power (forward) • Sourcing of guarantees of origin via exchange / platforms 	<ul style="list-style-type: none"> • Combination of 10 Years PPA and Optimized Grid Supply
<p>CEGH GreenHydrogen PPA 100 Index</p>	 <ul style="list-style-type: none"> • 100% sourcing of green power via power purchase agreements (renewable PPA) 	<ul style="list-style-type: none"> • 10 Years PPA Pay as Produced

Cost-Plus-Approach for Hydrogen Indices

Battery Limits applied for Capex Calculation



Cost of green power supply
+ Capex
= "Cost-Plus"-Value of Green Hydrogen

- Estimated Capex for electrolyzer is re-assessed on a regular basis
- Consideration of learning curve effects for „forward“ hydrogen price assessments

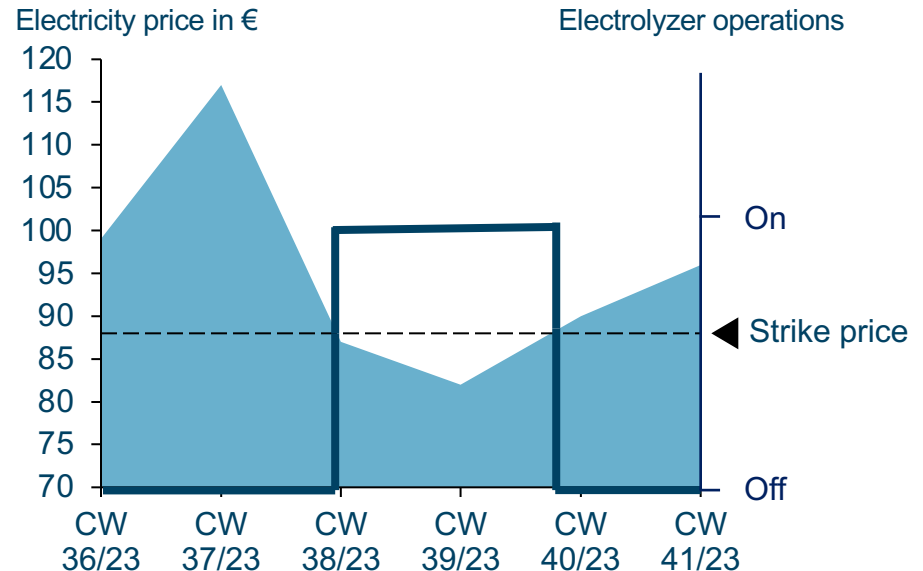
CEGH GreenHydrogen Spot & Forward

Operation of the Electrolyzer – Determined by Price Forward Curve

Modelling electricity procurement costs

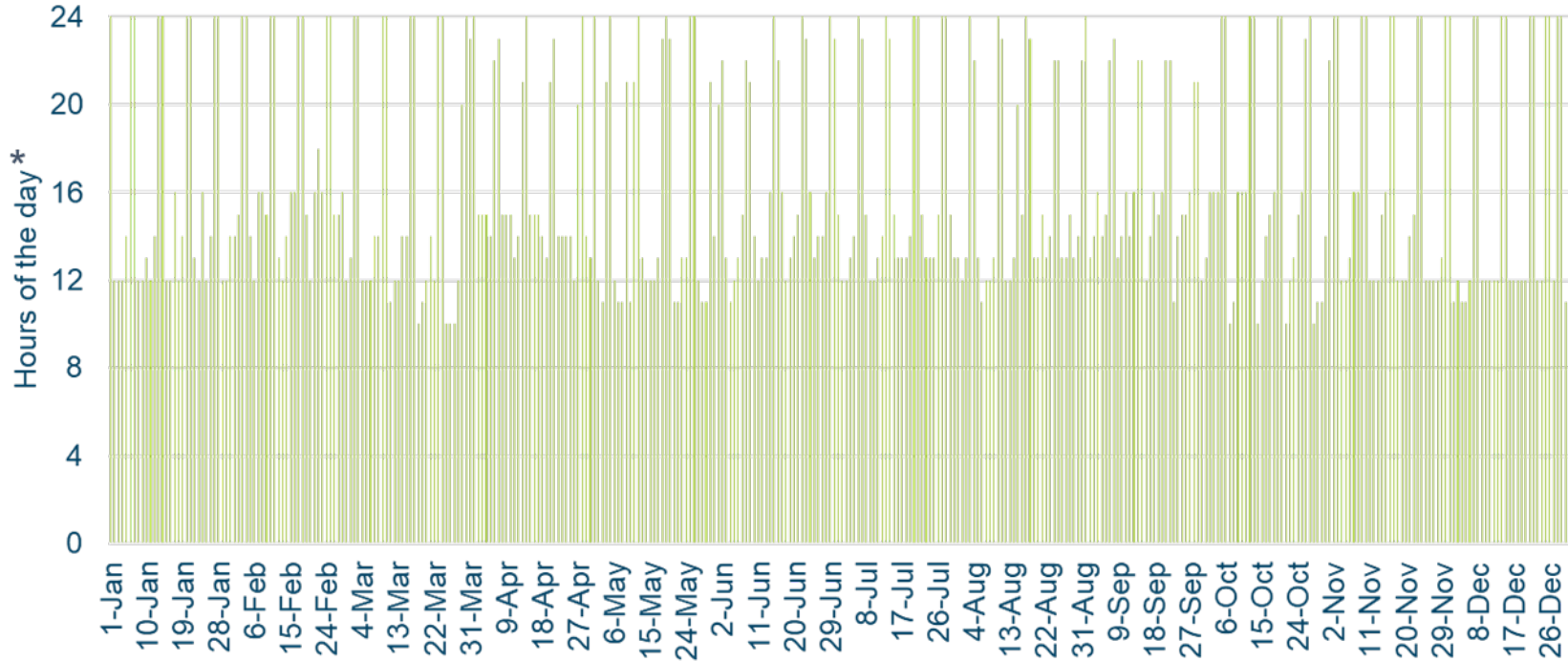
- The basis for optimizing the operation of the electrolyzer is the price forward curve
- It is assumed that the electrolyzer produces each month during the cheapest 500 hours / month (i.e. in total 6.000 FLH / year)
- Therefore, the electrolyzer runs in a cycling mode as cheapest hours occur / are forecasted

Electrolyzer production profile (illustrative)



CEGH GreenHydrogen Spot & Forward

Optimized Production Profile



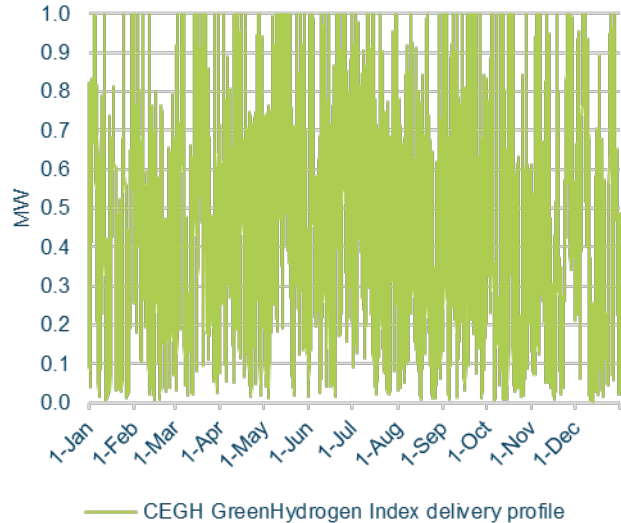
*total operating hours per day, necessarily not consecutive hours

CEGH GreenHydrogen and PPA 40 Index

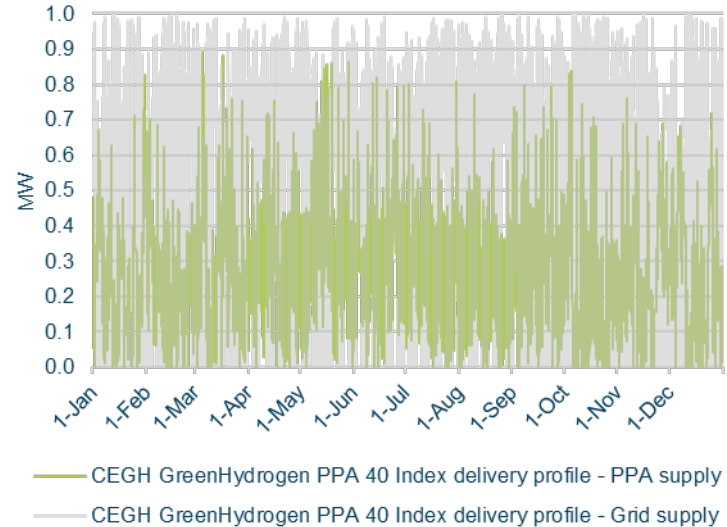
Additional Procurement of Power Volumes



GreenHydrogen Electricity Procurement



PPA 40 Electricity Procurement



- Only PPA power supply

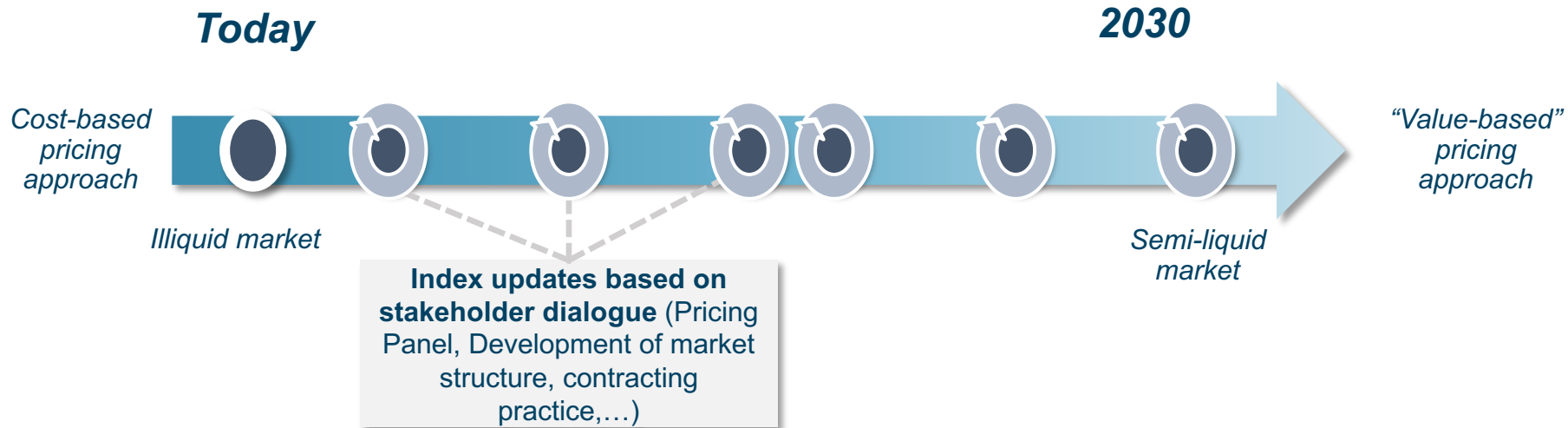
- PPA power supply amended with grid power + GoO

In the CEGH GreenHydrogen Index, the number of full-load hours is reduced to approx. 4,000 leading to an economic lifetime of the electrolyzer of approx. 15 years.

PPA40 – Purchase of green electricity to come to approx. 6,000 full-load hours

Continuous Alignment of Index Design

- Ongoing Stakeholder Dialogue ensures continuous Alignment of Index Design to evolving Hydrogen Market



Update Reflects Changed Market Conditions

Two major changes:

- **RED III and delegated acts in place**, ie. separation of RED III compliant index and other (grid power plus GoO) indices
- **Changed market conditions re. CAPEX**, interest rates, power prices

Basic index approach stays, i. e.

- Cost plus index
- Battery limits
- Electrolyzer capacity: 10 MW
- Indices

RED III and Delegated Acts now Decided

- Only **renewable power as basis for RED III compliant** renewable hydrogen
- Additional requirements acc. to delegated acts:
 - **Additionality** (power source max. 36 months older than ELY and not supported via EEG)
 - **Simultaneity** (- 2029: month, 2030ff: hour or price in bid zone < 20 EUR or 0,36 * to CO₂)
 - **Proximity** (same bid zone)
 - OR power production in **bid zone >90% renewable** (last year)¹⁾
- Only RED III compliant hydrogen eligible for national target fulfilment and support schemes
- Low-carbon fuels (e. g. hydrogen based on nuclear power, blue hydrogen, hydrogen based on grid power) are not counted towards national target achievement; nevertheless, electrolyzers can be operated based on grid power plus GoO's delivering "low carbon hydrogen"²⁾

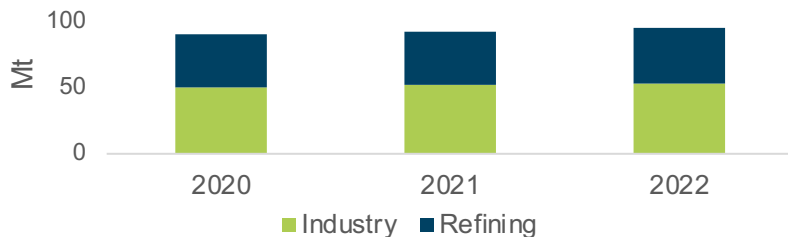
1) Additional requirements: Electrolyzer operating hours < Renewable power production hours in bid zone or emission intensity in bid zone < 18gCO₂/MJ

2) Proposal to regulate "low carbon hydrogen" expected to be decided by Dec. 31, 2024

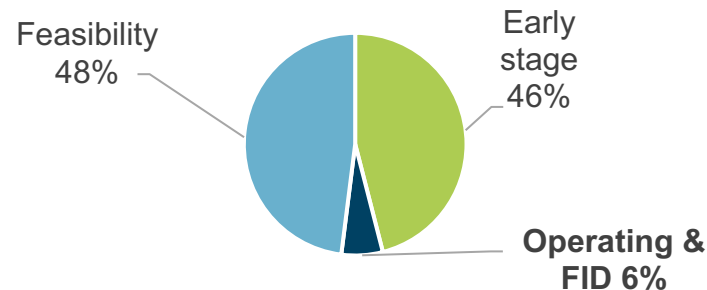
Green Hydrogen Market Development

Despite Huge Announcements Only Little Implementation yet

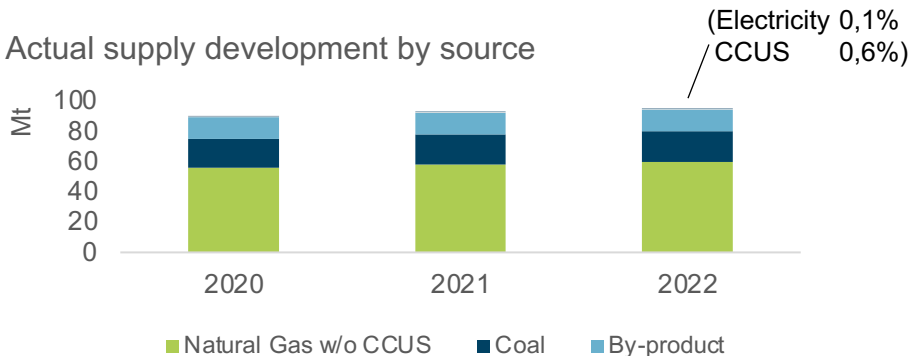
Actual demand development by offtake industry



Forecast 2030



Actual supply development by source



iea
Global hydrogen review 2023

“The private sector has started [...], but **efforts remain at very small scale.**”

“Only **4%** of announced projects have taken **FID**”

Transforming H2 into deployment **remains a struggle**

Updated Calculation Parameters

Implemented by 23 October 2023



- WACC from 8% to 9%
- CAPEX increase on currently observed levels (by 14% due to general cost increases and delivery shortages; only partially offset by larger electrolyzer units)
- PPA update on current environment
- Grid Costs, OPEX furthermore not considered¹⁾, but indication given how much that would add to the hydrogen price

1) Grid cost exemption for electrolyzers still valid, prolongation in discussion

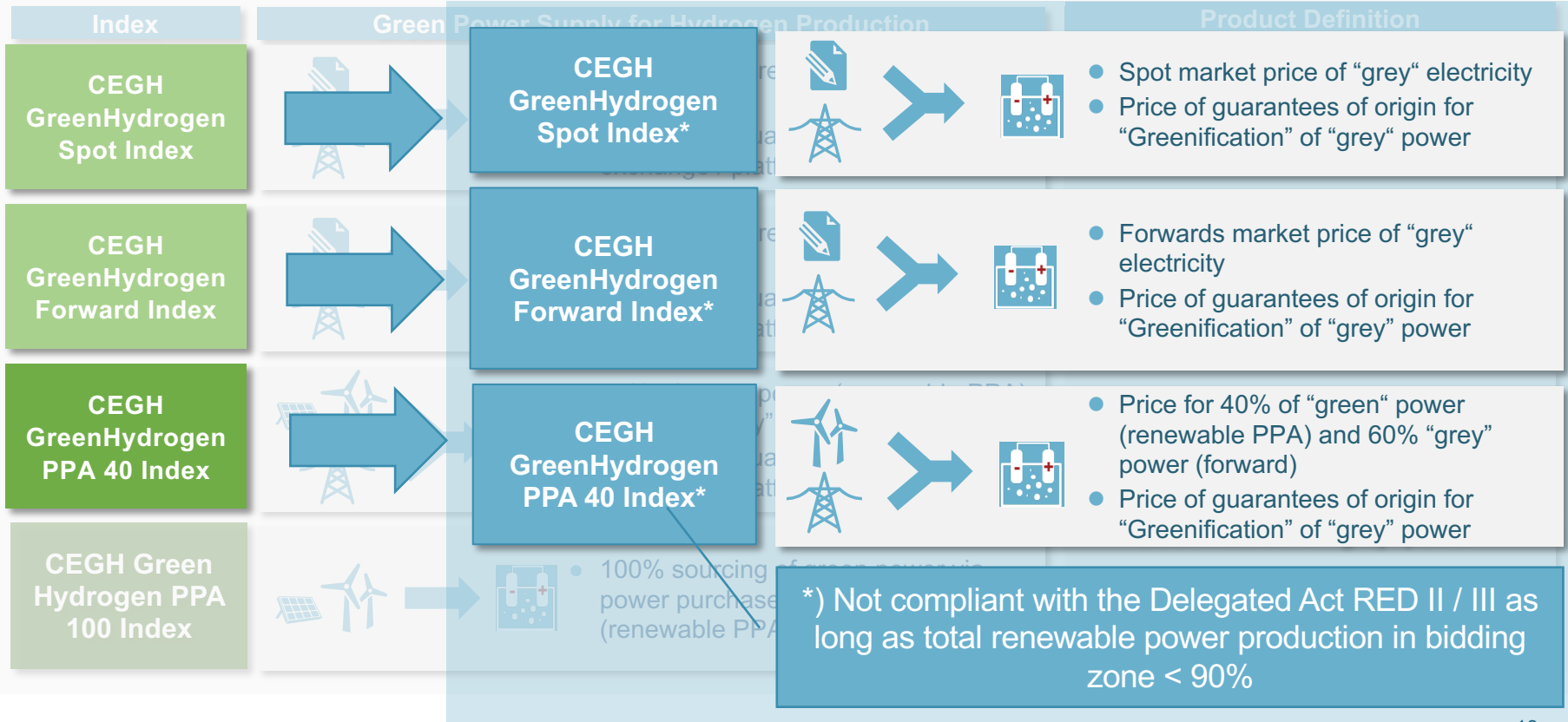
Renaming of Index to Show RED II & III Compliance

Only the CEGH GreenHydrogen Index is RED II & III Compliant



Index	Green Power Supply for Hydrogen Production	Product Definition
CEGH GreenHydrogen Spot Index	<ul style="list-style-type: none"> Sourcing of "green" power via forward markets Sourcing of guarantees of origin via exchange / platform 	<p>CEGH GreenHydrogen Index*</p> <p>According to market feedback, the compliance with the Delegated Act (DA), RED 2 should be stronger visible within the set of CEGH indices.</p> <p>The CEGH GreenHydrogen PPA 100 Index is the only CEGH Index – for the time being - that is compliant with the DA.</p> <p>We therefore rename the index to CEGH GreenHydrogen Index and will mark it accordingly in our publication (website, presentations, etc.).</p>
CEGH GreenHydrogen Forward Index	<ul style="list-style-type: none"> Sourcing of "green" power via forward markets Sourcing of guarantees of origin via exchange / platform 	<p>10 Year Baseload H2</p>
CEGH GreenHydrogen PPA 40 Index	<ul style="list-style-type: none"> 40% of green power via power purchase agreement and 60% "green" power via exchange / platform Sourcing of guarantees of origin via exchange / platform 	<p>10 Year Baseload H2</p>
CEGH GreenHydrogen PPA 100 Index	<ul style="list-style-type: none"> 100% sourcing of green power via power purchase agreement (renewable PPA) 	<ul style="list-style-type: none"> 100% sourcing of green power via power purchase agreement Price for 100% of "green" power Separate purchasing of guarantees of origins not necessary

Renaming of Indices not RED II / III Compliant



Results of the CEGH GreenHydrogen Model Update

Published From 23 October 2023 Onwards



		Based on Trading Day 20th Oct 2023	
in EUR/MWh		Old Model Calculation	New Model Calculation
CEGH GreenHydrogen Index		156.691	201.952
CEGH GreenHydrogen PPA 40 Index*		158.841	193.270
CEGH GreenHydrogen Spot Index*		200.766	208.053
CEGH GreenHydrogen Forward Index*	Month+1	206.249	213.536
	Month+2	212.495	219.782
	Quarter+1	234.130	241.417
	Season+1	214.924	222.210
	Season+2	226.385	233.672
	Calendar+1	220.654	227.941
	Calendar+2	198.196	204.463
	Calendar+3	181.010	187.277

*) not compliant with the Delegated Act (DA), RED 2

CEGH GreenHydrogen Indices on CEGH's Website



Publication Date: 24.10.2023

[download.CSV](#)

CEGH GreenHydrogen Index*

Delivery Period	EUR/MWh
10-Year PPA Pay-as-Produced	202.481

*Based on 100% power purchase agreement (PPA) supply, compliant with the Delegated Act, RED II.

CEGH GreenHydrogen PPA 40 Index**

Delivery Period	EUR/MWh
10-Year Pay-as-Produced	193.485

CEGH GreenHydrogen Spot Index**

Delivery Period	EUR/MWh
24-Oct-2023	209.668

CEGH GreenHydrogen Forward Index**

Delivery Period	Maturity	EUR/MWh
November	Month +1	210.817
December	Month +2	216.154
Q1 2024	Quater +1	243.187
Summer 2024	Season +1	223.599
Winter 2024	Season +2	235.517
Calendar 2024	Calendar +1	229.558
Calendar 2025	Calendar +2	204.334
Calendar 2024	Calendar +3	188.179

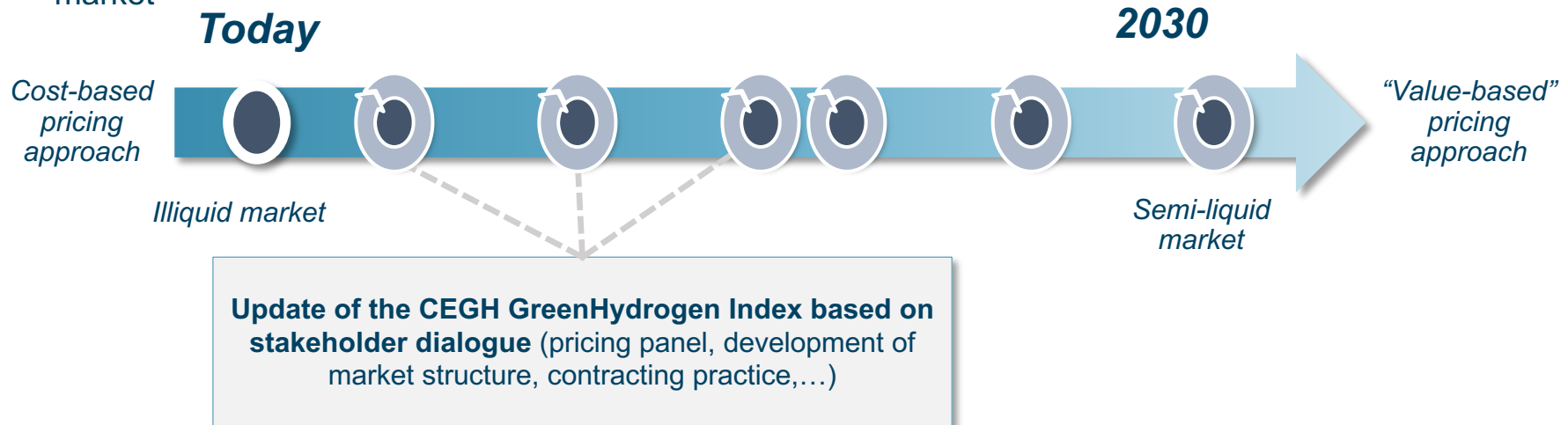
**Based on power supply, not compliant with the Delegated Act, RED II.

[Go to CEGH GreenHydrogen Index](#)

[Go to CEGH GreenHydrogen Index Specifications](#)

Continuous Alignment of Index Design

- New specification documents (clean and track changes) available on CEGHs website
- Ongoing stakeholder dialogue ensures continuous alignment of index design to evolving hydrogen market



- Regular update of PPA prices and / or other parameters like CAPEX to smoothen the impact of parameter changes on the index results



AGGM

Austrian Gas Grid Management AG

inGRID

Injecting green gases into the grid

GreenHydrogen Webinar
Vienna, 24.10.2023

<https://www.aggm.at/en/energy-transition/ingrid/>



Market and Distribution Area Manager for the Austrian Gas Market

Gasflow control & System Responsibility

We are responsible for the of gas flow control in Austria

We make sure that the injected gas is savely delivered to the customers –
24/7, 365 days a year

High-performance and reliable gas-infrastructure for the energy future

We are planning and optimizing the Austrian gas grid for the future in cooperation with the grid operators.

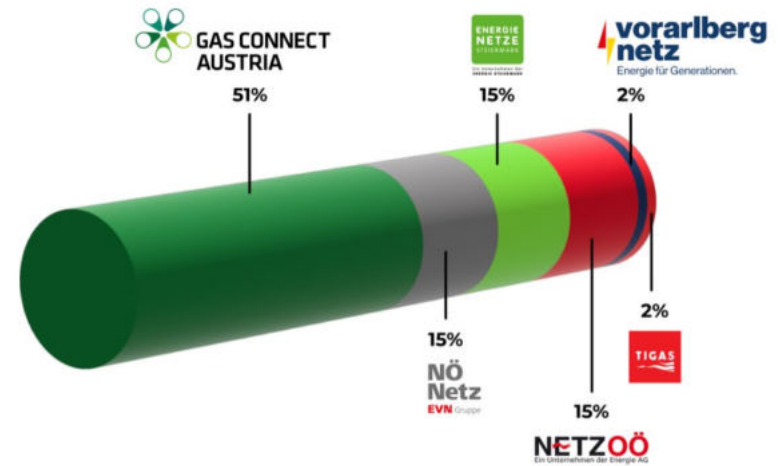
We are driving forward the integration of renewable gases into the energy system

Transparency

The [AGGM-Platform](#) provides actual and historic data on gas flows, storage levels, the availability of transport capacities and much more.

Enabler

We contribute to shaping the gas market model and the systems for the gas market and are responsible for network access and capacity management



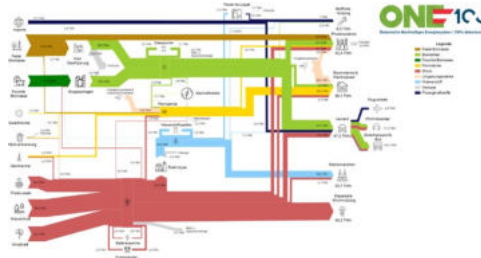
Background



§18 Abs. 1 Z 12a GWG

Identification and **publication** of potential entry points or suitability zones for renewable gases.

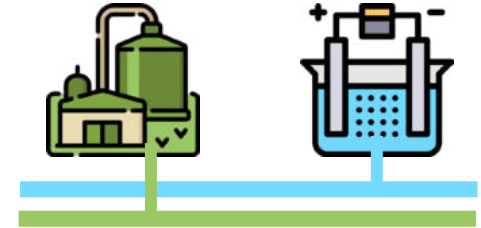
Together with the grid operators.



Renewable gases as a pillar of climate neutrality

Austria has a high potential for renewable gases:

- ▶ Biomethane from wet biomass
- ▶ Biomethane from solid biomass
- ▶ Hydrogen from electrolysis



Where are the projects?

Only **14** out of **300** biogas plants are connected to the gas grid!

Only **150 GWh** of 1.500 GWh of biogas are upgraded to biomethane!

Who is inGRID?



Energie Klagenfurt GmbH



What is inGRID?

Planning & Cost Efficiency

Producers can be directed to **more efficient connection points** through the categorized representation of **inGRID**.

Planning & Cost Efficiency

inGRID provides grid operators with a **quickly available and well-founded basis** a **qualitative and quantitative statements**.



Transparency & WebApp

Producers can carry out a targeted and **more efficient site selection** through **inGRID** and thus have a simplified planning of their plant.

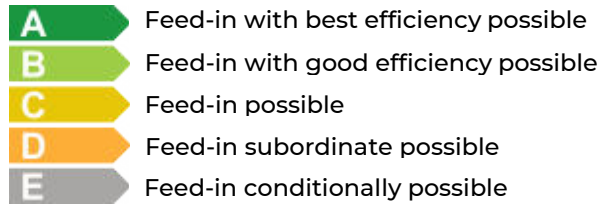
Contact & Networking

The **initial contact between producer and grid operator** can be done easily via a **contact form** with the most important information.

How did inGrid come into being?



- Classification of the gas grid into **efficiency classes** for different entry capacities



- Efficiency classes represent the **technical effort** of the grid operators and the **efficiency** of the feed-in
- Representation of the resource potential

- Depiction of the future hydrogen network of the **H₂ Roadmap**

- **Timing** of H₂ feed-in according to the realization of the future **hydrogen grid projects**

- Representation of **suitable transformer stations** for hydrogen production by means of electrolysis

- Representation of **renewable electricity potential** from wind, PV & hydropower

inGRID online

<https://www.aggm.at/en/energy-transition/ingrid/>



<https://ingrid.aggm.at/>



- ▶ Project description
- ▶ FAQ

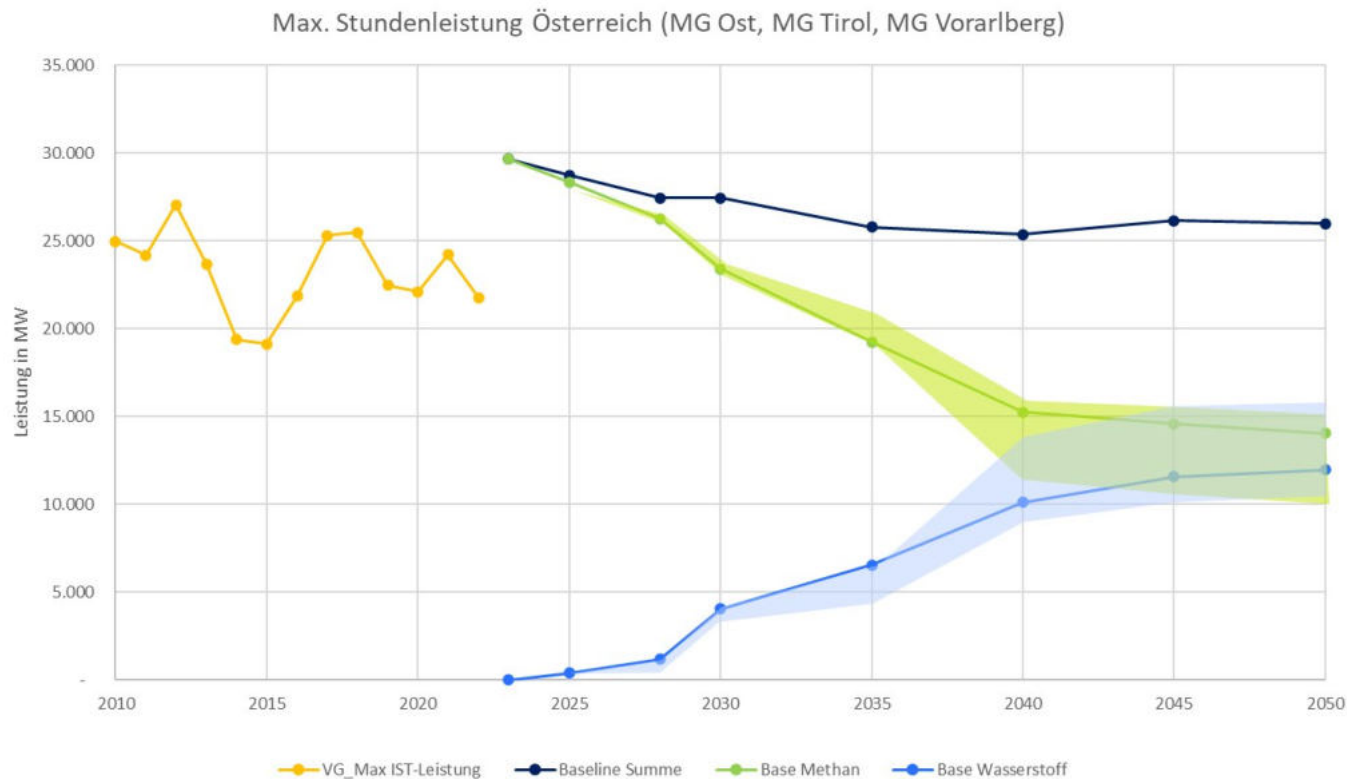
- ▶ Web Gis application for
 - ▶ Biomethane
 - ▶ Hydrogen

The logo for ingRID features the word "ingRID" in a bold, white, sans-serif font. The letters "i", "n", "G", "R", and "D" are lowercase, while "i" is lowercase and "n", "G", "R", and "D" are uppercase. A white graphic element, resembling a stylized grid or a pipe, is positioned above the letters "n", "G", and "R", connecting them and extending slightly beyond the "n" and "R".

ingRID

Injecting green Gas into the grid

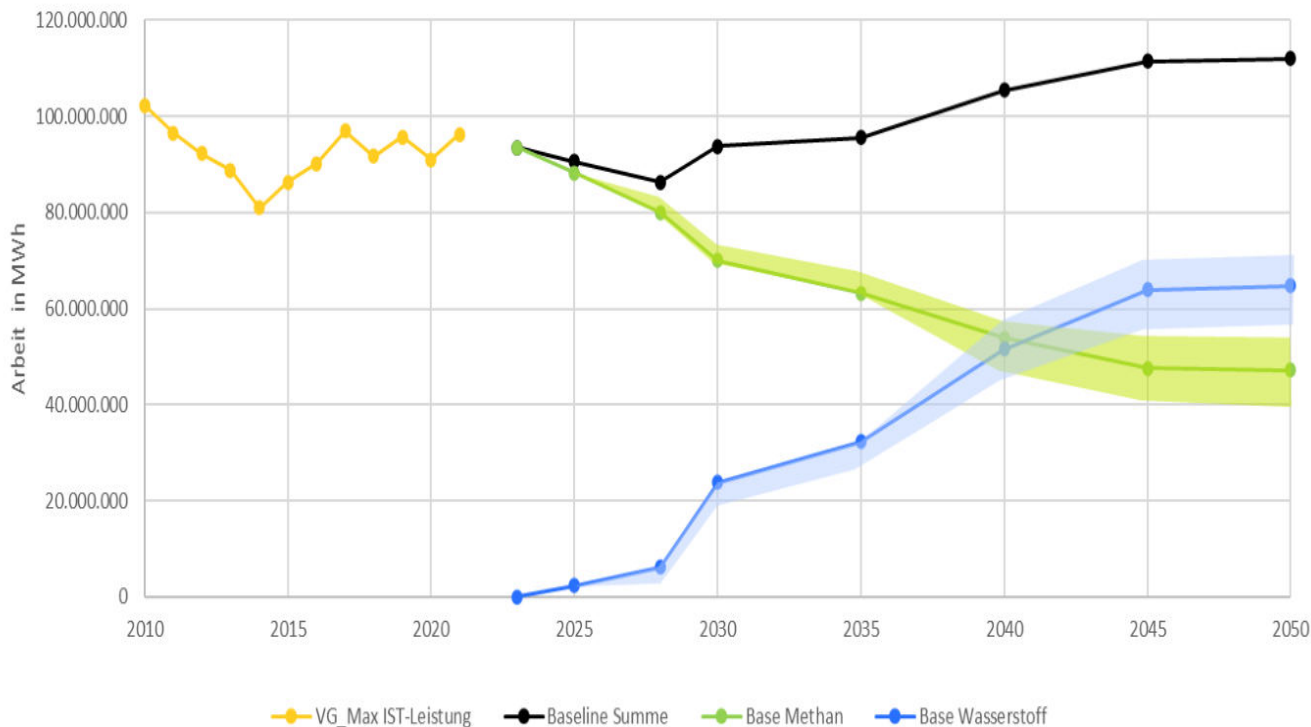
Demand scenario – capacity



Langfristige und integrierte
Planung 2022, Ausgabe 1 vom
9.1.2023, S.27ff:
[www.aggm.at/netzinformationen/
netzentwicklungsplaene/lfp](http://www.aggm.at/netzinformationen/netzentwicklungsplaene/lfp)

Demand scenario – energy

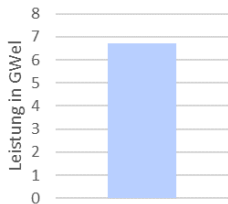
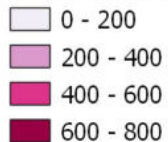
Gas Bruttoinlandsverbrauch Österreich (MG Ost, MG Tirol, MG Vorarlberg)



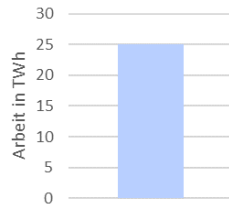
Langfristige und integrierte
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netzentwicklungsplaene/lfp](http://www.aggm.at/netzinformationen/netzentwicklungsplaene/lfp)

H₂ production in Austria 2040

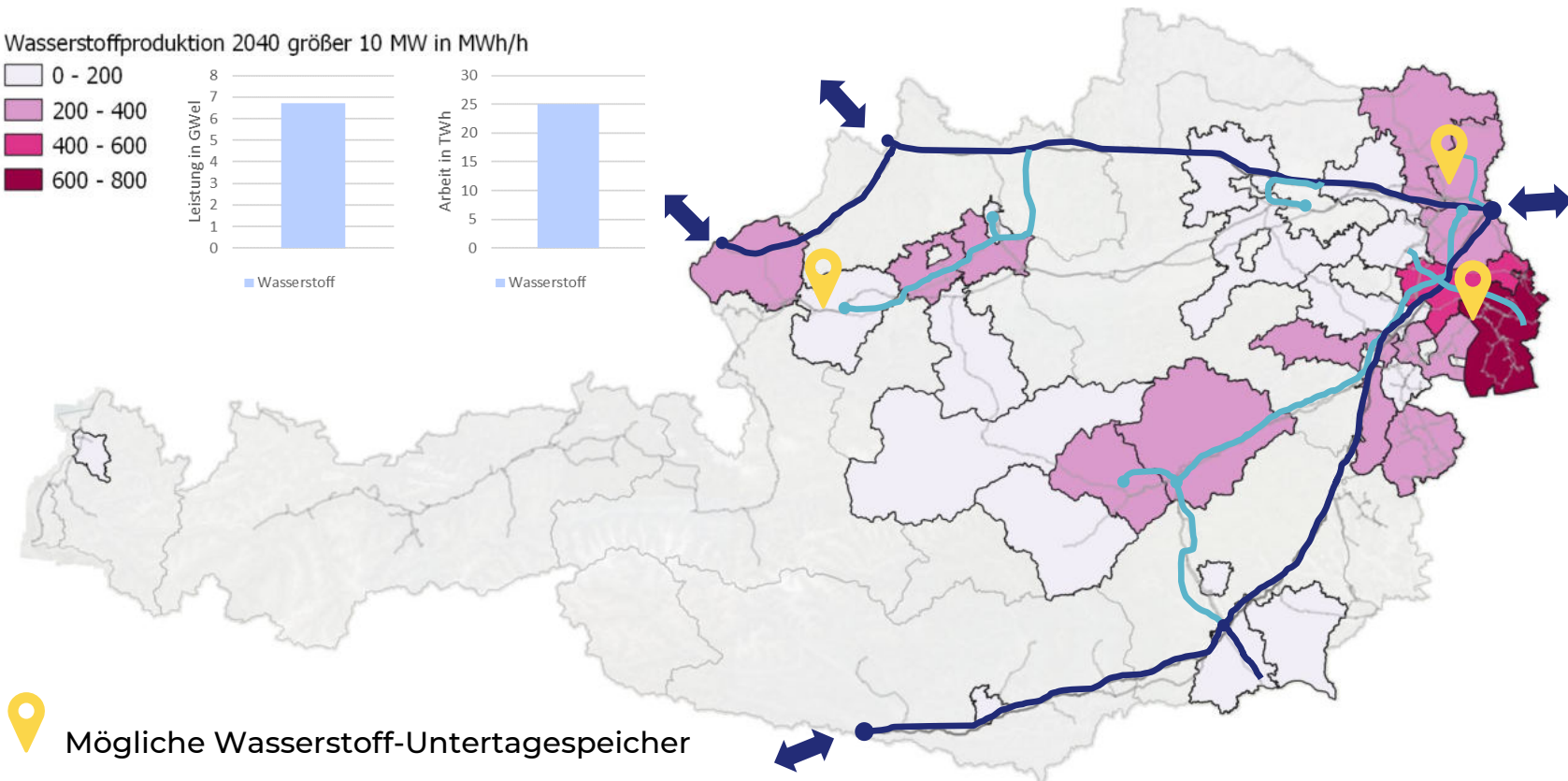
Wasserstoffproduktion 2040 größer 10 MW in MWh/h



Wasserstoff



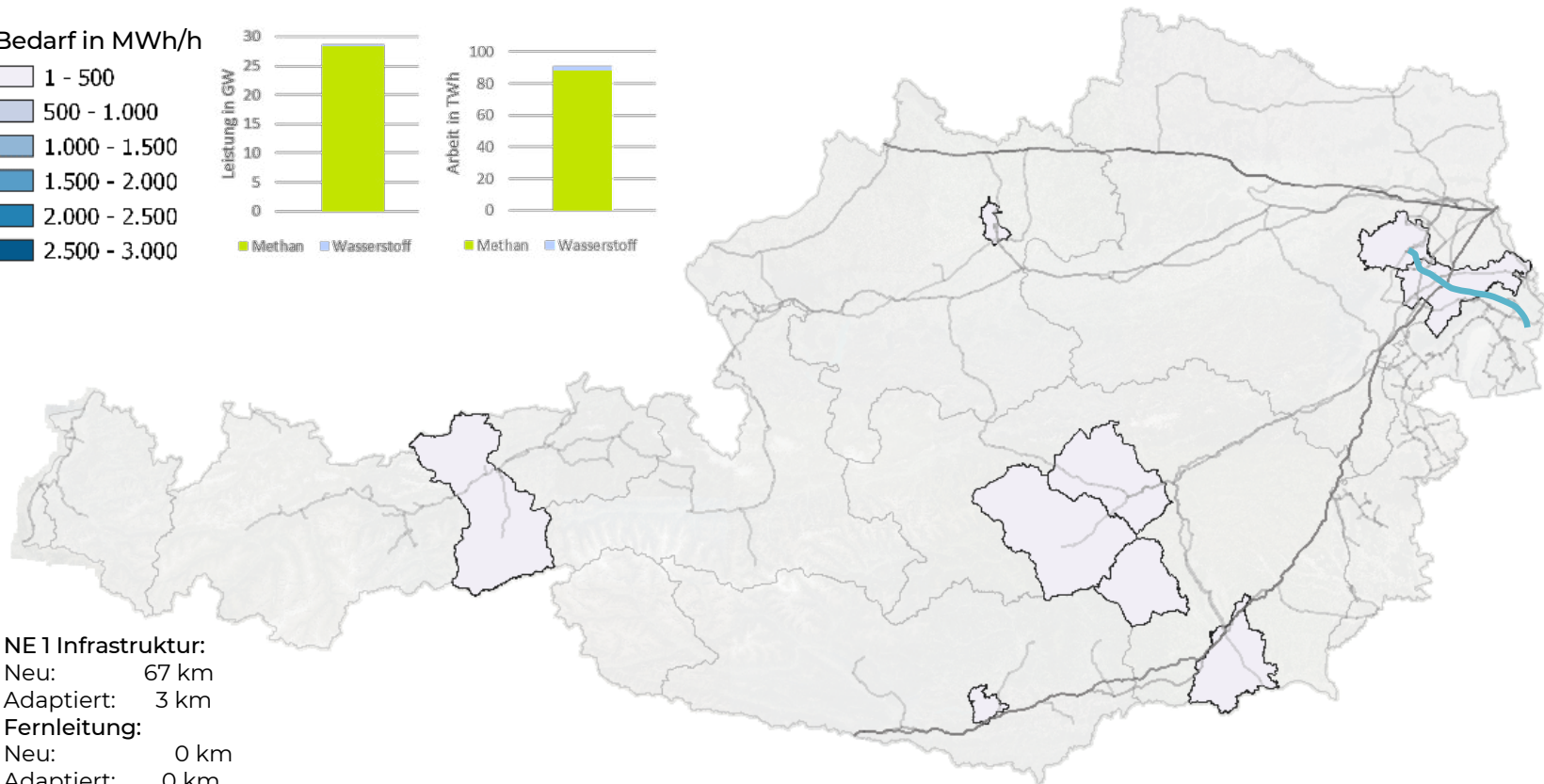
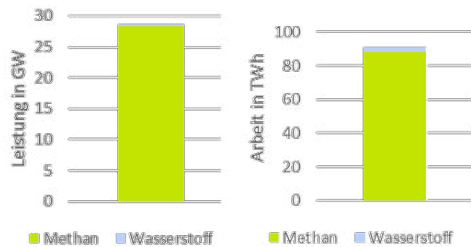
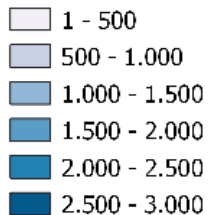
Wasserstoff



Mögliche Wasserstoff-Untertagespeicher

H₂-Roadmap for Austria: Hydrogen Peak-Demand 2026

H₂-Bedarf in MWh/h



NE1 Infrastruktur:

Neu: 67 km

Adaptiert: 3 km

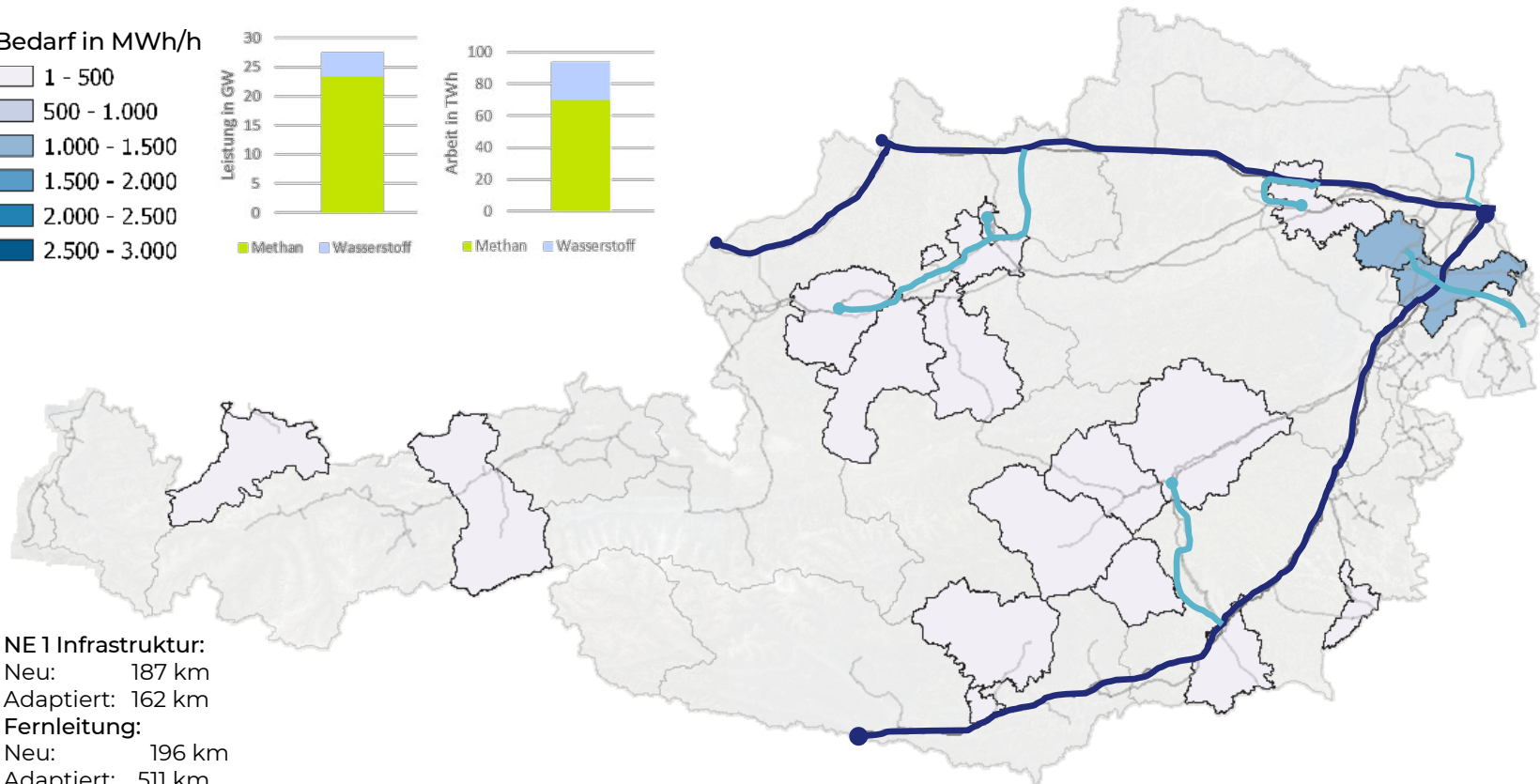
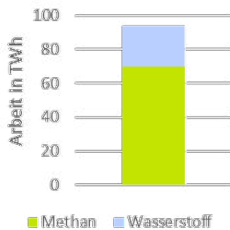
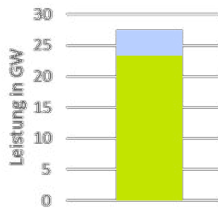
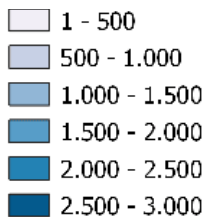
Fernleitung:

Neu: 0 km

Adaptiert: 0 km

H₂-Roadmap for Austria: Hydrogen Peak-Demand 2030

H₂-Bedarf in MWh/h



NE 1 Infrastruktur:

Neu: 187 km

Adaptiert: 162 km

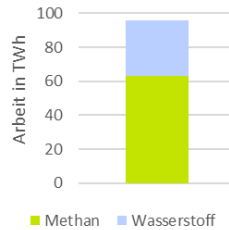
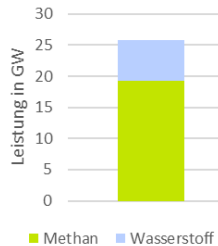
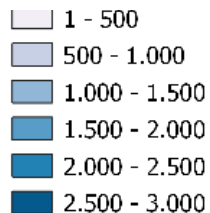
Fernleitung:

Neu: 196 km

Adaptiert: 511 km

H2-Roadmap for Austria: Hydrogen Peak-Demand 2035

H₂-Bedarf in MWh/h



NE 1 Infrastruktur:

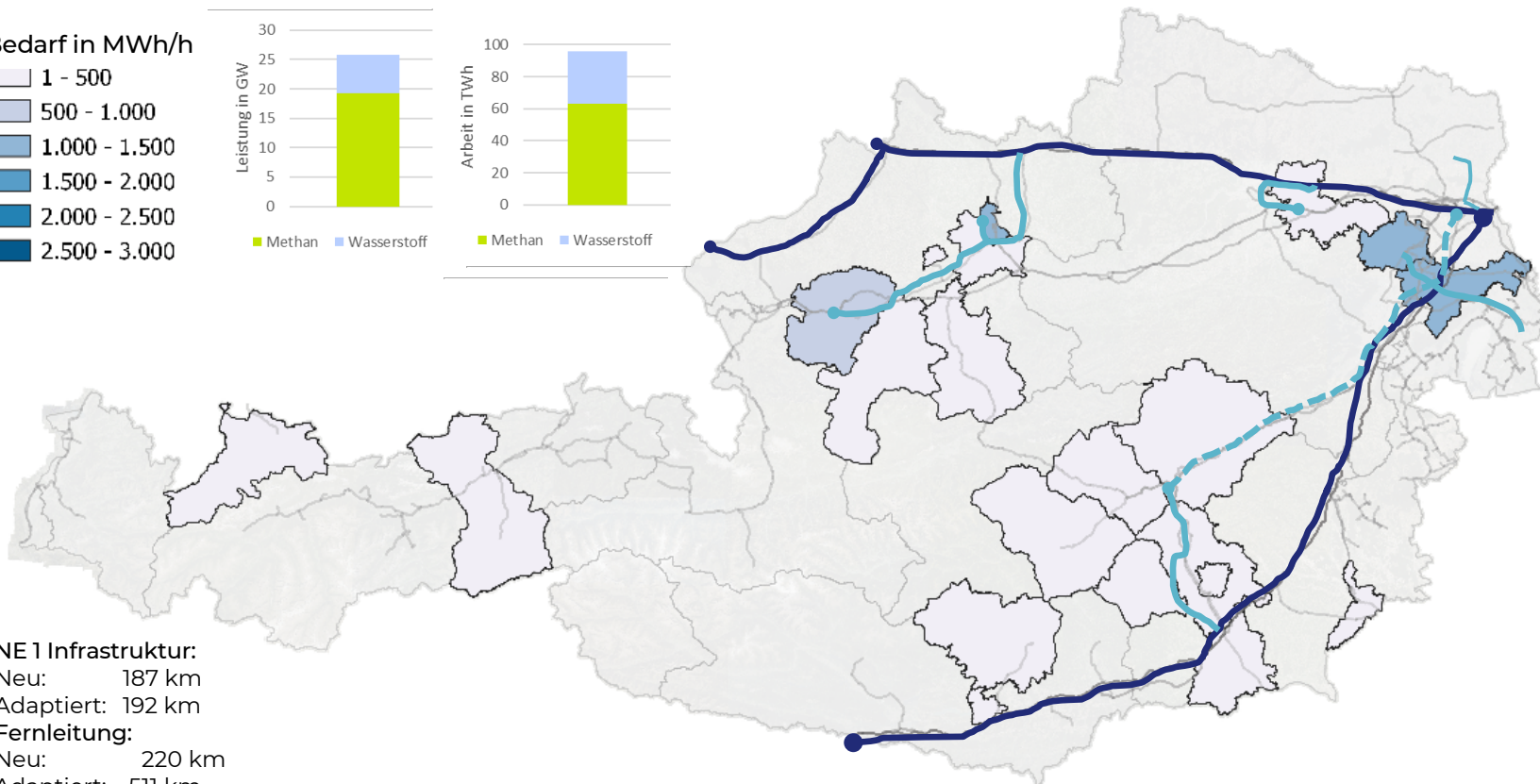
Neu: 187 km

Adaptiert: 192 km

Fernleitung:

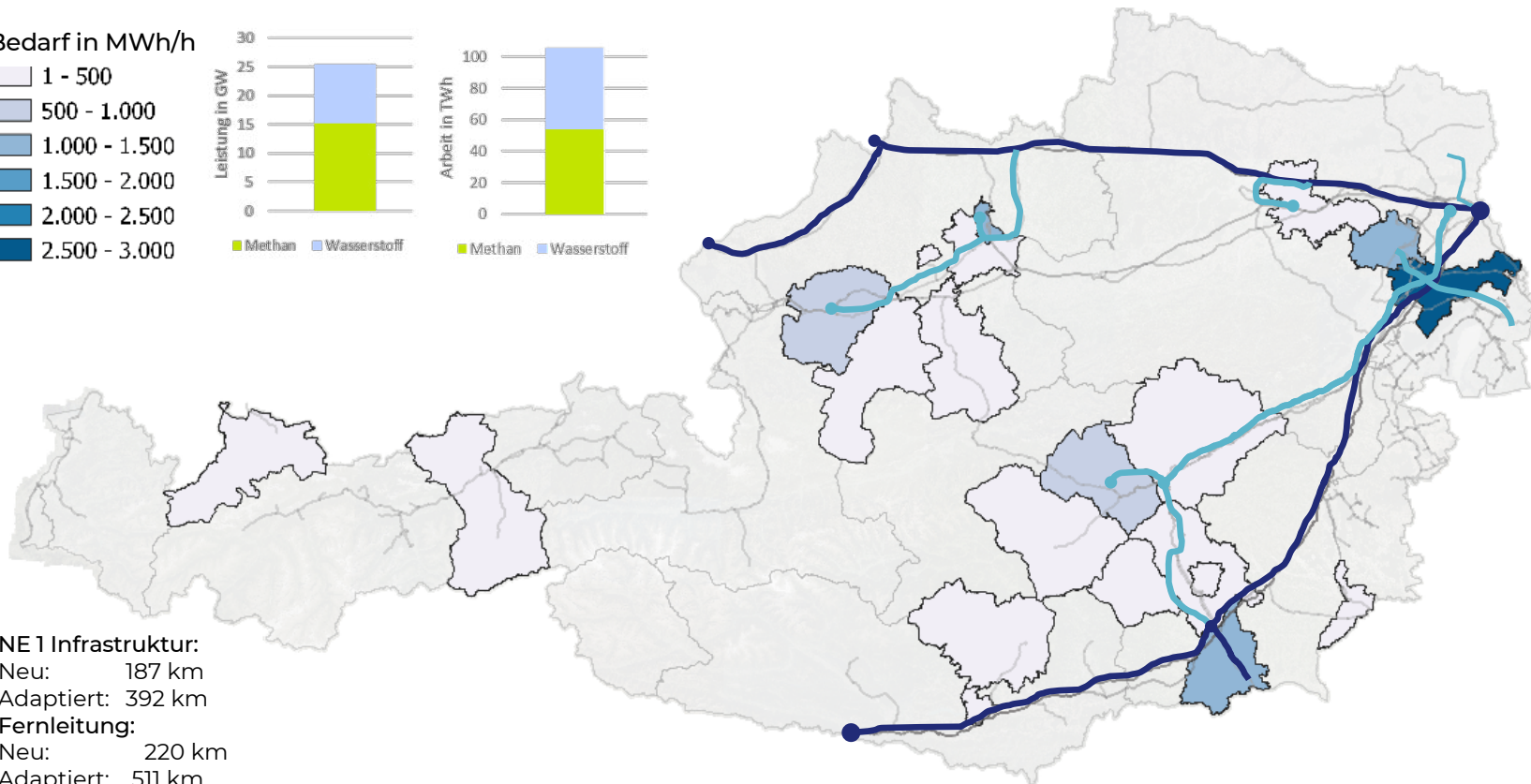
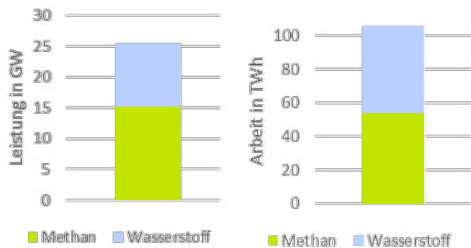
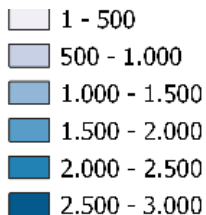
Neu: 220 km

Adaptiert: 511 km



H₂-Roadmap for Austria: Hydrogen Peak-Demand 2040

H₂-Bedarf in MWh/h



NE 1 Infrastruktur:

Neu: 187 km

Adaptiert: 392 km

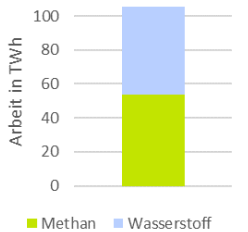
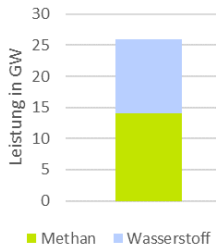
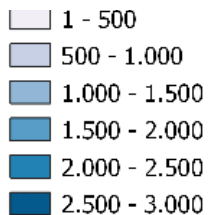
Fernleitung:

Neu: 220 km

Adaptiert: 511 km

H2-Roadmap for Austria: Hydrogen Peak-Demand 2050

H₂-Bedarf in MWh/t



NE 1 Infrastruktur:

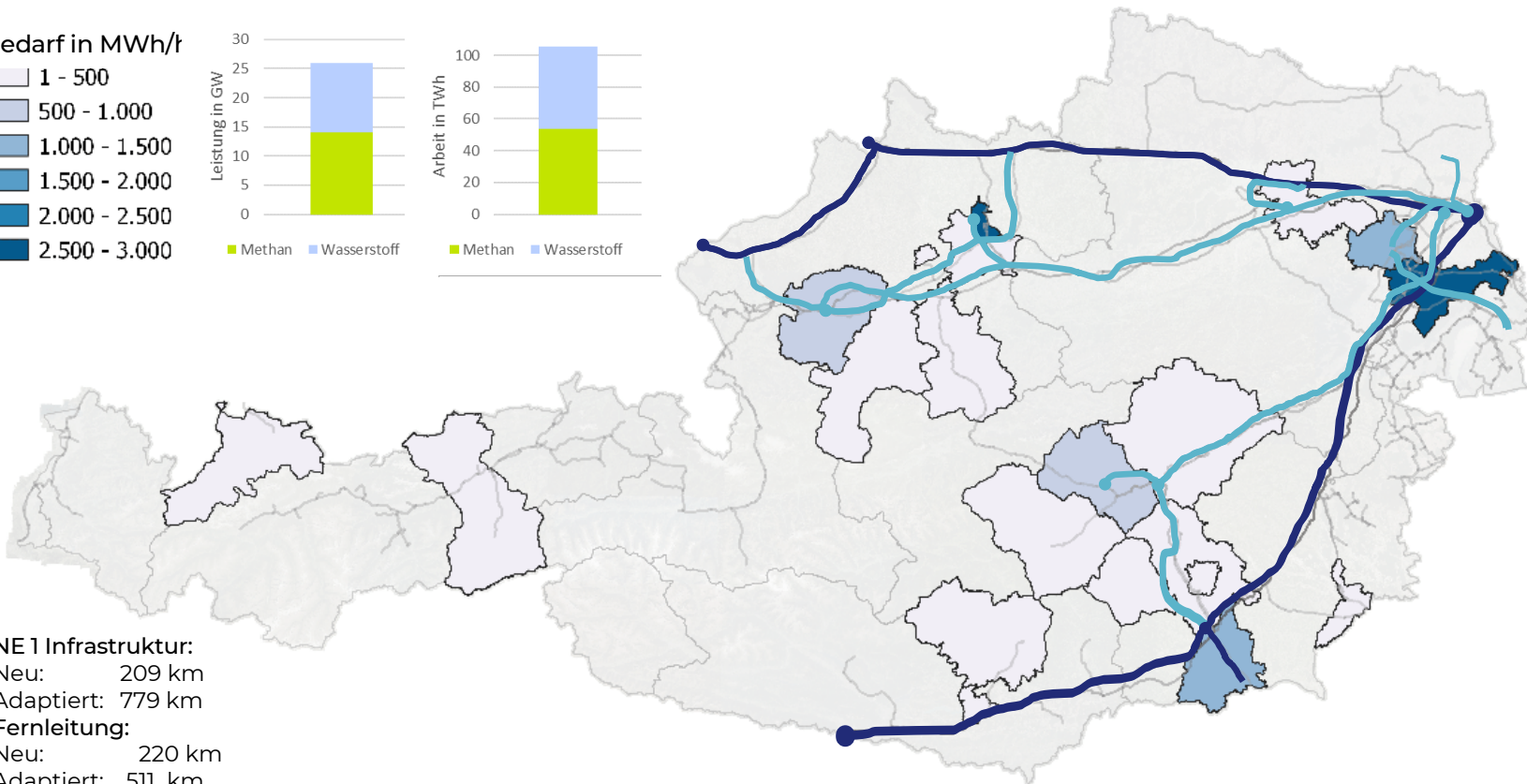
Neu: 209 km

Adaptiert: 779 km

Fernleitung:

Neu: 220 km

Adaptiert: 511 km



H₂-Roadmap for Austria - Conclusions

- ▶ The H₂-Roadmap shows that the organic transformation from the existing gas grid to separated methane and hydrogen grids is possible and efficient
- ▶ The existing gas infrastructure is technically suitable for hydrogen transport with appropriate adaptations
- ▶ The repurposing of about 1,400 km of existing gas pipelines and about 300 km of new gas pipelines allow to cover the entire future transport needs for methane and hydrogen in Austria
- ▶ The storage of hydrogen in Austrian gas storage facilities enables the seasonal shifting of energy surpluses
- ▶ **Regulatory and commercial burden have to be removed to make this development happen in order to support the decarbonization of the energy system**

www.aggm.at/energiewende/h2-roadmap/

**AGGM Austrian Gas
Grid Management AG**

Peak Vienna
Floridsdorfer Hauptstraße 1
1210 Wien, Österreich

DI Helmut Wernhart

+43 (1) 27 560 28872
helmut.wernhart@aggm.at
www.aggm.at

managing the gas grid of today – shaping the energy infrastructure of tomorrow



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