

March 2026



**Position paper
on the EC's Clean Energy Investment
Strategy**

I. General remarks

ENNOH welcomes the publication on 10.3.2026 of the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “Clean Energy Investment Strategy”, COM (2026) 116. We fully agree on the importance of the clean energy transition for EU’s strategic autonomy and on the fact that the European Investment Bank (EIB) is the cornerstone financier of it.

However, ENNOH would like to point out the following two aspects, which in our view should be addressed in the framework of the Clean Energy Investment Strategy (the “Strategy”):

- Although the Strategy talks about grids and networks in general, needed for transportation of both electrons and molecules, we note that the Strategy seems to dominantly address the needs of electricity market and its massive infrastructure upgrades, rather than those of hydrogen. **We would therefore call for express acknowledgement and explicit focus on the specific challenges that the hydrogen market is facing and on the measures needed to help it to emerge.**
- Furthermore, in order to be able to accelerate the investment pace, as envisaged in the Strategy, immediate actions are needed. **The way forward outlined in the Strategy does not, in our view, fully recognise the urgency to create a favourable investment framework for the creation of hydrogen transportation infrastructure.**

Needed focus on hydrogen

Hydrogen transportation projects should be expressly mentioned in the Strategy as supporting the targets. It is to be noted that it would not be enough to rely only on electricity grids. Indeed, to reach strategic autonomy, energy efficiency and resilience, the EU energy system needs hydrogen networks:

- to diversify energy supply and decarbonise hard-to-abate sectors,
- to maximise renewable production and to store it, and
- to secure the electricity system in case of scarcity in electricity production, via dispatchable production means (e.g. hydrogen gas turbine).

Timeline

Immediate and not future actions are necessary, in order to accelerate the investment pace, in particular taking into account the anticipatory nature of hydrogen infrastructure investments. Mechanisms aimed at mitigation of financing risks, supporting infrastructure development without placing undue pressure on energy tariffs should be put in place in the nearest possible future to enable the existing projects to be developed and Final Investment Decisions (FIDs) to be taken. **The needed legal basis for this purpose should be provided in the revision of TEN-E regulation and/or in the upcoming European Competitiveness Fund regulation¹.** A proposed reliance on the “post-2030 legislative package” foreseen for Q4 2026 as envisaged in the Strategy’s conclusions and way forward

¹ COM (2025) 1006 Proposal for a regulation on guidelines for trans-European energy infrastructure and COM (2025) 555 Proposal for a regulation on establishing the European Competitiveness Fund (ECF)

section, would discourage the investments in the hydrogen infrastructure needed today and as a consequence would prevent the nascent market from being developed.

II. Specific remarks

II.1. Need for targeted solutions specifically for hydrogen networks

Regarding the specific measures proposed for energy infrastructure, ENNOH would like to make the following remarks and a concrete proposal.

We refer to the proposed Action 1 (Strengthening Grid Operator Balance Sheets). ENNOH agrees that additional support to operators is needed to finance energy infrastructure investment without degrading the operator's credit ratings and that the EIB Group is best suited to provide this support. However, the proposed instruments do not take into account the anticipatory nature and corresponding profile of financing need of hydrogen network investments, which require specific intertemporal cost allocation facilities due to limited revenue visibility. Networks facing significant uncertainty in market development need such a specific derisking mechanism. **Unlike electricity grids, hydrogen network issues are less about credit limits, financial rating or debt limits but more about the need to have sufficient revenues in the earlier years of an anticipatory investment.**

Actions 1.a *Strategic Infrastructure Fund* and 1.c *Hybrid Bonds* support project financing (i.e. to find co-investors buying equity or quasi-equity). The proposed action points seem more targeted for offshore electricity developments and for power DSO reinforcement where investments are huge compared to the size of the companies.

Action 1.b. *The Operator Securitisation Facility* seems more fit for de-risking investment. However, it would be helpful to have more elaborations on specific details. The Strategy mentions "*off-balance sheet financing structures that could convert future regulated revenue streams into immediate liquidity*". This is similar to what hydrogen networks need because of the anticipatory nature of their investments, albeit with some remarks. Indeed, in the market ramp-up phase, there will be a regulated revenue gap for HTNOs that should be covered by payments (e.g. coming from a special purpose vehicle to secure an immediate liquidity). Given the ramp-up phase of the hydrogen market (i.e. anticipatory period), these payments would require to be backed by a guarantee. Moreover, in our view some aspects of the envisaged operator facility should be described more clearly to avoid misinterpretation and reduce room for interpretation. In particular, it is not clear what is meant by referring to the need of "*ensuring that physical assets remain under public ownership*", since the assets, such as the network infrastructure, normally belong to the network operators who may be publicly or privately owned companies.

II.2. Proposal for an EU guarantee to de-risk investment in hydrogen network

The hydrogen network needs an EU guarantee to support hydrogen infrastructure investments across regions and Member States. This will attract investors because there will not be enough network users to make projects bankable during the ramp-up phase of the hydrogen economy.

ENNOH also shares the Commission's assessment that public EU or national guarantees are suitable to de-risk and therefore secure and encourage investment, as well as recognition of their cost reducing effects for long-term investments. Indeed, ENNOH supports using public funds to build an EU guarantee. This will play a critical role by leveraging substantial private capital, reducing capital cost and so lowering the energy transition cost.

For the above reasons, **ENNOH proposes to supplement the initiatives mentioned in the Strategy by introducing a mechanism to be applicable to hydrogen investments to secure payments to cover the financing gap during the earlier years of development.** Such mechanism is detailed in annex to the present position paper. It describes an Inter-temporal Cost Allocation-based approach to ensure non-prohibitive tariffs, combined with an EU budget-backed guarantee.

Annex: Description of an EU inter-temporal cost allocation mechanism with an EU guarantee

This mechanism to de-risk hydrogen infrastructure cross-border projects combines Intertemporal Cost Allocation (ICA) with an EU level guarantee, mirroring the national scheme foreseen in article 5(3) and 5(6) of regulation 2024/1789.

An ICA will lower the tariffs in the first years of the investment to attract shippers. The missing allowed revenues due to that tariff reduction will be compensated by payments coming from a SPV – Special Purpose Vehicle – financed by private and/or public investors. HTNOs will, in the maturity years, collect deferred revenues to reimburse the SPV.

Investments into the SPV will be covered by an EU-level guarantee. EU-backed guarantees, such as those offered under the InvestEU programme have proven instrumental in de-risking high-CAPEX and high-risk projects.² Similar to the national ICA-schemes, the EU guarantee should be conceived as a “safety net” for a case that the development of the hydrogen market does not reach the state of maturity required by EU targets by a certain deadline (which can be measured by fulfilment of certain pre-defined criteria).

Private capital will be attracted by the EU guarantee, by enhancing confidence in the project and it will also secure HTNOs regarding the possibility to cover allowed revenues. The financial features of the private sector loan to the SPV are not – in the absence of a guarantee – usual in the banking industry (very long tenure, very long commitment/availability period with no or limited commitment fees, repayment conditional on surplus), hence the need for the EU guarantee.

EIB and/or other implementing partners will collect this private capital and/or put in place the financial architecture, i.e. the Special Purpose Vehicle – SPV. In addition to managing payments to and from HTNOs, the SPV is needed to deconsolidate the debt of the HTNOs, otherwise HTNOs would borrow money at a higher interest rate or will not be able to borrow money at all³.

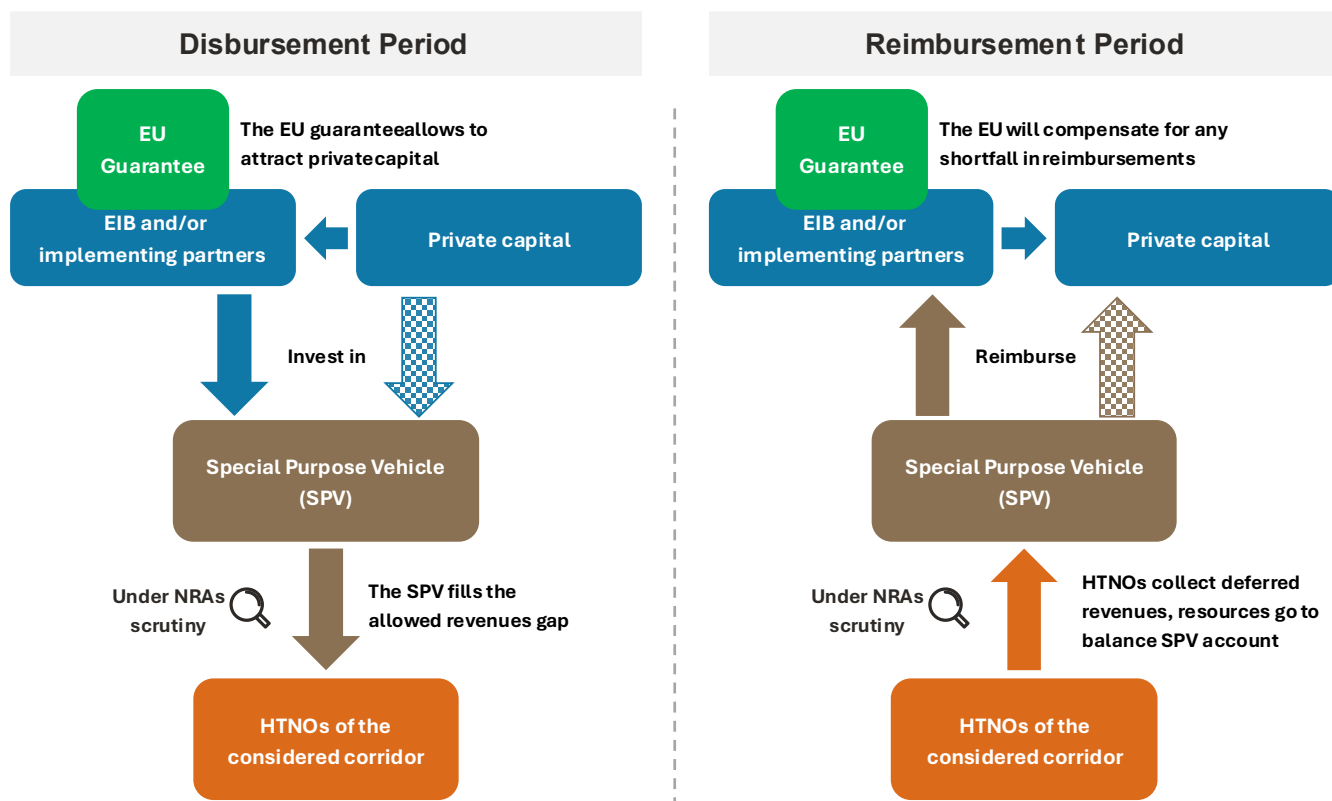
NRAs will set the initial tariffs and the level of the missing allowed revenues, based on ACER recommendations⁴, as foreseen in article Articles 5(3) and 5(6) of Regulation 2024/1789 as well as other applicable national and European legislation on tariff-setting methodologies.

² Investment needs report 2025, page 153, Trinomics - Artelys - LBST report (2025) for the EC: https://www.artelys.com/app/uploads/2025/02/Artelys_investment-needs-of-european-energy-infrastructure...

³ Financing Offshore Interconnectors across the North Sea, Elia group, November 2025, page 16: “Indeed, Moody’s estimates that TSOs can maintain key credit metrics with annual investments of up to ~10% of their Regulatory Asset Base. Beyond this, equity injections or quasi-equity instruments are required to preserve credit quality. Broader market signals, such as Moody’s April 2025 negative outlook on European regulated electricity networks, indicate that rising debt may translate into higher borrowing costs, further constraining TSOs’ financial flexibility and their capacity to fund critical infrastructure efficiently through debt”.

⁴ ACER Recommendation 02-2025 on inter-temporal cost-allocation

Then, once the market is developed enough, HTNOs will collect deferred revenues to reimburse the SPV. If the H2 market is not strong enough to fully cover the expected revenues, the EU guarantee will compensate the difference.



Schematic overview of the design of an EU inter-temporal cost allocation mechanism with an EU guarantee