

EXCLUSIVE INSIGHTS /// ACTIONABLE INTELLIGENCE /// EXCLUSIVE SURVEY ANALYSIS

# ENERGY TRANSITION DIALOGUES

# INTELLIGENCE BRIEFING

ISSUE 15, MONDAY, JULY 5<sup>th</sup>

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**SCROLL DOWN!**

**ELECTROLYZER SHIPMENTS SOAR** **MAKING H<sub>2</sub> DOLLARS WORK?** **IN REVIEW: EXCLUSIVE SURVEYS**

## ADOPT A NET POSITIVE STRATEGY

**Ibrahim Al-Zu'bi, Chief Sustainability Officer, Majid Al Futtaim Holding & Senior Associate, Cambridge Institute for Sustainability Leadership (CISL)**

**T**he magnitude of today's sustainability issues requires a vision that goes beyond net zero goals; companies must consider adopting net positive strategies.

This new way of doing business puts more back into society, the environment, and the global economy than it takes out. Momentum has never been stronger, so now is the time to act. Think about the chain of events that have occurred between COP21 in 2015, when the Paris Agreement took shape, and COP26 in Glasgow later this year and you see huge technological innovations and a major rise in sustainable finance. We are also seeing a surge in ethical consumerism, a significant reduction in the cost of renewable energy, and renewed commitments from countries and corporates to tackle sustainability issues, notably via net zero targets.

### Holistic focus on water

The Middle East must invest more in water security. Majid Al Futtaim Holding has pledged to be net positive in water by 2040. Our strategy takes into account the full circularity of the water cycle, which covers investing in sewage treatment plants (STPs) onsite, water efficiencies, awareness, and smart usage during construction. We are also looking into technologies that capture water from the air. Innovation is paramount to tackling the water challenge in the region.



**FULL INTERVIEW HERE!**

## TOP TAKEAWAYS

- The seriousness of sustainability issues means net positive strategies must be explored.
- ESG is now a prerequisite for access to capital. "Business as usual" is no longer an option.
- The Middle East must invest more in water security, with strategies that consider the full circularity of the water cycle.

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# HYDROGEN ELECTROLYZER SHIPMENTS IN 2020 UP 30% ON 2019

Dr. Faye Al Hersh, Technology Specialist  
– Strategy and Corporate Development, Masdar

Investors' interest in green hydrogen is bound to grow. This was evident in the numerous announcements, partnerships, and acquisitions that were made across different sectors. The total capacity of electrolyzers shipped from manufacturers to customers in 2020 is estimated to be almost 30% higher than in 2019 – reaching 200MW. Another 17GW are currently planned, with projections that 2021 will see more than double the deployment of 2020.

### Watch out for GCC!

What best describes the state of development in the Arab region is the number and the scale of the announcements that were made in the past year. With the aim to position Abu Dhabi and the UAE as a leader in green hydrogen and create a hydrogen economy, Mubadala, together with ADNOC and Abu Dhabi Developmental Holding Company (ADQ), announced the creation of the Abu Dhabi Hydrogen Alliance. In a separate announcement, Masdar, along with strategic partners, stated that it is developing a green hydrogen and synthetic fuel demonstration project, focusing specifically on sustainable aviation fuel. The project is expected to be commissioned by the first quarter of 2024. We have also witnessed similar announcements in Oman and Saudi Arabia. The GCC is surely one to watch and we expect more developments as it progresses to position itself as a trusted exporter of decarbonized hydrogen.



[FULL INTERVIEW HERE!](#)

## 530

million tons is the expected global demand for green hydrogen in the medium term. This will displace 10.4bn barrels of oil equivalent by 2050.<sup>1</sup>

## 10-25

reduction in US' greenhouse gas (GHG) emissions can be achieved by replacing just 10% of the nation's natural gas supply with hydrogen.<sup>2</sup>

## TOP 5 NEWS STORIES

[US Natgas Firms Put Hydrogen to the Test](#)

[Baker Hughes, Samsung Engineering Partner on Hydrogen](#)

[Airbus May Test Hydrogen Tanks on the A380](#)

[UAE, KSA Vying for Hydrogen Exports](#)

[Reliance's Push Towards Green Hydrogen?](#)

<sup>1</sup>/Qamar Energy <sup>2</sup>/Masdar

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## PODCAST

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## THIS WEEK

## HYDROGEN: MAKING FINANCES WORK?

Thomas Engelmann, Head of Energy Transition,  
KGAL Investment Management

FULL PODCAST HERE!

**We cannot compare the cost of green hydrogen with grey hydrogen without considering the cost of the latter. The path to producing hydrogen at the lowest cost possible may contain an array of shades, but the ultimate destination is green. To make this a reality, we need subsidies and orders from government bodies to ensure financial incentives to invest in projects. These may not be so profitable right now, but they will have greater returns soon.**

**No time for “wait-and-see”**

Investors are waking up to the urgency of climate change and the threat of distressed assets. We see oil majors actively trying to diversify their portfolios to include renewable energy sources and tap new markets, such as hydrogen. Wait-and-see is no longer an option. Now is the time to shift away from fossil fuels and for many industries, hydrogen is the optimal solution.

FULL PODCAST HERE!

Yusuf Macun, Managing Partner  
Cranmore Partners

**The challenges of the hydrogen market are significant – but so are the opportunities. One of the key points to consider is the value of being near off-takers. The EU is already going in this direction, with corridors between optimum producers and bulk buyers being established. The Middle East needs to find its place within this context. Focusing on local demand is also important. The equation of exporting into jurisdictions that have other importing options will be a challenging one. Would Germany purchase hydrogen from Spain or Saudi Arabia, for example? Perhaps both, but Germany would be under pressure to prioritize imports from EU producers first.**

**Organic development**

Significant subsidies will not make hydrogen, or any other industry, sustainable. It must take shape organically. Governments must be sensitive to the minimum level of intervention that is required to gain momentum and scale up. What it comes down to is off-takers and logistics delivering from an optimal production point. Roadmaps and strategies are good, but speedy implementation is what matters now. We need tangible decisions on what various roadmaps mean when it comes to their impact on actual hydrogen projects.

237,000

tons per year is the capacity of what could be the world's biggest advanced and large-scale green hydrogen production project. The \$5bn Helios project in Saudi Arabia's Neom is being developed by Acwa Power and Air Products.

9.4GW

of green hydrogen projects have been announced by European companies so far. Most are due onstream by 2030.<sup>1</sup>

<sup>1</sup>/ Wood Mckenzie

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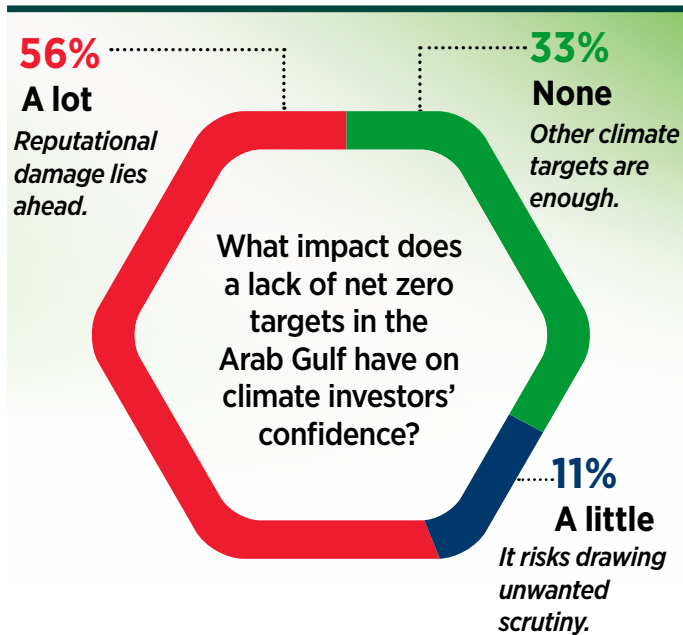
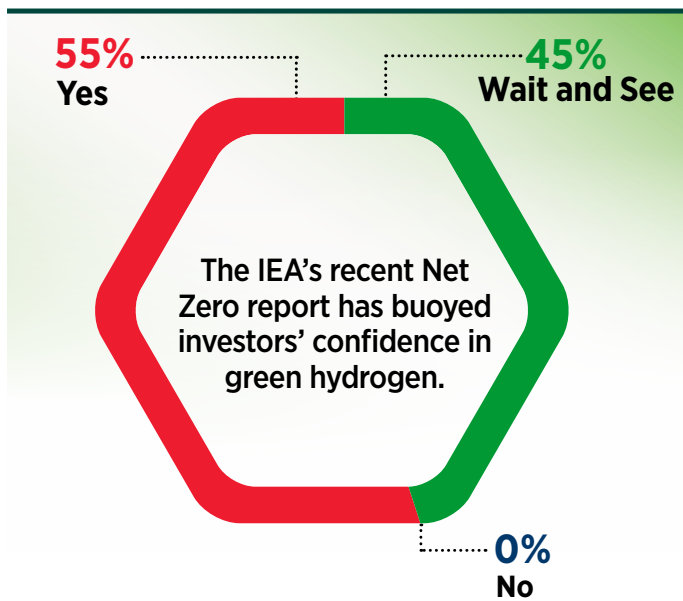


# REVIEW EXCLUSIVE SURVEYS – JUNE

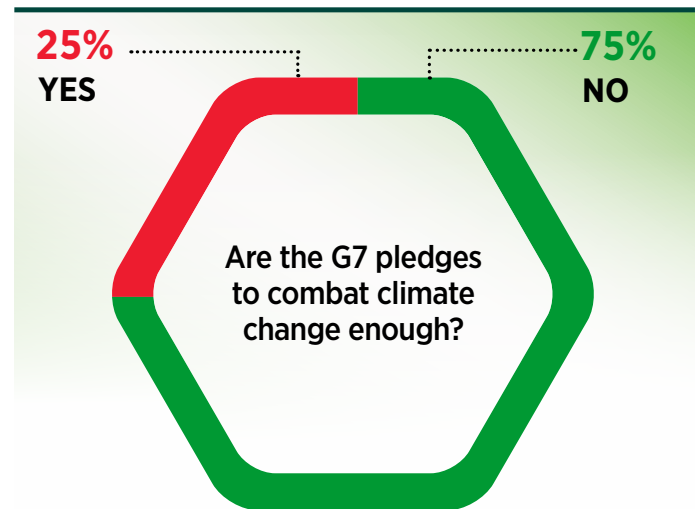
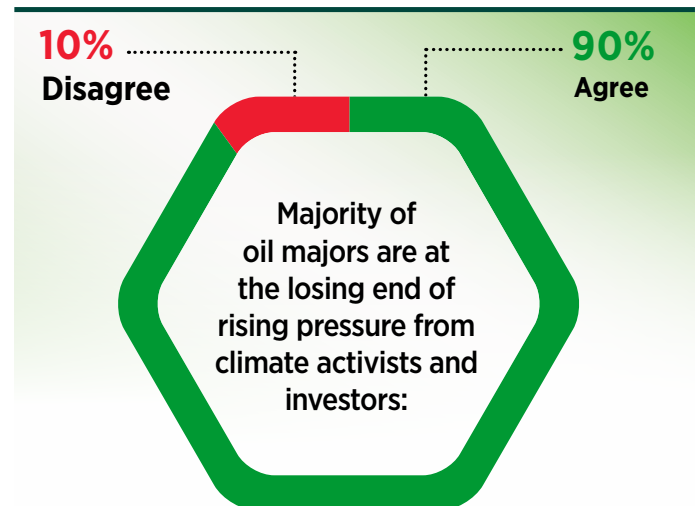
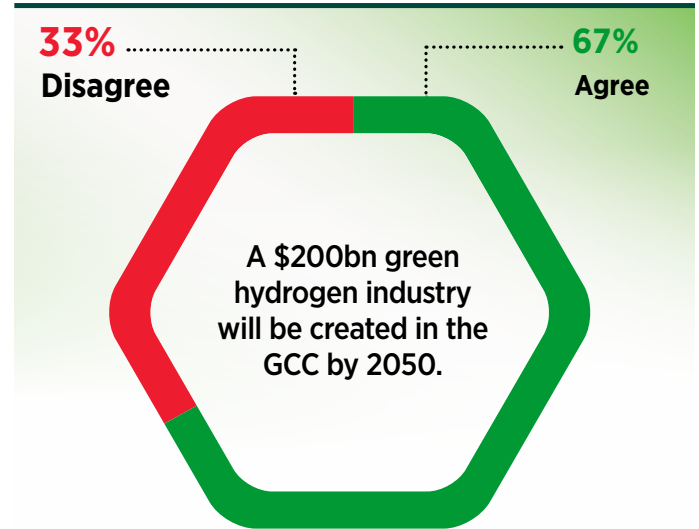


**Michelle Meineke**  
 Director, Energy Transition Dialogues

**E**xclusive to Gulf Intelligence’s Energy Transition Dialogues platform, these survey results are our top picks from June. Each relates to one of the 5 Key Themes of the energy transition that we focus on: Big Oil, Hydrogen, Climate Finance, Circular Economy, and Green Technology. These results reflect energy and finance markets’ state of flux as the speed of environmental pressures intensifies beyond all expectations.



Survey source – ETD



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# THIS WEEK'S EVENTS

## ENERGY TRANSITION DIALOGUES



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### TWO MINUTE WARNING INTERVIEW SERIES

Tuesday /// July 6<sup>th</sup> /// 12:00 (UAE)

**Pascal Chalvon Demersay**  
Chief Sustainability Officer  
Solvay Group



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## ENERGY TRANSITION DIALOGUES



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### **H<sub>2</sub> HYDROGEN** **FULL COURT PRESS**

**Andrew Horvath**

Global Group Chairman  
Star Scientific

Wednesday /// July 7<sup>th</sup> /// 11:00 (UAE)

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