

NEW RULES FOR H2 INCENTIVES

The Portuguese Recovery and Resilience Plan (PRR) funds an incentive program for renewable hydrogen and other gases production. Applicable rules have finally been published.

All projects owned by public or private entities related to renewable gases production, incorporating the development of new technologies, may apply for the Portuguese Recovery and Resilience Plan's hydrogen incentive program, approved by [Order 98-A/2022, of 18 February](#), which shall apply retroactively to all 41 applications registered submitted to this date.

Future notices of invitation to tender shall comply with the rules set out in [Regulation \(EU\) 2021/241](#) of the European Parliament and the Council of 12 February 2021. They will be published at the website www.fundoambiental.pt.

The Portuguese Environmental Fund is the responsible authority for conducting the whole process of analysing the applications and notifying the participants within 60 working days of its acceptance or non-acceptance decision.

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To benefit from these incentives, companies must:

- Be legally established;
- Have their tax and social contributions obligations in order;
- Be able to develop activities in Portugal;
- Declare not to have any unpaid salaries;
- Have the technical, physical, and financial resources to develop their activities; and
- Have a financially healthy environment.

Eligible expenses include all investment costs that are demonstrably related and strictly necessary to the production of renewable gases. Consequently, the eligible expenses will correspond to the difference between the investment costs to produce renewable gases foreseen in the application and the investment in a conventional plant for the production of hydrogen of identical production capacity. Applicants may also include accessory investments with storage, transportation, and distribution of renewable gases.

Expenses such as consumption and current maintenance costs, property purchases, electricity transportation infrastructures investment; interest and other financing charges, and publicity are not eligible.

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