

PRESS RELEASE

**HYDROGEN TAKES ITS PLACE IN THE COUNTRY'S FUTURE ENERGY MIX
TEREGA WILL BE A VITAL ACCELERATOR IN THE TERRITORIES THROUGH THE HYSOW PROJECT**

The French people definitively see hydrogen as an energy carrier for the future. This is according to the latest edition of "The French and Hydrogen", a survey published every year by Teréga in partnership with Harris Interactive, which aims to paint a clearer picture of what the French think about energy, and renewables in particular.

The future infrastructures that will make it accessible at competitive prices are taking shape, against the backdrop of an unprecedented energy crisis. These include the HySoW (Hydrogen South West) project, a 600 km infrastructure connected to the H2Med project and supported by more than 30 actors (regions, producers and consumers), and now a part of the energy landscape of a decarbonised South West.

In the face of the much-publicised energy challenges and the continuing difficult geopolitical situation, the 2023 edition of the survey

"The French and Hydrogen" reveals their hopes and fears on the matter.

Energy costs: a core concern for the French

Unsurprisingly, the French are increasingly worried about their growing energy bills. In 2022, 8 out of 10 French people say they have seen them going up, and 92% consider they will continue to rise in 2023. Nearly half of them (43%) even reveal they have experienced difficulty in paying those bills (58% of them in lower social groups), despite spending plans frequently being put in place (47%).

Lingering doubts over the issues of energy independence and transition

Over the past two years, opinions on the issues of energy sovereignty and forward planning for the energy transition have taken a negative turn. Currently only 38% of French people feel France is independent from the point of view of energy (-21 points since 2021).

Only 41% think France's energy mix contains enough renewables (-11 points in two years), but 45% think France is planning ahead well enough for the disappearance of fossil fuels from that same energy mix (-10 points in two years). As a response to those challenges, the idea of nuclear forming an essential part of the energy mix (84%) has gained ground since 2021 (+7 points).

While the French still want to believe that the country can do away with fossil fuels by 2050, they are less convinced than they were in 2021, whether for public transport (-12 points), for domestic electricity supplies (-16 points) or for business activities (-13 points).

Hydrogen still seen as an energy source for the future

In the eyes of a large majority of French people, hydrogen is still seen as an energy source for the future, due in particular to its "clean" nature and its usefulness in reducing carbon emissions; few people see it as hazardous. However, only 37% of them judge public investment in this area to be sufficient.

At present, the development of research into hydrogen is perceived as a good thing by the French (89%), especially by those who say they are familiar with this energy source. They think it is particularly important for strengthening France's energy independence (85%) and avoiding the risk of shortages (86%).

As further proof of changing attitudes, hydrogen is now seen as an energy source that will be available to use in the near future: more than 6 French people in every 10 think it could be used in industry, in business and for public service applications before 2050 (particularly when it comes to public transport).

Be that as it may, significant work is still needed to raise awareness, since only a quarter of French people say they have heard talk of the hydrogen storage and transport infrastructure projects that will allow its use to be extended on a massive scale.

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With the HySoW (Hydrogen South West) infrastructure project, Teréga is a major accelerator of the development of hydrogen in the territories

To accelerate the transition to decarbonised hydrogen in our energy mix, Teréga has launched the HySoW project, a hydrogen transport and storage infrastructure, and a major element in the coming European hydrogen backbone. This project qualifies as a Project of Common Interest (PCI) under the new Trans-European Networks for Energy (TEN-E) regulation (EU/2022/869).

At the heart of Occitanie and Nouvelle Aquitaine, the Hydrogen South West Corridor of France project, known as HySoW and being driven forward by Teréga, slots into the aims of securing energy supplies while accelerating the ecological transition and decarbonisation. The ambition is to develop storage and transport infrastructures for renewable and low-carbon hydrogen by 2030, enabling the interconnection of major industrial and mobility hubs in the territories of Occitanie and Nouvelle-Aquitaine with flows of locally-produced hydrogen such as those coming from Southern Europe, the Mediterranean and the Atlantic coast (French production and imports). This project also aims to strengthen security of supply across the whole energy system through hydrogen storage and an H2 to Power project.

This corridor will comprise about 600 kilometres of pipelines, 40% of which could be converted from natural gas to hydrogen, allowing the transport of 16 TWh/year of decarbonised hydrogen across the whole of the South West. The project will be structured around salt caverns in Nouvelle-Aquitaine providing significant hydrogen storage facilities with a capacity of 500 GWh GCV in 2030, with the possibility of increasing that to 1 TWh GCV by 2050.

HySoW has come forward as a facilitator of the H2Med "green energy corridor" project, officially announced by the French, Spanish and Portuguese Heads of State and governments at the Euromed Summit in Alicante last December, and supported by the European Commission. It is one of the first pillars of the Mediterranean part of the future European Hydrogen Backbone. H2Med was put forward jointly by Enagás, GRTgaz, Teréga and REN on Thursday 15 December 2022 as a candidate Project of Common Interest.

From 2030 onwards, HySoW will generate considerable benefits for the territories and will be a real lever for deployment of the hydrogen strategies already initiated by the two regions. Besides which, this project will be essential for transporting hydrogen around the South West basin, which should account for nearly 16% of French hydrogen production by volume by then (according to data from France Hydrogène).

In the consultation conducted by the European Commission as part of its PCI programme, HySoW received 37 non-binding letters of support from institutions, producers, consumers and operators. Those letters came from significant actors including: The Ministry of Ecological Transition, the region of Occitanie, the region of Nouvelle-Aquitaine, the Occitanie Regional Energy and Climate Agency, the Nouvelle-Aquitaine regional Chamber of Commerce and Industry, the Occitanie Pyrénées-Méditerranée regional Chamber of Commerce and Industry, the Aude Chamber of Commerce and Industry, the Plateau de Lannemezan federation of municipalities, France Hydrogène, the DERBI competitive cluster, the Grand Port Maritime of Bordeaux, the Port of Bayonne, SEMOP Port-La-Nouvelle, DEME, EUROPORTS, DH2 Energy, QAIR, HyLann, HDF Energy, Elyse Energy, Verso Energy, H2V, Lhyfe, Lafarge, EQUANS, FOSELEV, H2PULSE, NGE, ARM Engineering, Planhydro, Fibre Excellence, BASF Health and Care Products France, and Aerospace Valley.

For Dominique Mockly, Chairman and CEO of Teréga,

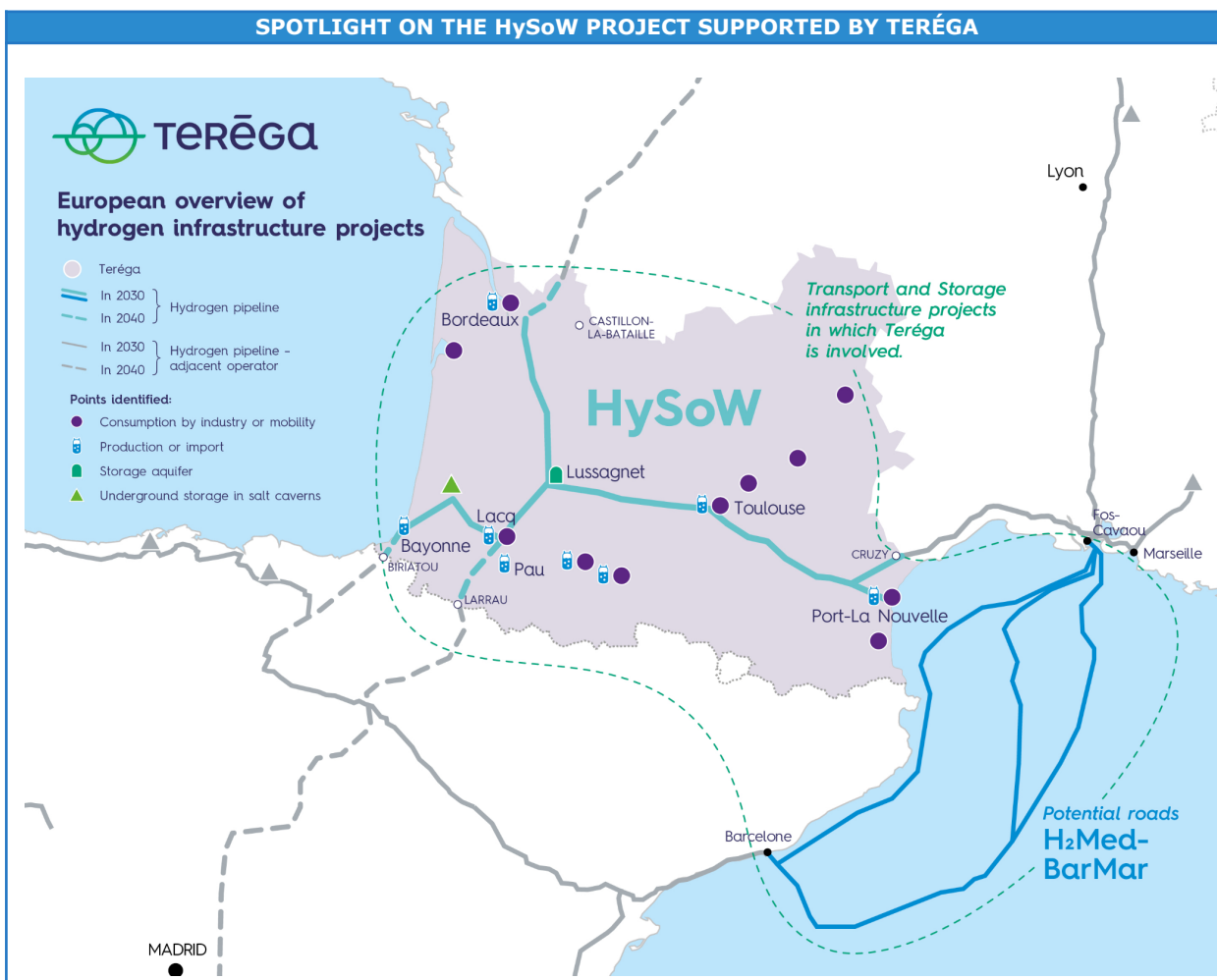
"This year, once again, our survey on 'The French and Hydrogen' reflects the growing interest in the challenges of energy among the French people. Faced with the current concerns, we must join forces to build a future for energy that will restore their confidence over sovereignty, meeting environmental challenges, and providing accessible energy. As a hydrogen actor, Teréga is proud to be working toward that ambition, making its contribution through the BarMar and HySoW projects to the construction of a future that is resolutely focussed on energy frugality and 'non-carbon'."

Alain Rousset, Chairman of the Nouvelle-Aquitaine region, says:

"Just recently, the IPCC reminded us once again of our obligation to speed up and scale up our environmental transition. The Region led the field on this issue with its Néo-Terra roadmap in 2019, which will be strengthened this year. Hydrogen will feature as one of its major solutions, because Nouvelle-Aquitaine has two big pluses when it comes to hydrogen-powered heavy mobility: the maritime sector (with 4 port ecosystems), along with the presence of significant road corridors, including those in the Trans-European transport network. The industrial territories of Nouvelle-Aquitaine, including the Lacq industrial centre, are also waiting for solutions so they can develop the supply and use of hydrogen and, in doing so, decarbonise their energy consumption."

In the words of Carole Delga, Chairman of the Occitanie region,

"The Occitanie region is convinced of the strategic importance of Port-la-Nouvelle, the regional port dedicated to the energy transition, for France's supply of decarbonised hydrogen. This port infrastructure, welcomed by local actors for its technical pertinence and speed of construction, fits perfectly into the HySoW project to serve the hydrogen ecosystems of the South West, and it will be improved further with the provision of a spur to Port-La-Nouvelle from the Barcelona-Marseille link. I am lending my support to this global solution which will benefit our energy sovereignty."



About Teréga

Established in South-West France, at the crossroads between major European gas flows, Teréga has exercised exceptional expertise for over 75 years in the development of gas transport and storage infrastructures. Today, it continues to develop innovative solutions to overcome the major energy challenges facing France and Europe. A true accelerator of the energy transition, Teréga operates over 5,000 km of pipelines and 2 underground storage reservoirs representing 16% of the French gas transport network and 25% of national storage capacity. The company had a turnover of €488 million in 2021, and has about 650 employees.

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