Key Elements to ensure that your Green Hydrogen Project is Bankable

Essential factors to ensure financial viability and attract investment

The Green Hydrogen Value Chain

- **Water Supply**
  - Pump
  - Storage
  - Demineralisation
- **Baseload Power Supply**
  - Link between Electricity Supply and Electrolyzer
- **Electrolyzer**
  - PEM, Alkaline or alternative?
- **Balance of Plant**
  - Storage
  - How long (at least 15 days)
  - Compression
  - Power
  - Admin
- **Sales point (custody transfer)**

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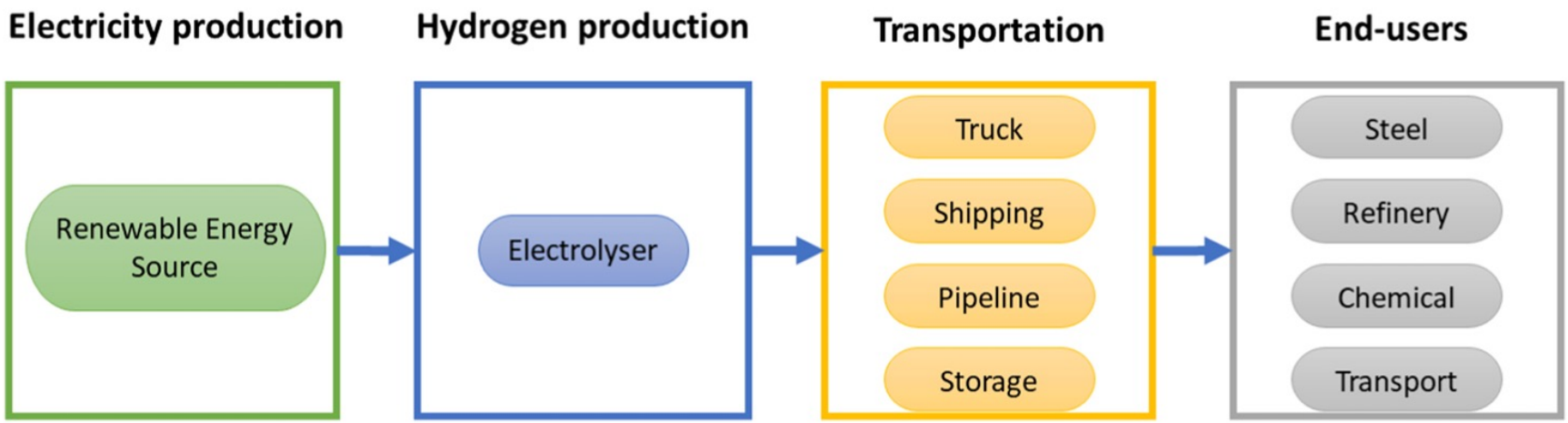

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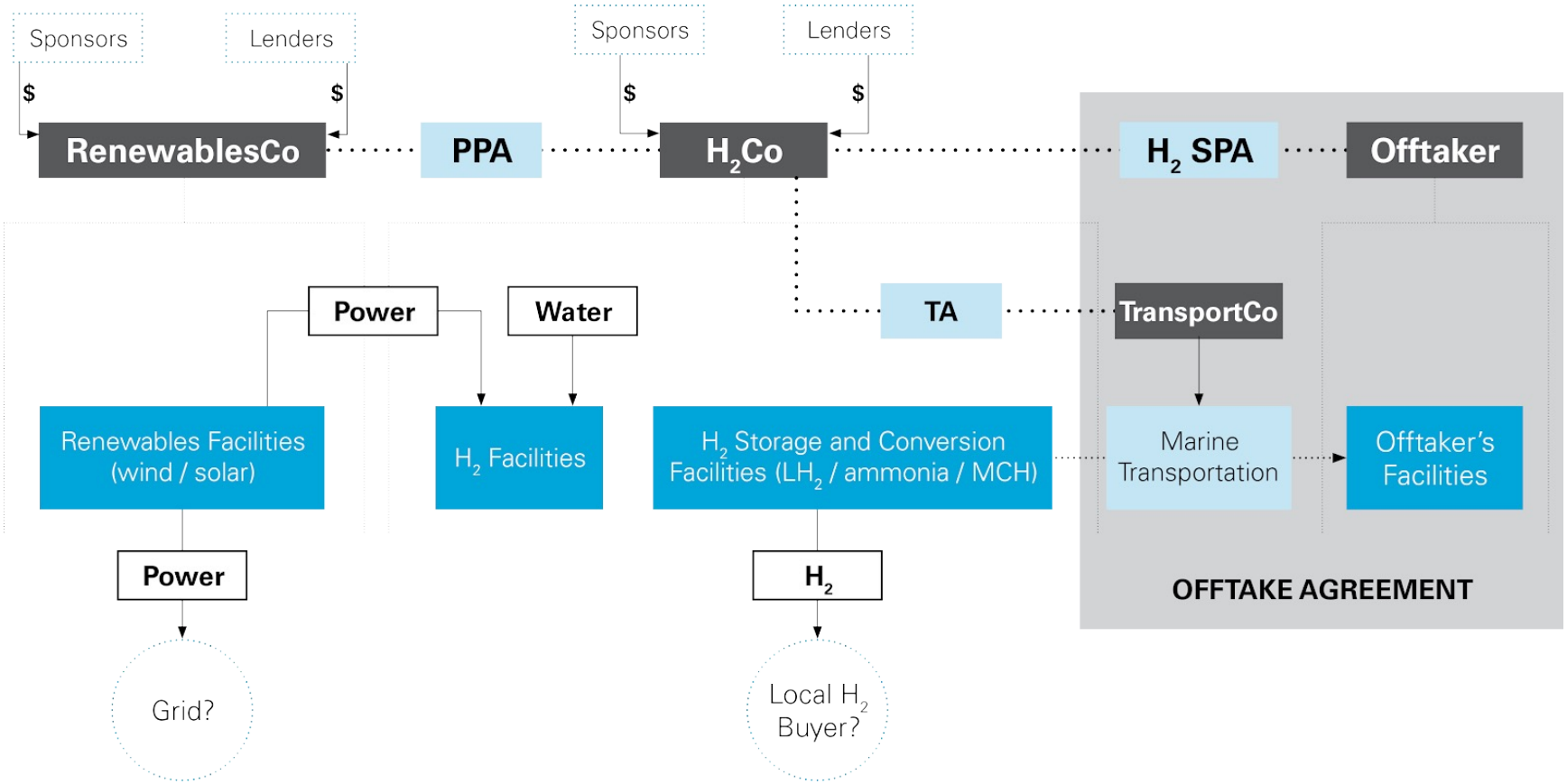
Agreements



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- The structure outlined above is a **power supply or 'split' model**, whereby RenewablesCo owns the renewable power assets (the Renewables Facilities) and supplies green electricity to H2Co, which owns the hydrogen production, liquefaction/conversion, storage and loading facilities (H2 Facilities).

- Under this model, the same or different sponsors could own RenewablesCo and H2Co. This would also potentially allow for separate financings of renewables assets and the hydrogen asset

- A different structure could be an **integrated** model, which would involve a single entity owning both the Renewables Facilities and the H2 Facilities.

- An integrated model would be less flexible in terms of enabling different sponsors to own different parts of the overall project, to exit different parts at different times or undertake separate financings. However, the integrated structure may simplify financing and risk allocation.

- Ultimately, the unique circumstances of each project, including commercial, financing and tax considerations (including any available subsidies and tax incentives), will dictate the preferred project structure.

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RULES OF THUMB

Electricity

- Continuous (24/7)
- Price: $0.05 c/kWh
- PPA – at least ten years

Offtaker

- Price: >US$5/kg
- Offtake Agreement: >10 years

Certification

- “Green” Verification needed

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