



Commission approves €6 billion Italian State aid scheme for renewable hydrogen

Brussels, 30 March 2026

The European Commission has approved, under EU State aid rules, a €6 billion Italian scheme to support the production of renewable hydrogen for the transport and industrial sectors. The scheme will contribute to the development of renewable hydrogen production capacity in line with the objectives of the [EU Hydrogen Strategy](#) and the [Clean Industrial Deal](#).

The Italian scheme

Italy notified to the Commission a scheme to support the production of 200,000 tons of renewable hydrogen per year. Both hydrogen produced via electrolysis powered by electricity from renewable energy sources and hydrogen produced from biogenic sources through biological, bio-thermochemical and thermochemical processes is eligible under the measure.

The aid will take the form of **two-way contracts for difference**. Under these contracts, a strike price for hydrogen will be determined through a competitive bidding process. If the price of an alternative fuel that would be used by the hydrogen consumers falls below that strike price, Italy will pay hydrogen producers the difference. If the price of the counterfactual fuel exceeds the strike price, the beneficiaries will pay the difference to the Italian state.

The scheme will run until 31 December 2029.

The Commission's assessment

The Commission assessed the scheme under EU State aid rules, in particular [Article 107\(3\)\(c\)](#) of the Treaty on the Functioning of the EU ('TFEU'), which enables Member States to support the development of certain economic activities subject to certain conditions, and the [2022 Guidelines on State aid for climate, environmental protection and energy](#) ('CEEAG').

In particular, the Commission found that:

- The aid is necessary and appropriate to facilitate the production of renewable hydrogen for the decarbonisation of the transport and industrial sectors.
- The aid has an incentive effect as beneficiaries would not produce renewable hydrogen without the public support.
- The aid is proportionate as it will be granted following a competitive bidding process based solely on the strike price offered by bidders.
- The aid will bring about positive effects, in particular on the environment, as it will contribute to the decarbonisation of sectors with high emissions. These positive effects outweigh the negative effects on competition.

On this basis, the Commission approved the Italian scheme under EU State aid rules.

Background

The [2022 CEEAG](#) provide guidance on how the Commission will assess the compatibility of environmental protection, including climate protection, and energy aid measures which are subject to the notification requirement under Article 107(3)(c) TFEU. The Guidelines create a flexible, fit-for-purpose enabling framework to help Member States provide the necessary support to reach the Green Deal objectives in a targeted and cost-effective manner.

In July 2020, the Commission published its [EU Hydrogen Strategy](#), setting ambitious goals for clean hydrogen production and use, and launched the [European Clean Hydrogen Alliance](#), bringing together

the European hydrogen community (industry, civil society, public authorities).

For more information

The non-confidential version of the decision will be made available under the case number SA.118992 in the [State aid register](#) on the Commission's [competition website](#) once any confidentiality issues have been resolved. New publications of State aid decisions on the internet and in the Official Journal are listed in the [Competition Weekly e-News](#).

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Quote(s):

"This scheme will support the production of renewable hydrogen in Italy for sectors where it can contribute the most to reducing emissions. The scheme will contribute to the clean, just and competitive transition."
Teresa Ribera, Executive Vice-President for Clean, Just and Competitive Transition

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