

MadoquaPower2X wins European Hydrogen Bank auction



Lisbon, 30th April 2024

Today, the European Commission announced the winners of a highly competitive European Hydrogen Bank auction. **MadoquaPower2X** (MP2X) was awarded EUR 245m in operational subsidies. This flagship project is a cornerstone for the future of decarbonisation of European hard-to-abate energy sectors like shipping and heavy industries.

MP2X, located in Sines, Portugal, is a Power-to-X facility that will produce green hydrogen and ammonia primarily for shipping. The project is divided into two phases, with an initial electrolyser capacity of 500 MW's followed by Phase 2, that will seek to deploy a further 700 MWs of electrolyser capacity, bringing the total capacity to 1.2 GW's.

MP2X has now been invited for Grant Agreement preparation with the European Commission. MP2X will receive a fixed premium of 0.48 EUR/kgH₂ for ~51,000 tH₂ p.a. over a 10-year period, an expected total of EUR 245 million.

Partner, Copenhagen Infrastructure Partners, Philip Christiani, “We are very proud that our project has been awarded this grant, and we applaud policy makers for recognising the importance of the hydrogen economy in Portugal and Europe. Today’s announcement re-affirms CIP’s ability to deliver green hydrogen projects for building a future hydrogen economy in Europe. We would like to thank our partners in Portugal as well as the Portuguese Government, public institutions, and local communities for working with us in creating a greener future for the coming generations”.

Non – Executive Director, MadoquaPower2X, Marloes Ras, “Our team has worked tirelessly, to make MP2X a success. Today’s announcement by the European Commission is a recognition of the tireless efforts of the team in Portugal and Denmark. With this recognition comes responsibility, the journey has just begun, we are now ready to deliver the project and are looking forward to our continued collaboration with public institutions and the local communities to make MP2X a pioneering success for Portugal”.

The project will receive the awarded funding from the date of commercial operation until the end of the 10-year grant period. The grant brings MP2X closer to Financial Investment Decision by reducing the gap between cost price and sales price and is an important enabler for the success of the project. The grant is dependent on MP2X being operational within five years of signing the grant agreement. We expect MP2X to be operational no later than 2028.

The initial project will use 560 MVA grid connection to produce 51,000 tonnes of hydrogen and 300,000 tonnes of green ammonia annually using renewable electricity. Including the second phase, the project will use a 1400 MVA grid connection to produce a total of 150,000 tonnes of hydrogen and more than 1 million tonnes of green ammonia

annually. MP2X is and will continue to be a direct driver of other national investments in the hydrogen production value chain in Sines, with technical and commercial partnerships to buy hydrogen produced by third parties.

About the consortium

Madoqua Renewables is a Portuguese – Dutch industrial transformation and development company focused on energy transition and creation of new generation industrial process assets with a specific focus on zero carbon projects. Madoqua Renewables is developing power-to-X projects valued at 2.8 billion euros along the hydrogen value chain.

Power2X is a developer and investor in large-scale new energy assets and infrastructure focusing on decarbonizing industrial value chains and heavy transport in collaboration with industrial companies around the world. The company is focused on clean hydrogen and derivatives including ammonia, methanol and SAF, with a diverse portfolio of projects that are initially prioritising European demand. For select projects, Power2X can also act as an advisor, supporting third parties to develop project. In 2023, the Canada Pension Plan Investment Board and Power2X entered into a long-term investment partnership aimed at advancing Power2X's leading role in the global clean energy transition.

Copenhagen Infrastructure Partners (CIP) is the world's largest fund manager for renewable energy infrastructure investments. CIP manages eight funds, with 16 billion euros under management from 100 institutional investors from Europe, Asia, Australia and North America and multilateral organisations. MadoquaPower2X is part of CIP's Energy Transition Fund, which focuses on 'power-to-X' and other next-generation renewable technologies in order to facilitate decarbonisation of hard-to-abandon sectors such as agriculture and transport.

More information:

<https://www.portugalglobal.pt/EN/about-us/Pages/about-us.aspx>

<https://madoquapower2x.com/>

<https://madoquaventures.com>

<https://power2x.com>

<https://cippartners.dk>

High resolution images:

<https://fotos.aempress.com/Madoqua-Ventures/Projeto-Sines>