

Creating a Hydrogen Market From Scratch

Media Mentions

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Bracewell's **Ro Lazarovitch** was a panelist on the "Emerging Trade Corridors or Dead in the Water?" discussion hosted by *Energy Voice* at the recent Hydrogen for Life conference at the Science Museum London, where he discussed the challenges acting to slow progress on hydrogen export projects.

"It's not market failure. I think when you want to develop a new market, that takes time. If we let the market work at its own pace, we wouldn't be where we are with hydrogen," Lazarovitch said. "It takes time to figure out which industries are more willing to pay for your product."

A number of comparisons have been drawn to the emergence of the LNG industry. The LNG market functions by being able to provide certainty of supply and demand, giving developers – and crucially financiers – sufficient confidence that production will be bought.

Lazarovitch agrees with experts warning against leaning too much on hopes for an LNG model, adding that governments must step in to provide market surety. "The governments are telling us they want companies to invest, but are the rules catching up with where [they] need to be?" He cited an example where a project was dropped because of a lack of certainty on rules needed to trigger subsidies. The unnamed developer "dropped out because the upfront financial commitments the government were asking for were too high. They were willing to invest a certain amount, but not more without that clarity."

Lazarovitch also noted the rise of "interesting challenges," even once past the demand and pricing issues. The industry should not forget political risk, he warned, noting the dangers to domestic regimes of energy-poor countries that begin exporting ammonia or hydrogen. "How to value that political risk is

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something that the industry hasn't come to yet. I think that's going to become more and more of an issue."