Press Release

VNG and HyCC plan to produce green hydrogen in Lutherstadt Wittenberg

Lutherstadt Wittenberg, December 4, 2024. Leipzig-based energy company VNG AG, its wholly-owned gas trading subsidiary VNG Handel & Vertrieb GmbH (VNG H&V) and the Dutch hydrogen company HyCC are planning to jointly develop an electrolyzer to produce green hydrogen in Lutherstadt Wittenberg, Germany. The green hydrogen is intended to help local industries reduce their CO_2 emissions.

The three companies announced their plans today in the presence of the Prime Minister of Saxony-Anhalt, Dr. Reiner Haseloff, the Mayor of Lutherstadt Wittenberg, Torsten Zugehör, the Managing Director of Stadtwerke Lutherstadt Wittenberg GmbH, Andreas Reinhardt, and Carsten Franzke, the Managing Director of SKW Stickstoffwerke Piesteritz GmbH, a producer of basic materials for industrial and agrochemicals. The participants welcomed the project, called GreenRoot, for supporting sustainable regional development.

The electrolyzer will have a capacity of 500 MW to make green hydrogen from water using renewable electricity. The green hydrogen can be used by local industry, such as SKW Piesteritz, to replace natural gas in the future and reduce the use of fossil fuels. Thanks to a planned connection to the German hydrogen network, the GreenRoot project could also supply other industrial customers in the Central German chemical triangle, supporting them on their path to decarbonization. The parties will also look into possible synergies to deliver heat from the plant to the municipal utilities company of Lutherstadt Wittenberg.

VNG AG and its subsidiary VNG Handel & Vertrieb are involved in the project as experts in customer-oriented development of the hydrogen market. As an experienced technical partner, the Dutch company HyCC will contribute valuable expertise in the field of electrolysis.

The partners will begin the approval and consultation phase of the project in 2025 and aim to take the final investment decision in 2026. The plan is to start operations in 2029.

"VNG is strongly positioned along the entire gas value chain. We bring decades of experience in operating gas infrastructure and in the distribution and trading of gas. VNG is currently in the midst of an ambitious transformation process towards green gases such as biogas and green hydrogen. We are therefore delighted to be tackling this groundbreaking project in Lutherstadt Wittenberg together with HyCC and are convinced that we are launching a promising project that fits perfectly into its environment and is already receiving support from local partners", says Ulf Heitmüller, CEO of VNG AG. "At the same time, projects such as GreenRoot require investments that we can only manage if they are also economically viable. For successful implementation, we therefore also need economic conditions and regulations that enable us to produce green hydrogen at competitive prices and support the use of hydrogen by our customers. We still need to work together on this," continued Ulf Heitmüller.

HyCC builds on decades of experience with electrolysis technology in the chemical industry, including electrolysis facilities operated safely and reliably by its parent company Nobian in Frankfurt and Bitterfeld.

“We build on many years of operational experience with electrolysis technology and believe that Europe, and Germany in particular, is well positioned to be a global front runner in green hydrogen.” says Michel Gantois, CEO of HyCC, “That is why we work closely with VNG to develop a state-of-art facility to support the sustainable development of industries throughout Central Germany.”

Konstantin von Oldenburg, Managing Director of VNG H&V, emphasizes: "The domestic production of green hydrogen in cooperation with our partners and our local customers should strengthen the Central Germany region as an important industrial location and pave the way for sustainable value creation in this region. We want to contribute to the ramp-up of the hydrogen market together and the appropriate regulatory framework is needed to support this. We therefore advocate that the EU Commission makes the criteria for defining green hydrogen more flexible and deregulate it as soon as possible. In addition, the funding instrument of the Climate Protection Agreement should be further strengthened and made more pragmatic by the German federal government. In our view, a sustainable stabilization of the greenhouse gas quotas through a triple credit for green hydrogen and an exemption from network charges for electrolyzers beyond 2030 would also be important for this."

"I am pleased to be able to attend the GreenRoot project presentation, because this project is an important step into the future of our state. Saxony-Anhalt is already a pioneer in the use of renewable energy, both in solar and wind power and we are also well positioned when it comes to green hydrogen. Hydrogen is an important energy source of the future, especially for our chemical industry. I therefore have great hopes for the project of HyCC and VNG and wish it a successful implementation," emphasized Minister President Dr. Reiner Haseloff.

The electrolyzer is to be built on the site of the former waterworks of the city of Wittenberg opposite the Piesteritz agro-chemical park. The site is in the immediate vicinity of SKW Piesteritz, which wants to switch its energy supply from fossil fuels to green hydrogen in the future.

About VNG

VNG is a group of over 20 companies active in the European energy industry, employing about 1,700 people. As a gas importer and wholesaler as well as an operator of critical gas infrastructure, the Group, which is headquartered in Leipzig, is central to the secure supply of gas in Germany. With the “VNG 2030+” strategy, VNG is also pursuing an ambitious path for a market ramp-up of renewable and decarbonised gases such as biogas and hydrogen, paving the way for a sustainable, secure supply and, in the long term, climate-neutral energy system of the future. More at: www.vng.de.

About VNG H&V

VNG Handel & Vertrieb GmbH (VNG H&V), based in Leipzig, supplies gas reliably and flexibly to trading companies, redistributors, municipal utilities, power station operators and industrial customers in Germany and abroad. Innovative products, diverse services and individual solutions for an environmentally friendly energy supply offer comprehensive support in the implementation of the energy transition. With sales offices across Germany and in neighbouring countries, investments and business contacts across much of Europe, and as part of the VNG AG group of companies, VNG Handel & Vertrieb GmbH is close to the customer and well positioned internationally. More at: www.vng-handel.de.

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About HyCC
HyCC (the Hydrogen Chemistry Company) is a leading industrial partner for safe and reliable green hydrogen supplies and circular chemistry solutions to enable the transition to zero-carbon industry. Building on over 100 years of experience in electrolysis and our leadership in safety, we realize pioneering water electrolysis projects to supply industries with zero-carbon hydrogen from renewable power and water. From making sustainable steel to circular jet fuels – we believe that green hydrogen is the key to providing a growing population with essential products, with zero emissions to realize more sustainable economic development. HyCC is a joint venture of European essential chemical company Nobian and Macquarie's Green Investment Group. More at: www.hycc.com

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