



International Partnership
for Hydrogen and Fuel Cells
in the Economy

***Brazil* Update**

43rd IPHE Steering Committee Meeting

10-11 June 2025

Santiago, Chile

Announcements / New Initiatives *Brazil*

• Public Policies

■ Approval of the Hydrogen Legal Framework: Laws 14.948/2024 and 14.990/2024

- Law 14.948/2024 instituted the legal framework of low-carbon hydrogen defining targets for its production, certification and use.
 - Brazilian Hydrogen Certification System (SBCH2) to ensure traceability and transparency in the production and commercialization of hydrogen and the Special Incentive Regime for the Production of Low-Carbon Hydrogen (Rehidro), which offers tax benefits, such as tax suspension
- Law 14.990/2024 instituted the supply and use of low-carbon hydrogen as a clean and renewable energy. This program aims at the conceded tax credits in the commercialization of hydrogen and derivatives.
- The National Institute of Metrology, Quality and Technology (INMETRO) was defined as an official accredited mechanism by the Government Committee of PNH2 (Coges-PNH2)

■ Brazilian Greenhouse Gas Emissions Trading System: Bill of Law 2.148/2015 to Law 15.042/2024

- The new legislation allows pollutant gas emissions to be converted into tradable financial assets, which attracts international investment, encourages environmental preservation and generates new income opportunities for Brazilians.

Announcements / New Initiatives *Brazil*

- **Investments/Funding/Initiatives**

- **Hydrogen Hubs: National Hydrogen Program**

- 12 projects have been selected in this first stage of the Climate Investments Funds - Industry Decarbonization (CIF-ID) among 70 proposals. This program with the objective of consolidating integrated hubs for the production, storage, transportation and consumption of low-carbon hydrogen in Brazil by 2035.

- **Brazil Climate & Ecological Transformation Investment Platform (BIP)**

- BIP is a government initiative created with the ambition of increasing investments towards the decarbonization of the economy, including low-carbon hydrogen.

- **Key Collaborations**

- **UK Pact: “Comprehensive Strategic Plan for Hydrogen in Brazil: Mapping, Certification, Hubs, and Capacity Building for a Low-Emission Future”**

- This project, led by the Brazilian Hydrogen Association (ABH2), aims to develop a comprehensive strategic plan for the advancement of low-emission hydrogen technologies, production and utilization in Brazil.

Announcements / New Initiatives *Brazil*

- **New Research & Development, Demonstration and/or Deployment Activities**

- **Natural Hydrogen Fact Sheet**

- The Energy Research Company (EPE) publishes the Fact Sheet "Natural Hydrogen: Basic concepts and state of the art on one of the potential sources of renewable energy for decarbonization", in which it consolidates essential technical information on natural hydrogen.

- **INOVAE Database**

- EPE's Database on Research Investment and Patents in Energy Systems in Brazil, including Fuel Cells.

- **Partnership between Petrobras and CSN**

- MoU signed towards structuring a business partnership aimed at implementing a low-carbon hydrogen plant on a commercial scale in Paraná.

- **Vale-GEP**

- Feasibility study for a hydrogen production plant for hot-briquetted iron production.

- **ANEEL has published Strategic Call: "Hydrogen in the Context of the Brazilian Electric Sector"**

- Hydrogen has the capacity to connect the electricity sector to several sectors of industry and the economy that is carbon-intensive and of difficulty decarbonization.

Examples of Lessons Learned and Impact *Brazil*

Program Initiative	Lessons Learned/Outcomes		
<p>National Alcohol Program (Proálcool) since 1975 and National Program for the Production and Use of Biodiesel (PNPB) since 2005</p>	<p>Coordination between: government, industry and academia.</p> <p>Creation of an internal market through a mandatory consumption mandate</p>	<p>Dependence on subsidies without a clear withdrawal strategy and frequent changes in targets (biodiesel case).</p>	<p>Incentives should be temporary, scalable and focused on unlocking initial markets.</p> <p>Avoid frequent changes in goals and ensure long-term planning with clear targets.</p>
<p>RenovaBio (Law Lei 13.576/2017) promotes the expansion of biofuels based on decarbonization targets and environmental appreciation through Decarbonization Credits (CBIOs)</p>	<p>Regulatory innovation based on carbon footprint.</p> <p>CBIOs value positive externalities (CO₂ reduction)</p>	<p>The pace of additional regulatory developments is slow.</p> <p>There is a need to ensure liquidity and predictability in demand for CBIOs.</p> <p>The obligated parties have taken legal action to ensure compliance with decarbonization targets</p>	<p>A system like the Brazilian Hydrogen Certification System (SBCH) is crucial.</p> <p>The carbon market and the H₂ sector must have gradual goals with well-defined and stable trajectories.</p> <p>Welcoming new routes and production models. Constant dialogue with the regulated sector.</p>

Status of Deployments

- There is still a lot of work and coordination needed between the Government and Regulatory Agencies.
- Decree in formulation phase: Regulation of the low-carbon hydrogen industry and other mechanisms, such as the SBCE.
- The 12 projects selected by Ministry of Mines and Energy, in december/24, are in the detailing phase for the use CIF-ID resources.

Leading Government Initiatives

- Hydrogen legal framework: Laws 14.948/2024 and 14.990/2024.
- Brazilian Greenhouse Gas Emissions Trading System (SBCE): Law 15.042/2024.
- Creation of Hydrogen Hubs.

Goals or Focus Areas

- Scientific and Technology Bases
- Human Resources Training
- Energy Planning
- Legal and Regulatory-Normative Framework
- Neo-industrialization, Market and Competitiveness

Deployment Goals

Ministry of Mines and Energy (MME), with the objective of consolidating integrated hubs for the production, storage, transportation and consumption of low-carbon hydrogen in Brazil by 2035.

Funding

- CIF-ID plans to allocate between 125 and 250 million dollars to support Brazilian projects
- Brazil Climate & Ecological Transformation Investment Platform (BICP)

Thank you



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