



Brad Davey

Executive Vice President and Head of Corporate Business Optimization
Arcelor Mittal

Green Steel is Needed and Wanted

If we look at the automotive industry, for example, they are decarbonizing the end-use phase of the vehicle, and at the same time investing in decarbonizing materials like steel that go into the vehicle itself. At the moment, only very small volumes of low-carbon-emissions steel exists in the market. But that will change in the near future. We have plans to create the world's first zero-carbon-emissions steel plant in Sestao, Spain, by 2025, for example. This kind of progress requires billions of dollars of capital expenditure, with operating costs expected to be significantly higher than current, fossil fuel-intensive steelmaking methods. It is therefore natural to expect that a low-carbon-emissions steel product that costs more to produce will cost more to buy. We do know the interest is there and the demand is coming, but we need to ascertain what value customers will put on it. In the meantime, we have created what we're calling "virtual green steel," where steel producers pass along the emissions savings to customers in the form of certificates, which the customer can then report as reductions in their Scope 3 emissions. This is helping grow the market in the near term and helping us assess how quickly customers are going to want this product.

Accelerating Adoption of Green Hydrogen

We need to get all the pieces in place — the economics and the right policy — to make sure green hydrogen projects get off the ground. Second, it comes down to the technology for producing the hydrogen and for using it. ArcelorMittal is putting a lot of effort in to finding ways to solve both. The steel industry is going to be a large off-taker for green hydrogen. But we are not yet seeing the quantities available that we need. So, we are working with providers and partners all the way through to government to get cost-effective hydrogen projects going and to be able to have enough hydrogen to meet our needs. ■

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