

From Hype to Pragmatism: Hydrogen East Strategic Summary and Action Plan

1. Introduction and Conference Context

The 2026 Hydrogen East conference brought together over 120 hydrogen leaders, innovators, policymakers and other enthusiasts to move the hydrogen conversation from insight to action. The event culminated in the “*From Insight to Action: Beyond the Presentations*” session, where Deloitte facilitated 13 table discussions focused on three key questions to help participants reflect on the day’s conversations:

1. **What stood out or surprised you?** What did we hear that changes how we think? Has your perspective shifted at all?
2. **What are we missing?** What are we still not talking about? Is there anything you are still wondering?
3. **What practical steps are required – now, soon, or later – to bring the hydrogen and clean fuels economy to life in Atlantic Canada?** How do we make this real?

2. Key Findings, Discussion Themes and Takeaways

These discussions highlighted momentum in Atlantic Canada’s hydrogen sector alongside clear barriers to progress - particularly the absence of bankable demand, first-mover projects, or enduring policy clarity. Participants emphasized the need to **shift from planning to execution**, calling for visible flagship projects, anchor demand, and de-risked early investments.

The findings point to the need for a fundamental shift in approach: **Development of Atlantic Canada’s hydrogen sector must move from hype toward a realism-based framework to avoid the "valley of death" that has claimed previous energy transitions.** What’s needed now is a disciplined focus on market execution - a pragmatic, ground-up effort to build a complex hydrogen value chain.

To unlock the sector’s potential, participants highlighted several key challenges:

- **A Fragile Middle:** The hydrogen value chain is complex and vulnerable, particularly in midstream logistics - transportation, storage, and fueling infrastructure - that must bridge supply and demand.
- **Infrastructure Reliability:** Resilient hydrogen delivery systems must be prioritized over theoretical capabilities. California’s frequent fueling station outages serve as a cautionary tale.
- **Right-Sized Investment:** The "mega-project-first" mentality must give way to scalable, appropriately sized initiatives that build investor confidence incrementally.

Several key themes were highlighted during the facilitated discussion:

- a) **Sentiment Shift from Optimism to Pragmatism:** The tone of conversations in the region’s hydrogen sector has shifted from enthusiastic optimism and hype to **practical realism**. While

momentum continues in parts of the sector, the focus has moved to addressing the complex challenges of building a nascent value chain and resolving the "chicken-and-egg" problem of matching supply with demand.

- b) **Economics and Bankability are Real Barriers:** Progress is stalled not by technology, but by unclear economics, high upfront costs, weak business cases, and the **absence of bankable demand**. Participants were also uncertain about how to develop viable projects – whether to start small or large, prioritize domestic or export markets, and how to sequence early investments to build momentum without stalling progress.
- c) **Natural (White) Hydrogen as a Disruptive Wildcard:** The scale, proximity, and potential competitiveness of natural hydrogen emerged as significant surprises for many attendees. While white hydrogen could be a gamechanger for Atlantic Canada, awareness and understanding of its potential is low.
- d) **Infrastructure and Logistics Constraints:** Hydrogen transportation and storage are major bottlenecks. The complex, fragile realities of hydrogen logistics - transportation, storage, and fueling infrastructure - must be addressed. Even developed systems are vulnerable, as **California's widespread fueling station outages** demonstrate - infrastructure fragility can stall an entire market.
- e) **Missing End-User Voices:** Discussions at the conference were heavily supply-focused, with a notable absence of end-users to ground the conversation in real-world business cases. The gap between willing suppliers and committed customers is wide - projects are stalling because **demand is not being secured early enough** in the development lifecycle. The "chicken-and-egg" problem is real, with few projects aligning production with confirmed offtakers early on.
- f) **Policy-Driven Stagnation:** Shifting policies, narrow tax incentives, and regulatory uncertainty are slowing or freezing progress on otherwise viable projects. Clear Federal and Provincial hydrogen policy signals are needed.
- g) **Hydrogen as Part of the Broader Energy System:** Hydrogen should be treated as part of an integrated secure, resilient, affordable, and lower-carbon energy system - alongside electricity, other fuels, and energy storage - not as a standalone solution.

3. Critical Gaps and Missing Conversations

Participants highlighted several critical gaps that are often missing from conversations about the hydrogen sector in Atlantic Canada including:

- a) **A Clear Demand-Side Strategy:** Much of the discussion focused on supply, but a clear plan to create demand that pulls projects forward is missing. There was a noticeable absence of hydrogen end users at the conference, making it harder to ground conversations in real-world applications, needs, and business cases.
- b) **A Practical Starting Point:** Many questioned whether proposed projects are too ambitious and noted a lack of discussion on starting with smaller pilots and demonstration projects.

- c) **A Cohesive National and Regional Hydrogen Strategy:** Participants noted a lack of cohesion across different levels of government, calling for clearer coordination, collaboration, and long-term infrastructure planning. There was concern that regulatory regimes, codes, standards, and long-term policy direction, especially for white hydrogen, remain unclear or misaligned.
- d) **Stronger Incentives and Market Signals:** Participants felt the role of policies, incentives, penalties, and demand-side supports was underexplored, especially compared to what drove wind and solar adoption.
- e) **Clear Economics and Pricing Benchmarks:** There was limited discussion at the conference on pricing, cost targets (e.g., \$/kg), and what would make hydrogen commercially viable for real customers.
- f) **Broader Framing Beyond Emissions Reduction:** Hydrogen is still framed mostly as a climate solution, missing opportunities to position hydrogen's role in energy security, resiliency, defense, and affordability.

4. Next Steps and Near-Term Actions

Immediate Priority Initiatives

Conference participants collectively advocated for a "learn by doing" approach - prioritizing action and execution over further studies and analysis. A majority of votes centred on advancing early, visible, right-sized projects to build momentum, particularly flagship first-mover initiatives and anchor demand projects. These outcomes reflect strong support for execution as the path to unlocking investment, building confidence, and accelerating the hydrogen economy in Atlantic Canada.

Participants prioritized the following near-term actions:

1. **Advance 1–2 Flagship First-Mover Projects (31% of votes):** The region must move beyond the study phase. Visible, well-chosen projects are needed to build regional and investor confidence. Rather than mega-projects first, participants advocated for smaller, simpler projects and pilots tied to real customers, with infrastructure scaling alongside demand. Atlantic Canada needs credible proof points - demonstration projects that are operating, scalable, and economically viable - to move hydrogen from concept to confidence.
2. **Create Immediate Demand via Anchor Projects (21% of votes):** Supply cannot exist without bankable demand. Participants emphasized shifting effort toward demand-side incentives and guaranteed offtake agreements to create market pull. Viable anchor projects should demonstrate:
 - **Operational Visibility:** Projects must be tangible to the public to build support, confidence, and social license.
 - **Economic Viability** under real-world Atlantic Canada conditions.
 - **Scalability:** Blueprints that allow for expansion as demand grows.
3. **Issue Clear Federal-Provincial Policy Signals (18% of votes):** Hydrogen investors require long-term certainty, and Atlantic Canada must signal clearly that it is open for business.

Regulatory regimes, standards, and codes must be aligned across all Atlantic provinces to lower risk and accelerate execution. Clear, stable policy frameworks and faster regulatory decisions are needed now to attract capital and partners.

4. **Establish Risk-Sharing Financing Mechanisms (10% of votes):** The first projects will carry the greatest risk. Practical near-term steps include new financing tools, risk-sharing mechanisms, and public-private partnerships to share early risk and attract investment.
5. **Streamline and Align Regulations Regionally:** Simplifying and harmonizing regulations across Atlantic provinces - covering zoning, codes, and standards - is a near-term enabler of faster, more coordinated progress.

Market Scaling and Maturation: Building Long-Term Sustainability

Over the longer term, the focus should shift toward competitiveness, system integration, and infrastructure development:

6. **Make Hydrogen Cost-Competitive:** Reducing the cost of hydrogen relative to renewables and fossil fuels is essential to enable near-term adoption. Large-scale production of green hydrogen and derivatives - ammonia, methanol, SAF, and renewable diesel - for export to European markets can also reduce costs for domestic users.
7. **Focus on Demand Creation:** Demand-side policies, aggregated buyers, and public procurement (such as government fleets) must be used to pull the market forward.
8. **Develop Hydrogen Infrastructure:** Building the hydrogen value chain from scratch is complex and expensive, but few projects can be successful without it. A hubs and corridors model should be leveraged to develop infrastructure in the right places and at the right time.
9. **Increase Government Involvement Across All Levels:** Stronger coordination is needed - from municipal permitting through federal funding and policy - with long-term incentives that level the playing field against incumbent fuels. Greater government support is particularly needed for early pilots and for hydrogen technologies that have not yet reached full commercial readiness (below TRL-9).

The 2026 Hydrogen East Conference cast a spotlight on a sector at an inflection point - one moving away from early-stage optimism toward a more pragmatic reckoning with the structural challenges that must be addressed to develop a viable hydrogen economy in Atlantic Canada. Across the discussions, a consistent picture emerged: the barriers to progress are less technical than they are economic, institutional, and logistical. Addressing them will require coordinated action on several fronts - well-chosen, visible projects that demonstrate real economic viability; policy signals that give investors the long-term certainty they need; and deliberate efforts to bridge the gap between supply and demand. The near-term actions identified by participants offer a concrete foundation from which to move forward. The question is no longer what needs to be done; it is whether actors across the region can align to translate Atlantic Canada's hydrogen potential into reality.