

## **Future of Gas**

Minutes from Future of Gas Steering Group meeting on 16<sup>th</sup> March 2021

### **Location**

Virtual Event

### **Attendees:**

Chris Logue – National Grid  
Sam French- Johnson Matthey  
Ray Arrell – REGEN  
Julie Cox – Energy UK  
Lisa Fischer – E3G  
Professor Joe Howe – Thornton Energy Institute  
Kirsty Ingham – ESB  
Richard Fairholme – Uniper  
Angus Paxton – AFRY  
Steven De Ranter – Interconnector UK  
Robin Cannings – Storengy  
Bogdan Kowalewicz – Ofgem  
Robert Hewitt – BEIS  
Alexandra Howe – BEIS  
Hywel Lloyd – Non-Executive Board Member of the UK100 Local Government Leader  
Corin Taylor – DNV  
Emma Buckton – Northern Gas Networks  
Richard Woolley – Chemical Industries Association  
Thomas Koller – Energy Networks Association  
Will Webster – Oil & Gas UK  
Marcus Newborough – ITM Power  
Lorna Millington - Cadent

### **Guests:**

Hannah Stanley- REGEN

### **Apologies**

Lauren Snoxell- Citizens Advice

### **Welcome and Introductions**

The chair welcomed attendees and provided apologies for Lauren Snoxell from Citizens Advice. It was announced that Helen Campbell is leaving NG, therefore Chris Logue took the role of chair for the day.

### **Members Update**

Members provided updates to the group on key areas of interest.

**NGN** gave an update on their hydrogen projects. The Hydeploy 2 build is currently ongoing with blending into Winlaton scheduled to commence in May. The H21-phase 1 report is currently being finalised and due to be launched during Q2 of 2021. H21-phase 2, the build of the Micro Grid at Spadeadam, is ongoing with testing due to commence in May, planning approval for the Middlesbrough test site is expected to be received in April, with the build of the test facility commencing immediately after this. An animation has been produced explaining the production, distribution and end usage of hydrogen in the home, this is publicly available through the H21 website. Hydrogen Home; the homes have been constructed on site and are due to be finalised with fixture, fittings and appliances by the end

of April. Pending Covid restrictions being eased NGN hope to welcome visitors to the site from this Summer.

**ENA** gave an update confirming that ENA's 2021 Gas Goes Green programme was launched last week, supported by ENAs gas networks members. There will also be technical work pieces concerning regulation around blending, biomethane and 100 percent hydrogen.

**BEIS** announced that they had just published their response on the green gas support scheme. They are looking to publish various call for evidences and strategies this year including:

- Affordability and fairness for energy bills call for evidence
- Heat and building strategy
- Industrial decarbonisation strategy
- Hydrogen strategy
- Future of gas call for evidence

BEIS/NG also announced that they were organising a UK international conference on gas decarbonisation this week.

**Cadent** provided an update on the NIC funded Bio SNG project in Swindon. The final report has been submitted to Ofgem, but the site is not yet producing gas into the grid, this is expected to occur later this year.

### **Q&A on current gas projects**

Energy UK asked about Hydeploy progress and for more information on the work on testing of industrial application of hydrogen blends. Cadent outlined that currently they are using work by BEIS to find test sites and will follow up to get more information.

Following a question on The Gas Act it was announced by BEIS that they are looking at how new gas connections interact with the future homes' standard. BEIS are also looking at what they need to change on natural gas and decarbonisation incentives in the future.

A question around industry collaboration was raised. It was agreed that more work is needed in ensuring there is a joined-up approach. There was a discussion around the interaction between the Future of Gas programme, Gas Goes Green and the Hydrogen Advisory Council. Certain members requested more formal links between programmes. The chair asked National Grid to reflect on this point and provide an update at the next meeting.

### **Members updates continued**

**Oil and Gas UK** provided an update on the North Sea Transition Deal, confirming that they are talking to BEIS about the contribution they will make to net zero; it includes hydrogen and CO2 pipelines. They also issued a policy paper a couple of weeks ago, as a policy response to the Energy White Paper.

**DNV** gave an update on the Future Grid project, beginning in April. When the preparatory work is complete, blends of hydrogen will be tested on the NTS loop from 2% to 100% to see what levels the NTS can safely accept.

**ITM Power** provided an update on Electrolysers. It was reported that they sold a 24-Megawatt electrolyser in Germany. The commission set out its TEN-E regulation report last week for 3 geographical areas. It was suggested that the 'Baltic and the West Europe' area could potentially include UK in the future.

## GMaP Projects Updates

**Gas Quality.** Bill Goode gave an update on the initial proposal for a second GMaP gas quality project. The proposal focused on large end users who are sensitive to gas quality changes, and what market mechanisms could be developed to support them. A project plan will be created, and the gas quality working group will be reconvened to obtain stakeholder input.

**Blending.** The group were told about a joint Gas Goes Green and GMaP project that will be co-led by NG and SGN. This project will aim to map out regulatory and legislative changes required to facilitate hydrogen blending. The project is in pre-start phase and stakeholders will have the opportunity to engage in the development process.

**H2.** Susannah Ferris gave an update on the next steps for the hydrogen GMaP area. She shared that options for upcoming focus areas are being worked through and further engagement with the working group is imminent. She also highlighted the opportunity to undertake a de-blending market-based project, the scope of this project has been shared with the H2 GMaP working group for comment.

## Regional FOG debate

Detailed notes and feedback from this section of the meeting will follow in a separate deliverable, including results from the polling. The session debated the future of gas and the role of regions. The outputs from the debate will be reviewed to determine the next steps.

## Next Meeting

18<sup>th</sup> May 2021.

## Links received from the Members Update

- E3G report around offshore wind (based on imperial College modelling) <https://www.e3g.org/publications/offshore-wind-in-the-north-seas/>
- Offshore Wind in the North Seas - E3G [www.e3g.org](http://www.e3g.org)
- Gas Goes Green 2021 plans <https://www.energynetworks.org/newsroom/our-gas-goes-green-plans-for-2021-time-for-our-next-steps>
- BEIS/NG UK International Conference on Gas Decarbonisation (Thursday 18 March): <https://hopin.com/events/beis-national-grid-event>
- UK International Conference on Gas Decarbonisation [www.hopin.com](http://www.hopin.com)
- Building the Hydrogen Value Chain - policy considerations around end-to-end hydrogen market design and policy support <https://www.regen.co.uk/publications/building-the-hydrogen-value-chain/>
- Kensa Group and Regen, Rethinking the role of ground source heat pumps in the decarbonisation of heat <https://www.regen.co.uk/publications/rethinking-heat/>
- NGN Hydrogen video <https://www.youtube.com/watch?v=q6wx0n2tkMg>
- TEN-E proposals <https://www.euractiv.com/wp-content/uploads/sites/2/2020/12/TEN-E-annexes-clean-scan.pdf>
- UK-100 Pledge [UK100 | An ambitious network of 100+ UK local authorities | UK100](https://www.uk100.org/) -