

Future of Gas

Minutes from Steering Group meeting on 12th February 2020

Location

Thistle Kensington Gardens Hotel, 104, Bayswater Road, London W2 3HL

Attendees

Chris Logue (interim Chair) – National Grid
Helen Campbell (incoming Chair) – National Grid
Ray Arrell – REGEN
David Buttery – BEIS
Julie Cox – Energy UK
Lisa Fischer – E3G
Professor Joe Howe – Thornton Energy Institute
Kirsty Ingham – ESB
Richard Fairholme – Uniper
Lorna Millington – Cadent
Angus Paxton – AFRY
Corrin Taylor – DNV GL
Will Webster – OGUK

Alternatives

Bogdan Kowalewicz [Ofgem] for David O'Neill
Pavanjit Dhesi [IUK] for Steven De Ranter

Apologies

Emma Buckton - NGN
Robin Cannings – Storengy
Steven De Ranter – Interconnector UK
Sam French – Johnson Matthey
James Kerr – Citizens Advice
Hywel Lloyd – UK100 Local Government Leaders
David Mitchell – Chemical Industries Association
David O'Neill – Ofgem
Marcus Newborough – ITM Power

Welcome and Introductions

Chris Logue welcomed members and noted that he will be standing down as interim chair and Helen Campbell will take up this role moving forward. Chris advised he will remain part of the group, replacing Ian Radley.

Chris advised that Xoserve had shown interest in joining the steering group and asked for opinion. The group debated this noting both pros and cons for their admission to the group.

It was agreed that membership to the steering group would be revisited at later date to allow for the relationship and strategy to evolve with Xoserve. Quarterly meetings will be setup with Xoserve to discuss this brief and will keep a minded eye on the strategy of involving Xoserve moving forward.

Program Update

Neil Rowley then took the group through the recent work that had been achieved since the last meeting; release of the Enabling of the Gas Markets Plan, refresh of the Future of Gas website, GMaP focus area work started and the next Forum event having been scheduled. Members had a robust debate around the GMaP, its branding and its vision noting that this is an important year with COP26 been held in November of 2020 and that time is of the essence with delivery of outputs.

Feedback was taken as to the timing of the next publication been brought forward with a view to accelerating the programme of work and meetings. Additionally, it was noted that the presentation of the work needed to evolve to have less of a National Grid focus and to be an industry wide representation.

Members also note that with so many projects been undertaken by the industry at present some form of high-level mapping of these projects and their deliverables would be desirable to which it was noted that work was underway between members as to provide this in the future.

The members went on to have a lively debate when discussing the focus areas of the GMaP and the vision for a net-zero future within the 2-10yr time horizon that this programme is focused on. Feedback was taken that there is a need for clear vision and a roadmap of change that encapsulates work from across the industry to provide a coordinated approach to work moving forward.

Finally, members offered some feedback on how to structure Forum events moving forward to best drive engagement from the industry and again a clear vision for future events is needed to help drive up participation.

Gas Quality Focus Area Update

Bill Goode then presented an update on Gas Quality and how the structure of work is currently looking and potential projects to be taken forward for the remainder of the year.

Feedback was taken from the group as to some of the assumptions within the body of work and around how fast the rate of change would be noting that this was a vastly important issue. It was also noted that there are many routes to a net-zero future and how regional variances in approach would take place along with different projects moving quicker than some others with emphasis made on Industrial Cluster projects. It was suggested that a range of potential futures need to be mapped out when looking at the fastest change cases.

The group went on to have a lively debate around the UNC modification processes and how various bodies play into this process noting that this can be a protracted process which needs to be more agile if we are to realise the vision of a net-zero future. It was also noted by members that whilst processes for change are cumbersome and protracted there is reason for this in respect of safety and ensuring value for the consumer.

The group gave its general agreement to the packages of work proposed with the caveat that agile working groups would be formed to provide initial scoping and direction for the areas to ensure maximum effectiveness and the group would provide direction as to the best players to involve in those groups.

Balancing Focus Area Update

Jonathan Cranmer then took the group through the balancing focus area and that with such a wide range of potential futures and different timescales for deliveries of projects there is a need to ensure that the balancing regime remains fit for purpose. Some members of the group asked if there was an issue with the current regime, which was offered that there was not any issue currently. The group went on to debate whether optimisations could be made to the current regime and that moving into the future does the balancing regime work for a potential future such as a 100% hydrogen network. It was offered that some projects are already looking at the UNC and this regime to see if it works for certain project deliverables.

It was noted that this is the start of this area, so several actions need to be taken to provide clarity in this area such as a fastest change case, scoping and problem statements to help inform this area of work. The group agreed that there as potential for a lot of work to be done in this area depending on how the question is phrased.

Hydrogen Project Update

Imran Abdulla then presented an update on the Hydrogen focus area work package. It was noted that there had been input from various external parties as to help inform the fastest change case presented which has resulted in how to classify different issues and their likely timescale for delivery.

Feedback from the group challenged the classification of project work and their indicated timescales with it been offered that market principles should be given the highest priority as this gives comfort to the markets and industry to invest and develop.

Further feedback from the group in this area again touched upon the importance of regionality and hydrogen been specifically affected by this with different projects delivering different rates of change and this needs to be considered. Optionality was also considered to be an important consideration alongside regionality.

Other points that were touched upon during the debate as to feedback into this area and develop its deliverables were:

- The need to investigate the effects of supply and demand for hydrogen given its regional nature and how this impacts project prioritisation.
- That the introduction of bio-methane would provide a valuable tool of lessons learnt for introducing a new gas to the energy mix
- What is the role of the supplier and the shipper in a hydrogen world?
- That all agree with the range of potential futures and their intimated timescales
- That the project should consider Industrial Clusters as they will be reporting on their progress soon and will have a view on their business models and issues.
- That HyDeploy in connection with Frontier Economics would be publishing their report in the next 4-6 months which can feed in to this body of work.

Broad agreement was given for the work to be carried forward but further scoping and refinements to be made in line with the feedback given.

Engagement, Education & SG Terms of Reference

Neil Rowley gave an overview of the terms of reference for the steering group and this been an educational and engagement programme. Neil then asked the group for feedback on the current outputs and engagement activities and what the group could do to support the programme moving forward.

Feedback from the group on potential developments were:

- Share more international thinking, thought pieces and projects.
- To introduce webinars for meetings to aid those that can't travel
- To produce surveys to gain further feedback on project areas
- To introduce Blogs & Vlogs on to the website
- To produce a website page with links to all the projects across the UK
- To increase the visibility of the Future of Gas Website and really drive its development
- To develop the forum to engage a wider industry audience and not limit it to market developments that need to take place but rather a holistic "Future of Gas"

There was also a request made to the members to offer input and materials to the website such as documents, projects or communications that they wish to disseminate to a wider audience or an area they would like to particularly highlight. It was also asked for members to provide input in the form of Blogs and Vlogs for inclusion on the website as to drive further engagement activity.

Next Steps

Neil Rowley then ran through the next steps for the programme and when the group can expect deliverables.

Some members of the group suggested increasing the frequency of the steering group meetings. It was also suggested that deliverables from the work needed to be sped up and it was agreed that when the minutes were distributed, we would provide key dates as requested.

Post Meeting Note: Meeting frequency is to be considered as part of the current program of work and how the steering group matures. No change is proposed at the moment but this will be monitored on a regular basis. National Grid is currently evaluating our approach to commence projects and is working on the basis of progressing project commencement as soon as is practicable. More information on this will be provided shortly.

Chris Logue then gave his closing remarks, thanked the members for a lively and good debate. That we have listened today and will take on the feedback given.

Helen Campbell then closed the session by summarising what she had heard from the group that day and their requests of the programme:

- That we need to provide a clear vision for the future landscapes that we are talking about encapsulating all the work that is been undertaken across the UK and how this information has driven our assumptions for the future.
- To find a way to clearly list all the activity that is happening across the UK

- That the scope of the steering group needs to be clearly defined with a set of principles for decisions as to why focus area topics are been chosen and have this included in the terms of reference
- What topics are on the horizon which the group may want to prioritise to ensure the relevant work is been taken forward
- When working groups are convened to be able to simply articulate why this area has been chosen
- The need to move quickly into the project delivery portion of the programme with clear deliverables, what is the success criteria and who is going to be involved
- Where as a group, as a gas industry, where we want to have a combined message delivered from the programme of work.

Meeting End.