

Shaping the Future Keynote Speech

Wednesday 28th June 2023

We will start at 10.02 to allow participants to finish previous meetings and join the call




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#NGT1



**national
gas**

Welcome and Opening

Thank you for joining us today

-  We hope you find today's session informative and enjoyable
-  Slido.com will be used for feedback and Q&A
-  What you tell us will help us shape our future priorities



Martin Cook
Chief Commercial Officer

Logistics



Should last around 60 minutes



Questions and Polls via [slido.com](https://www.slido.com) using #NGT1



All attendees on mute and cameras off



Slides and recording will be circulated



Who will be speaking?



Martin Cook
Chief Commercial Officer



Jake Tudge
Corporate Affairs Director



Holly Jago
Head of ESG & Reporting



Emma Radley
Customer & Stakeholder
Specialist

Agenda

1. Business Headlines

2. Our external environment

3. Environment, Social and Governance

4. Questions

Business Headlines

Martin Cook – Chief Commercial Officer



One organisation. Three businesses.



National Gas Transmission is the backbone of Britain's energy system today and will play a leading role in the transition to a clean energy future that works for every home and business.

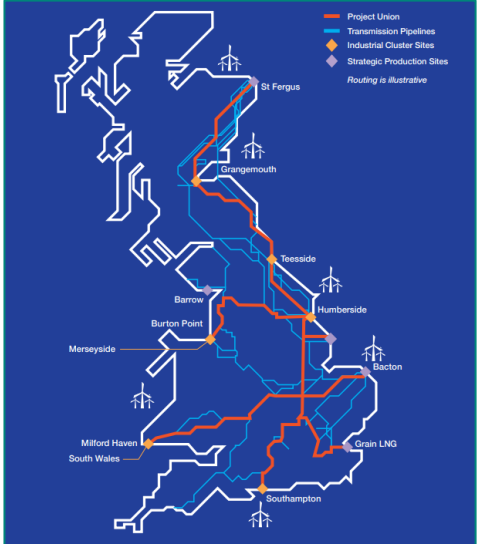


National Gas Services is Great Britain's trusted authority in pipeline repair, maintenance and intervention, providing comprehensive services for strategic gas assets.



National Gas Metering is one of the largest meter equipment managers in Great Britain, enabling homes and industry to access the energy they need safely and reliably.

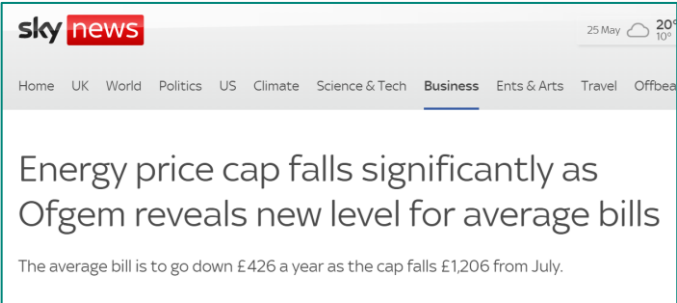
National Gas has an important role in our energy system.



Customer and stakeholder scores		
NGT Stakeholder	NGT Customer	Metering Customer
8.69	8.6	88
10	10	100



We've been working hard to shape the energy future.



Hydrogen is a combination of politics, policy and economics

POLITICS



General Election 

The Energy Bill 

Hydrogen Levy 

POLICY



Transport & Storage 

Blending Decision 

Project Union 

ECONOMICS



Global Gas Markets 

Consumer Cost 

Jobs & The Economy 

Our external environment

Jake Tudge – Corporate Affairs Director

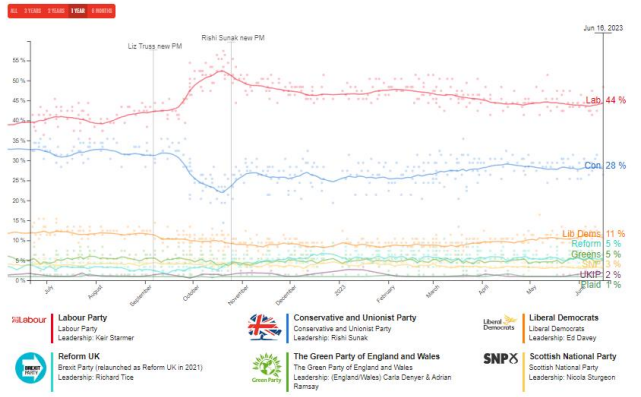


Politics will pave the hydrogen path for the next decade

General Election



National parliament voting intention



Source: *Politico*

THE TIMES Stand back from cliff edge on oil and gas policy, Keir Starmer urged

The Guardian Labour promises to spend £28bn a year on tackling climate crisis

The Energy Bill



- Accelerate the **growth of low carbon** technologies
- Enable the development and scale up of **CO₂ and hydrogen transport and storage networks**
- Take further steps to explore the role for **hydrogen to heat our homes**
- Enable **innovation** and gearing our system towards **net zero**

Hydrogen Levy



The purpose of the levy is to **provide long-term funding** for the hydrogen business model for production, akin to the support provided to the early stage wind projects through CFDs

Households will be spared £120 net zero levy, says Grant Shapps

Measures to fund hydrogen industry will not be tacked on to energy bills, vows minister

By Ben Riley-Smith, POLITICAL EDITOR
23 June 2023 - 9:00pm



Critical enablers will support our no-regret Project Union

Transport & Storage

Department for Business, Energy & Industrial Strategy

Hydrogen transport and storage infrastructure

A consultation on business model designs, regulatory arrangements, strategic planning and the role of blending

Closing date: **22 November 2022**

August 2022

Source: [UK Government](#)

Blending Decision

Facilitating hydrogen blending in the NTS will help to **integrate renewables** and ensure an efficient system

Blending can support the progress of **early hydrogen production projects** and provide initial carbon savings

20% GDNs can blend **20%** by 2024

5% Our NTS can blend **5%** by 2025

Project Union

- **2,000km** of pipeline
- **3,100 jobs** at peak construction
- Support **£300m** annual GVA

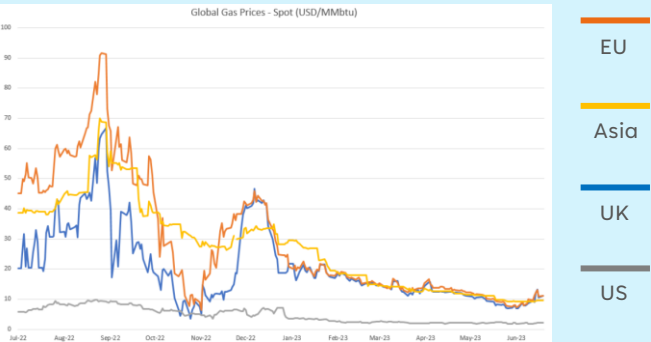
£ **£8million** awarded by Ofgem

📅 Early **2030s** initial backbone complete

🕒 Repurpose **25%** of the UK's current natural gas transmission pipelines (the NTS)

International and local forces drive the economics

Global Gas Markets



- TTF is trading at its lowest since July 2022 after a period of high volatility in the European gas markets and record prices across the region
- Asian and European gas markets have converged owing to strong US LNG exports to Europe and lower LNG demand growth across Asia

Consumer Cost



At a system level...

Combined Hydrogen and Electricity System could save Britain £38 billion

At a local level...

H₂ Boiler

£2,000

Heat Pump

£13,000

37-54% of homes are suitable for a heat pump [1]

Jobs & The Economy



Between 135k – 725k net new jobs could be created by 2030 [2]



Drive **growth** in regions across the UK and develop new industries [3]



Unlock £4bn by 2030 [4]



Reskilling will be necessary to attract investment in the UK [5]

[1]: EUA

[2, 3, 5]: CCC
[4]: UK Government

Quick Poll



Do you think that the case is strong for gas as a solution to Net Zero?

Yes



Not sure



No



Environment, Social and Governance

Holly Jago - Head of ESG



What is ESG?



ENVIRONMENTAL
Improving the
Environment

We strive to **achieve minimal adverse environmental impacts** across all our operations whilst also seeking ways to **enhance the local environment**



SOCIAL
Acting with a Social
Conscience

We deliver **sustainable social impact**, promoting the **wellbeing of our people** and adding value to both the **communities** within which we operate, and wider society



GOVERNANCE
Running our Business
Ethically

We have a **robust internal system** of practices and procedures allowing us to allow us to make **effective decisions**, **comply with the law**, and **provide assurance** to our stakeholders

ESG – short for Environmental, Social and Governance – is a business framework considering impact on society, the environment, and how transparent and accountable it is

Why does ESG matter?

Climate change: Sudden heat increase in seas around UK and Ireland



Hottest ever start to June as global temperatures spike



ESG regulations increased 155% over past decade, shaping financial markets

Rising inequality: A major issue of our time

Analysis: German states realign €30bn pension fund assets to stricter ESG standards

UK company directors face tougher conduct regime



English water companies offer apology and £10bn investment for sewage spills

Failure to act in a socially and environmentally conscious way risks the wellbeing of our planet and people, and carries serious financial and reputational consequences for businesses

Why do we do it?



Our ESG strategy and activities allow us to ensure our decision making remains sound, our leaders remain accountable, and our workforce is driven to build value together

What does ESG look like at National Gas?

ENVIRONMENTAL

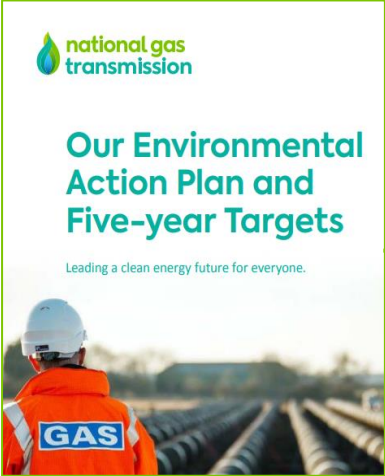
- Net-Zero Transition 
- Clean, Fair Energy Future 
- Safety & Reliability 

SOCIAL

- Tackling Fuel Poverty 
- Supporting Local Communities 
- Educating & Inspiring 

GOVERNANCE

- Transparency: ARA / EAP 
- Accountability: RIIO-T2 BPCs 
- Industry Leading Practices 



Publication of our Environmental Action Plan

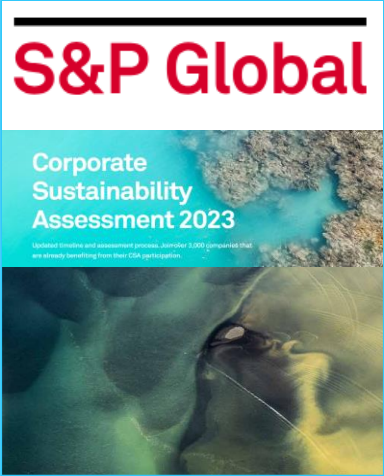
Development of our Pathway to Net-Zero



Partnerships with Barnardo's & The Albion Foundation

Over 1,000 hours volunteered

Community Grant Scheme



ARA & ESG reporting

Submission to S&P Global Corporate Sustainability Assessment

We are at the start our ESG journey and are committed to doing the right thing - for the environment, for our people, and for wider society

Thank you



Quick Poll – Results



**Do you think
that the case
is strong for
gas as a
solution to Net
Zero?**

The background consists of a dense pattern of overlapping circles. The circles are filled with a gradient that transitions from a dark blue on the left to a bright green on the right. Each circle has a subtle, concentric ring pattern, giving it a textured, metallic appearance.

Q&A

[Slido.com](https://www.slido.com)

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What next?



You will receive the recording and materials from today's session



If you have any further questions or would like to discuss anything specific please get in touch:
engage@nationalgas.com



Feedback is important to us, therefore if you have not already taken part, we would like to put you forward for a survey



Further Webinars

Event Name		Date/Time	Hosts
Keynote Speech	Current	28 th June 10:00	Martin Cook, Jake Tudge
Commercial Frameworks	Sign Up	29 th June 13:30	Ian Radley
Future of Gas	Sign Up	03 rd July 10:00	Danielle Stewart
Regulation	Sign Up	05 th July 10:30	Martin Cook
Operating the Network	Sign Up	06 th July 10:00	Ian Radley & Craig James



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Thank you



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