

Question	Response
1 Any comment on the role of hydrogen for heating?	To deliver net zero heat for all, there needs to be a range of solutions. An increase in heat pump installations will provide low carbon heat for many homes. We also believe that there will be other options needed such as district heating and hydrogen to decarbonise all homes and properties.
2 Great to hear the positivity from Jake on the role of H2 and CCUS. I would like to know how our SME business Seacht Holdings Group (EPCM and fabricator) can get involved in the supply chain for this important endeavour.	For all programmes of relevant scale, we run competitive tender events for our supply chain needs, ranging from physical asset provision, resourcing and consultancy. We will continue to share programme development to support the supply chains understanding of scale, timing and lite scope as proactively as possible.
3 Does NGT share the NIC's pessimistic assessment of the future role of H2 (blended or pure) in domestic heating? Doesn't it have a potential role in area of industry, power generation and close to H2 production?	To deliver net zero heat for all, there needs to be a range of solutions. An increase in heat pump installations will provide low carbon heat for many homes. We also believe that there will be other options needed such as district heating and hydrogen to decarbonise all homes and properties.
4 Please describe the consequences for NGT of the creation of the FSO in 2024 and the transfer of network planning decisions to the FSO.	We do not see that network planning decisions will transfer to FSO. Initially FSO will lead one aspect of the planning on the gas network by triggering a need assessment but the decision on where and when to invest will continue to sit between Ofgem and National Gas.
5 Will gas be properly represented in the new FSO, given the expected dominance of ESO in the new FSO?	We agree it is essential that for FSO to be successful then it must be energy agnostic and equitably reflect the industry, we are confident that this is understood and supported by the leadership at FSO.
6 Can you say more on the specifics of how you see a separate hydrogen RAV affecting NGT in RIIO-3?	Hydrogen capex is out of scope of the RIIO framework, however the repurposing opportunity offered by the natural gas networks means that the framework, and indeed future investment needs of these energy vectors, are inextricably linked. Capital work to repurpose the natural gas network will be underway in the RIIO-3 period (funding for which will be sought through the hydrogen transport business model). This will need to be underpinned by a fair asset transfer methodology.
7 How do NGT anticipate the creation of FSO and the resulting movement of licenced responsibilities to impact your transmission asset strategy - with specific emphasis on the maintenance, investment/renewal, derogation and decommissioning strategies over the RIIO3 period?	We do not see that there will be any licenced responsibilities transferring to FSO in regard to the items listed. The accountabilities for the network and it's operation will remain as between Ofgem and National Gas Transmission but FSO will have a role in looking forward as to the needs to be placed on the gas network; NGT would then respond to FSO to articulate how those needs may be met.
8 In terms of CCS, do you see any future for hydrogen production through BECCS (to achieve negative emissions)?	Yes - we see BECCS having the potential to play a significant role in achieving net zero emissions. There are several challenges associated with implementation however BECCS is included in all Future Energy Scenarios.
9 Can you say a bit more about the future sources of hydrogen please? Green, blue or pink hydrogen? Where will it be made and where will it be stored? How will hydrogen be stored? Thanks, John	Our aim is to build a hydrogen network that can accommodate any low carbon sources of hydrogen. We anticipate that initially, blue hydrogen will dominate low carbon hydrogen production, with green hydrogen production increases and becoming more affordable in line with the increases in wind and solar capacity. For hydrogen storage, we anticipate large storage projects are located where the geology is favourable. The potential for hydrogen storage is significant, but will be limited to specific areas. We believe that these storage locations need to be connected to production and demand for hydrogen via a transmission network.
10 Are you mindful of the EU Hydrogen backbone being developed and how the UK can be a part of this?	We are part of the European Hydrogen backbone and have been involved in the development of their vision for European hydrogen transportation
11 Great to hear about NGT supporting future energy security at a whole system level. What are the specific plans for innovative approaches to large-scale gas storage at whole system levels in the future?	At a tactical level, National Gas Transmission and System Operator has streamlined processes to enable the efficient connection of gas storage. Strategically, we continue to support industry bodies, regulators and legislators on energy system resilience through storage, interconnectivity in a whole system approach.
12 Is engagement on a co-creation basis or an 'internally develop and externally test' basis?	Depending on the subject it will be a combination of both methods to ensure we strike the right balance and focus.
13 How will the network re-purposing be funded? via RIIO3 or via the separate Hydrogen Levy?	Development expenditure (devex) is essential to being able to unlock repurposing for hydrogen. Devex activities are currently being funded through the RIIO framework via reopener mechanisms. It is unclear if this will continue into RIIO3.
	Hydrogen capex is out of scope of the RIIO framework. The Hydrogen Transport Business Model, currently under development, will be the process through which funding is allocated for such work.