



Cara Yates
10 South Colonnade,
Canary Wharf,
London,
E14 4PU

11th April 2022

Dear Cara,

Re: Consultation on Hydrogen Village Detailed Design Studies

Thank you for the opportunity to respond to Ofgem's consultation regarding the Hydrogen Village Detailed Design Studies. This response represents the views of Northern Gas Networks (NGN), and our project partner Wales and West Utilities (WWU) to the questions in your consultation.

We are supportive of the decarbonisation of heat in homes and industries and consider that live trials and extensive engagement with consumers will demonstrate the potential for hydrogen to support a cost effective and efficient delivery of the UK net zero targets with minimum disruption to consumers.

We have carefully considered your consultation document and provide responses to the three questions below. In addition, we confirm that we will continue to work with BEIS and Ofgem throughout the detailed design phase to clearly demonstrate:

- Further analysis of the supply chain, particularly in relation to appliances, electricity grid capacity and potential risks,
- An overview of our contingency plans regarding hydrogen production,
- Clear demonstration of the evidence that we will capture in stage 2 against the BEIS Trails Evidence Framework which we have agreed with Ofgem and BEIS to provide by the end of Q2 2022.

We will address these further requests directly with BEIS and Ofgem through the detailed design phase and they will be the subject of separate submissions in line with the agreed deliverables and interim deliverables timelines that are being agreed.

We collectively support the minded to position on the Hydrogen Village Detailed Design Studies and look forward to working closely with our project partners, BEIS and Ofgem in providing the evidence to help inform government policy decisions on the use of hydrogen for heat.



Consultation questions

Question 1: Do you agree with our minded-to decision on the projects to fund?

Yes.

We support the decision to progress phase 2 of both the NGN/WWU and Cadent Hydrogen Village trial proposals.

The submissions for both proposals were comprehensive and demonstrated a collaborative approach to delivering new learning across the supply chain for Hydrogen. We intend to continue working collaboratively with Cadent in support of their trial as it progresses.

The Hydrogen Village Trials presents the next phase of the Hydrogen journey for gas distribution networks, which was started by NGN in 2014 with the concept of Leeds City Gate project which later became H21. We have consistently been working towards larger scale hydrogen trials and collecting the necessary evidence to demonstrate that hydrogen conversion is practical, possible, and affordable through the H21 programme of work. This experience means we are well placed to build on the expertise and understanding already embedded within our DNA to deliver the detailed design phase of the village trials.

Question 2. Do you have any views on the proposed project deliverables for Cadent and NGN, and whether further deliverables are required?

We have reviewed the list of project deliverables in detail and are engaged in ongoing discussions with BEIS, Ofgem and Cadent regarding any further requirements and the timing of delivering these. We have represented NGN's position on the timing and delivery dates through these discussions and will continue to work with all parties as the detailed design phase continues to ensure that the project outputs are met, consistent with any timescales agreed with Ofgem and BEIS.

We note the proposal for an additional deliverable for a third-party assessment of engagement activity and agree that this will provide a useful body of evidence both for later stages of the trials and for future projects. We propose that this a joint undertaking between ourselves and Cadent, to allow for different approaches to be considered and compared within a single methodology. We also confirm that we will publicly share details of our research sites and detailed design study plans on the NGN website, within a week of Ofgem decision on funding being issued.

Question 3. Do you have any views on the proposed directions for the projects contained in Appendix 2 to 4?

The Hydrogen Village Trial will deliver information and learning that will benefit the entire UK in its journey to achieving net zero emissions. We agree with, and support Ofgem's "*minded to position*", which will socialise 100% of the stage 2 Hydrogen Village Trial costs across all bill payers through the National Grid Gas Transmission charges. We consider

this is the fairest and most pragmatic approach to ensuring that the project can progress at pace and is consistent with how other large scale innovative infrastructure projects that will generate shared learning within the gas industry have previously been funded.

We have reviewed the proposed direction to NGN outlined in Appendix 3. We are broadly satisfied with the content, however, note one minor error that should be amended for correctness, being that NGN submitted its reopener application on 17th December and not 14th December.

Thank you for the opportunity to respond to this consultation, we look forward to working with you further to facilitate a hydrogen heating trial.

If there are any queries or additional information or clarity required for any of the NGN responses, please contact Greg Dodd, Head of Strategic Planning, gdodd@northerngas.co.uk, who will be able to deal with your query.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'GMR' with a stylized flourish at the end.

Gareth Mills |Director of Regulation and Strategy
Northern Gas Networks