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Sent by email to: [cara.yates@ofgem.gov.uk](mailto:cara.yates@ofgem.gov.uk)

Dear Sir / Madam,

### **Hydrogen Village Trial Detailed Design Studies Consultation**

Thank you for the opportunity to respond to the above consultation. This is a non-confidential response on behalf of the Centrica Group.

Centrica is the UK's biggest retailer of zero carbon electricity, serving around 10 million customers across the UK, Ireland, and continental Europe through brands such as British Gas, supported by around 9,000 engineers and technicians. Centrica's purpose of helping customers live sustainably, simply, and affordably drives our strategy and our People and Planet Plan.

For the UK to meet its 2050 net zero target and interim carbon budget commitments, hydrogen solutions must be rapidly scaled through the 2020s. This will require significant action and coordination across the value chain. The production of hydrogen cannot be scaled without a market for hydrogen, demand-side technologies will not be developed and deployed without a source of hydrogen, and large-scale projects cannot come forward without both a network and storage assets.

We welcome these proposals for steps to progress design studies to deliver a large-scale hydrogen heat trial by 2025, outlined in the Government's Ten Point Plan. Consumer perception and participation are critical to successful trial completion, meaning that energy suppliers, who conduct the domestic consumer's main interactions with the energy sector, should have a key role to play in facilitating these projects. Engagement with the energy supplier community must be timely and inclusive to ensure positive consumer experience within the trials and to maximise learnings.

We note that further work will follow, and we look forward to future engagement with all stakeholders. We have provided answers to the specific consultation questions in the attached annex. I hope you find these comments helpful. Please contact me if you have any questions.

Yours faithfully,

Chris Wright

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## **Annex: responses to consultation questions**

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

Yes. In the UK, heat accounts for approximately 40% of energy consumption and is mainly generated in our homes and businesses, so tackling the issue of decarbonising heat in our homes is critical to help our customers to net zero by 2050.

The transition to low-carbon heat will particularly be disruptive for consumers. With approximately 26 million existing homes and around 85% of these homes connected to the gas grid, hydrogen could play a key role on this journey by being the least disruptive and most affordable solution for a large proportion of UK households.

We are committed to ensuring a just transition to net zero, which means nobody gets left behind because they can't afford it, or they don't have well-insulated homes. We believe it is essential to gain full learning from the trials that participating GDNs collaborate with parties who have expertise and proven track-record in consumer engagement and in-home installation to complement their skillset.

It is important for the large trials to capture evidence from a wide range of domestic and non-domestic building samples, as well as a broad sample of consumers, in order to underpin a well-informed debate on the decarbonisation of heat and establish subsequent national policy decisions.

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

We agree with the proposed project deliverables and are pleased to see the commitment from all stakeholders appropriately to consider the consumer mindset.

Reaching net-zero will not be possible without public engagement and buy in. Up until this point, the decarbonisation story has been somewhat far removed from the public, as much of the upstream power sector has been decarbonised. The policy choices and societal changes that will be needed in the next decade and beyond will require much more public engagement than that seen so far. Concerns around climate change and public awareness of the concept of net-zero and self-sufficiency in energy are relatively high.

Involving the public in the decision-making process of transitioning to low-carbon heat, and indeed a low-carbon economy, will help customers understand the co-benefits of the transition. These wider benefits include, amongst others: the creation of new industries, jobs across the country and not in one specific region, warmer and more comfortable homes, improvements in innovation and deployment of low-carbon technologies.

### **Do you have any views on the proposed directions for the projects contained in Appendix 2 to 4?**

We have no further suggestions, at this time, and we look forward to continued engagement with Ofgem, BEIS, GDNs and other industry parties.