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LETTER OF SUPPORT

National Gas Transmission RIIO-GT3 Business Plan

ENGIE is a leader in sustainability energy supply and services, has been present in the UK for over 20 years employing more than 1,200 people producing, storing, procuring, transporting and selling energy, while providing decarbonisation solutions for regional authorities, companies and individuals. ENGIE has a strong focus on renewable energy and flexibility, our renewable energy assets include biomethane, onshore and offshore wind and solar and we lead the UK market in flexible energy storage across both electricity and gas.

ENGIE's ambition is to become the leading European player in Renewable Gases with a target of more than 10TWh of annual Biomethane production by 2035. To support this ambition, a new division, Renewable Gases Europe (RGE) was created in 2023 to oversee and manage the development and operation of the Group's Biomethane assets. ENGIE currently operates over 1TWh of production across Europe with 226GWh in the UK. With a pipeline of development projects across Europe, over €3bn of investment has been committed by ENGIE to this goal. ENGIE is convinced that biomethane will play an essential role in the European energy mix and provide energy security and support the journey to net zero for our communities and customers.

ENGIE is committed to the UK Biomethane industry and plan to expand our existing portfolio by developing a number of new plants and investing significantly to support decarbonising the UK's energy supply, the green and agricultural economy, creating new jobs, supporting local farmers and the construction industry. With our national presence and knowledge, ENGIE takes action throughout the value chain, from the development, financing, building and long-term operation of biomethane plants.

In turn, we understand that National Gas have a responsibility to maintain and upgrade their existing network to ensure a reliable and flexible gas supply to industrial and domestic gas consumers, whilst investing in forward-looking initiatives to support Britain's net zero ambitions of Clean Power by 2030 and Net Zero by 2050. These responsibilities sit alongside obligations to minimise negative impacts on consumer gas bills and gas availability, and to operate within Ofgem's regulatory framework throughout. Within RIIO-GT3, National Gas will also have the obligation to work closely with NESO to address key challenges associated with planning and reaching net zero.

Within National Gas' RIIO-GT3 business plan, we acknowledge and support that:

- Biomethane will play a crucial role in optimising the path to a net zero energy system, Clean Power by 2030, and bolstering Britain's energy security. We welcome National Gas' ambitions and the proactive steps they are proposing to reduce the time and cost to connect for future biomethane and green gas suppliers, helping to encourage external investment, improve network flexibility, and allow these sites to compete on a more level playing field with existing suppliers.

- Regardless of the energy mix that Britain uses to achieve its net zero ambitions, Britain will need a gas transmission network beyond 2050, to transport natural gas, biomethane, or other green gases across the country. Depreciation of the gas transmission network during RIIO-GT3 would be premature, and would unfairly burden customers with increased costs during an already financially challenging period.
- During RIIO-GT3 National Gas should be investing in low-regrets activities to ready physical assets and system operation for transportation of alternative fuels, whilst keeping a continued focus on fostering innovation to drive efficiencies and make vital progress towards a net zero future. The energy industry is evolving quickly, and innovation must be leveraged to develop the evidence base needed to enable the energy transition and drive continuous improvement.

Although this Letter of Support is not legally binding, we express our interest in and support for National Gas's RIIO-GT3 Business Plan and we look forward to continued collaboration with National Gas.

Yours sincerely,

Stuart Rennie
Managing Director
Renewable Gases UK, ENGIE