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4<sup>th</sup> April 2025

## **Consultation on proposal to extend the National Gas Transmission's (NGT) Network Innovation Allowance (NIA) funding to support additional hydrogen innovation during RIIO-2**

Dear David,

We are responding to the consultation on the minded-to position to allow an additional £5.115m (2023/24 prices) of HYINt NIA funding, to NGT, to support additional hydrogen innovation activity in RIIO-GD2 and the wording of the proposed direction that would give effect to the minded-to position in accordance with SpC 5.2 of NGT of the gas transporter licence.

Q1. Do you agree with our minded-to decision to approve additional funding for the projects listed in this chapter under the HYINt licence term, and at the value proposed?

As active participants in hydrogen grid research and development during RIIO-2, alongside Ofgem, NGT and the other networks, we recognise the value and importance of hydrogen innovation to inform policy and identify opportunities for repurposing assets. The programme has provided a strong example of the value of collaborative innovation, through direct joint work on projects and sharing learning across the industry. While the HSE is currently assessing evidence in relation to distribution network and end user safety, irrespective of their position it is likely that ongoing work will be required across the industry to continually develop learning in this space and support efficient delivery, through the remainder of RIIO-2 and in RIIO-3.

In principle we support the proposed additional funding to support the development of the hydrogen safety case for repurposing the National Transmission System (NTS) for hydrogen. As with other aspects of hydrogen grid research, there are potential learnings from this process which would apply

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directly or indirectly to GDNs (especially, but not exclusively, to Local Transmission System assets). As such we assume that all networks will be invited to consider collaborating on these projects, with the ability to broaden scopes where appropriate, and that projects will be subject to the usual governance around collaboration and sharing learning.

Repurposing gas network assets for hydrogen could offer significant potential benefits to existing methane consumers in realising value for assets and provide societal benefits in tackling climate change and providing options for consumers. Without this funding there would be significant risk of delays to development of evidence required to inform decisions on the potential for repurposing assets across the gas system.

Q2. Do you have any views on the proposed direction for the Project contained in Appendix 2?

We have no views on the proposed direction letter in Appendix 2.

Yours sincerely,



Sian Rowlands

**Innovation & Funding Manager  
Wales & West Utilities**