

Ofgem's decision on direction to extend the National Gas Transmission's Network Innovation Allowance funding to support additional hydrogen innovation during RIIO-2

To:

National Gas Transmission Ltd

Direction of a positive value for the HYINT licence term found in Special Condition (SpC) 5.2 of NGT's Gas Transporter Licence to add allowances to NIA allocation

The licensee to whom this document is addressed is the holder of a licence granted or treated as granted under section 7 of the Gas Act 1986 ('the Act').

Special Condition 5.2 provides mechanisms by which the licensee may seek additional funding for their Network Innovation Allowance to proceed with hydrogen-related innovation during the RIIO-2 price control period.

On 9 December 2024, the licensee submitted a request to extend their NIA funding via the HYINT licence term to £7.4m (23/24 prices). On 7 March 2025, we consulted on our assessment and decided to take a position on this request.

We received four responses and have placed all non-confidential responses on our website. Considering the consultation responses, we decided to proceed in this direction.

This direction is issued according to Special Condition 5.2 and directs a value for the HYINT term of £5.115m (23/24 prices), which equates to £4.175m (18/19 prices). This direction applies for the regulatory year starting 1 April 2025.

This direction will take effect immediately. This direction constitutes notice stating the reasons for the decision for section 38A of the Act.

Marzia Zafar

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Duly authorised on behalf of the Gas and Electric Markets Authority.

02/06/2025