

1. Urgency of Delivering a Hydrogen Network

The rapid development of a UK hydrogen transmission network is essential to achieving decarbonisation targets and supporting industrial competitiveness. A hydrogen network enables the efficient balancing of intermittent hydrogen production and different demand profiles. As intermittent renewable generation becomes the backbone of GB's power system, flexible demand and flexible power supply will become more important. Green hydrogen and hydrogen to power reciprocating engines are well suited to this sort of system and will see a far greater cost reduction than alternatives such as blue hydrogen and power CCUS. However, the intermittency of green hydrogen and reciprocating engines means that networks and storage are required to manage the diametrically opposed operating profiles.

It also unlocks the potential of strategic hydrogen storage, helping ensure resilience and security of supply across the energy system. Delays in enabling this infrastructure risk slowing the deployment of low-carbon hydrogen and, by extension, delaying progress across multiple sectors including heavy industry, power generation, and transport.

2. National Gas's Capability to Deliver a Core Hydrogen Backbone

National Gas is well positioned to develop and coordinate the national hydrogen transmission network, drawing on its existing assets, system operational capabilities, and regulatory experience. Project Union builds on this foundation to deliver a core hydrogen backbone that connects key production sites, storage facilities, and industrial demand centres. National Gas's leadership in this area will help ensure consistency in design and operation, efficiency in delivery, and long-term system integration.

3. Essential Role of Enabling Activities in Project Union and the Wider Hydrogen Network

The essential enabling activities requested by National Gas – particularly those related to system operations, engineering policy, and supply chain development – are critical to the success of both the East Coast FEED and Project Union more broadly. These activities are not ancillary; they underpin the technical, commercial, and regulatory framework necessary for a cohesive national network. Funding these elements now ensures that FEED activity across all UK regions is coordinated and scalable, creating a consistent platform from which to advance hydrogen infrastructure.

Project Union represents the opportunity to bring low-cost hydrogen from regions with excess renewable generation such as Scotland to demand centres in England, including key industrial clusters such as Teesside and the Humber. Without these enabling works, the FEED process risks fragmentation, inefficiency, and delay, particularly in how the network develops beyond the East

Coast. Coordination across regions must start with adequate support for these foundational activities.

4. Value of Dual FEED Approaches (Hybrid and New Build)

We also support the value of conducting both the hybrid and fully new-build FEED studies up to the point where the feasibility of repurposing is confirmed. While repurposing offers potential cost and time advantages, there remains uncertainty about its technical and regulatory viability. Developing parallel FEED pathways ensures that if repurposing is not feasible, a new-build option can proceed with minimal delay. This approach is a prudent investment in risk mitigation and project resilience.

Conclusion

We encourage Ofgem to reconsider its position on funding the full suite of essential enabling activities and both FEED pathways. Doing so will help maintain delivery momentum, reduce long-term costs, and support the UK's broader hydrogen ambitions. The window for timely infrastructure delivery is narrowing, and early-stage coordination and system design will be instrumental in building an efficient and integrated hydrogen economy.