



Mr Allan Rankine
Office of Gas and Electricity Markets
10 South Colonnade
Canary Wharf
London E14 4PU

23rd April 2025

Re: East Coast and Hyline Cymru Hydrogen Network FEED Funding Consultation

Dear Mr Rankine,

We welcome the opportunity to respond to the above consultation by Ofgem. As background, UK Energy Storage is developing a hydrogen storage project in East Yorkshire and is a potential customer of National Gas Transmission's (NGT) proposed Project Union (PU): East Coast hydrogen transmission backbone pipeline.

Please note we are only responding with regard to NGT's PU: East Coast pipeline and not on the other two East Coast hydrogen pipelines or the Hyline Cymru pipeline.

In response to question 2 (Do you agree with our assessment of the Needs cases for the three East Coast FEED studies?):

- We agree with the assessment of the needs case surrounding PU: East Coast. We consider that National Gas is well situated to deliver a core hydrogen backbone.

In response to question 6 (Do you agree with our minded-to decision to approve funding for PU: East Coast project under the NZASP re-opener mechanism, and at the value proposed?):

- We agree with Ofgem's position to approve funding for NGT's PU: East Coast project. However, we would support increasing the value in line with NGT's original proposal.

Beyond the approved funding we support further funding for the dual FEED and essential enabling activities.

- NGT's submitted proposal to Ofgem was to conduct two FEED studies, a hybrid feed study (includes repurposing and new build) and a full new build option. We believe there is value in conducting both the hybrid and new-build FEED studies up until the point that repurposing has been confirmed. This approach ensures there are minimal delays in the case of a negative decision on repurposing.
- We understand that PU: East Coast FEED, and subsequent PU activities across all regions, are dependent on the proposed essential enabling activities.

Yours sincerely,

Stephen Sanderson
Chief Executive
UK Energy Storage Ltd