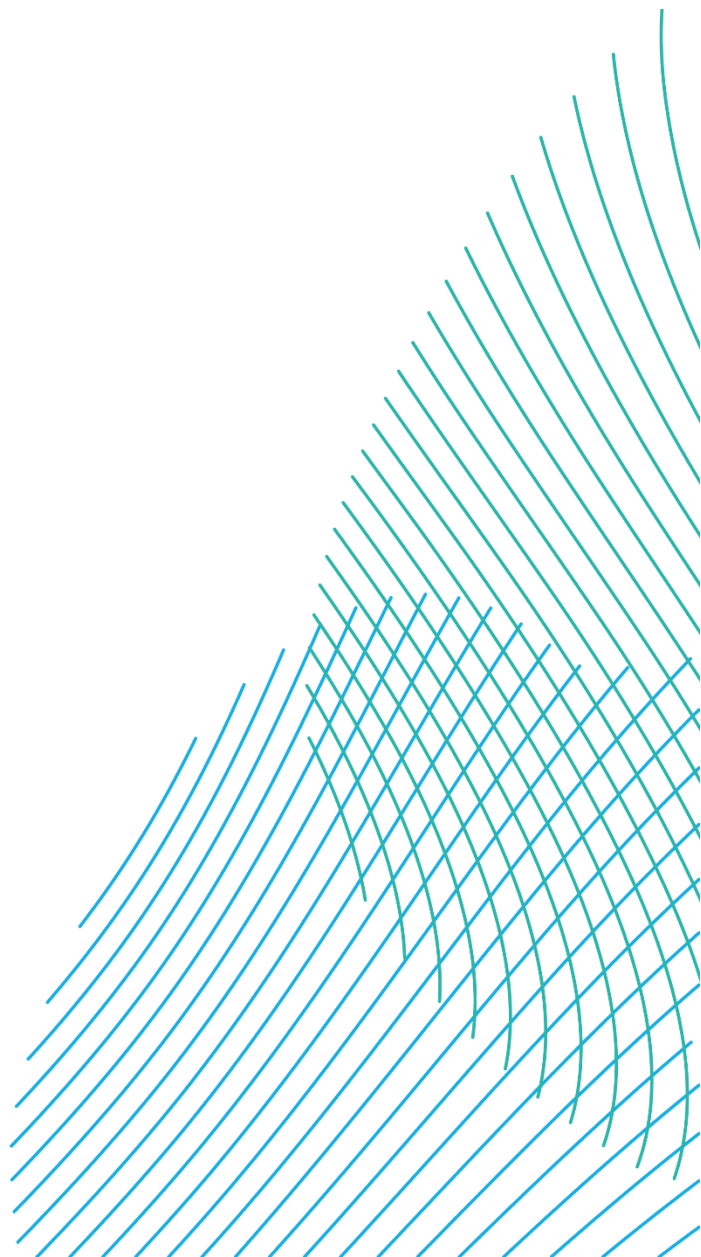




RIIO-2 NZASP Re-opener Draft Determinations: NGT Project Union St. Fergus to Teesside and North West Hydrogen Network FEED Studies

RWE Consultation Response





RWE Consultation Response - RIIIO-2 NZASP Re-opener Draft Determinations: NGT Project Union St. Fergus to Teesside and North West Hydrogen Network FEED Studies

Q1. Do you agree with our assessment of the Needs cases for the PU: North West and PU: St. Fergus to Teesside projects?

RWE wholeheartedly supports PU: North West and PU: St. Fergus to Teesside projects.

RWE recognises and supports these projects in connecting the large important industrial clusters of HyNet, Teesside and Grangemouth and additionally, key offtakers and inland industrial regions alongside the pipeline routes.

RWE's view is that a hydrogen backbone pipeline network is essential and necessary for an inclusive and successful hydrogen economy and that National Gas is well positioned to deliver this. Enabling the connection between hydrogen production, demand and storage, plus other distribution networks creates a landscape for hydrogen uptake to be accelerated; it is inclusive for all hydrogen offtakers irrespective of size and geography.

Such an integrated network with storage is particularly helpful for green hydrogen production; the intermittency of renewable generation can be managed and hydrogen generation can be optimised to align with lower renewable energy prices in the market. This benefits both the producer, offtaker and Government since the LCOH (Levelised Cost of Hydrogen) can be minimised whilst still ensuring uninterrupted / baseload green hydrogen delivery.

RWE has a number of green hydrogen projects that could benefit from the both the North West and St. Fergus to Teesside, especially the Grangemouth Green Hydrogen projects (the first phase of which has been shortlisted in DESNZ's Hydrogen Allocation Round 2). The North West and St. Fergus to Teesside Projects would significantly support the continued and scale development of the site (up to 1,000 MWe); enabling green hydrogen to be connected to offtakers nationally,. Furthermore, access to a pipeline network with multiple offtakers enables projects to diversify supply and reduce the risk of loss of access to an offtaker.

Q2. Do you agree with our proposed approach to protect consumer value by standardising our approach to funding in some areas?

No comment.



Q3. Do you agree with our proposal to approve funding for the PU: North West project under the NZASP re-opener mechanism at the proposed value?

Yes, RWE agrees. Funding for the FEED studies are key to delivering a hydrogen backbone.

Q4. Do you agree with our proposal to approve funding for the PU: St. Fergus to Teesside project under the NZASP re-opener mechanism at the proposed value?

Yes, RWE agrees. Funding for the FEED studies are key to delivering a hydrogen backbone.

Q5. Do you agree with our proposed deliverables for PU: North West and PU: St Fergus to Teesside?

Yes, RWE agrees.

Q6. Do you agree with our draft directions for NGT PU: North West and PU: St Fergus to Teesside?

Yes, RWE agrees