

Dear Allan,

Transitus Energy is an independent developer of hydrogen projects with a focus on small-medium sized projects in the heavy transportation and the hard to abate industrial sectors. We offer both green and blue hydrogen solutions. We are currently advancing a 10 ton per day fuel-switching hydrogen project in the Northeast of Scotland and a 30 ton per day project in Western Norway to supply into the maritime sector.

We believe a hydrogen pipeline transport network to be imperative for a number of reasons, but principally we believe it to be necessary for the creation of a “market” for hydrogen. One where pricing, supply and demand are transparent; and one that is accessible to both producers and users.

We therefore see “Project Union” as good start to the building the required national infrastructure.

We comment on the Re-opener draft determination as follows:

1. Creating an “open market” for hydrogen as quickly as possible is for the “greater good”. It is the only way to bring competitive forces to the fore to reduce hydrogen prices. Until Project Union is in commercial operations all hydrogen will be produced and sold in a similar way that LNG was initially delivered to the UK- on a “point-to-point”, private contracted basis that gives producers the chance to take super-profits from the consumer. There is no competitive pressure apart from competing for government grants.
2. The UK population will benefit by significantly reduced pollution enabled by hydrogen combustion rather than natural gas combustion. When combusting hydrogen not only are CO₂ emissions avoided but also other pollutants such as NO_x and particulates. Project Union’s connection of production, storage, and users is necessary for this reduction in air pollution to be facilitated.
3. The document seems to confuse “green hydrogen” and “low-carbon hydrogen” (i.e. blue hydrogen) in many places. The point should be “hydrogen” and there should not be any differentiation between them. The consultation should speak to hydrogen (it’s a molecule and not a colour once it’s in the pipeline).
4. Blue hydrogen, in our opinion, will precede green hydrogen. It will also be more reliably produced, at a far more affordable price point, and produced at much larger capacity. Scotland offers more than green hydrogen from curtailed electricity when considering blue hydrogen from utilising the remaining UK gas reserves and more importantly and significantly through pipeline import of natural gas from Norway.

Norway’s natural gas reserves are substantial and its supply to the UK is assured for decades largely through St Fergus (and also terminals in and near to Teesside). It will be

the lowest-cost and most reliable source of energy for the UK for the foreseeable future. Norwegian natural gas also is one of, if not the lowest, carbon intensity natural gases in the world. Norway has sequestered carbon dioxide for over two decades and the successful operations of Northern Lights carbon dioxide sequestration terminal illustrate that blue hydrogen is viable and affordable. Blue hydrogen made from Norwegian natural gas supplied to UK consumers is affordable, reliable and decarbonised.

Curtailed electricity requires commercialising mega sized electrolyzers and here we are seeing the much touted and hoped for scale economies being totally destroyed by increased capital costs (steel, cement, labour). Further it requires significant investment in wind turbines and electrical infrastructure that will take decades. Supply of green hydrogen at scale is therefore not in the near future.

Supply of blue hydrogen into Project Union is potentially significant much earlier than the supply of green hydrogen from curtailed electricity. Blue hydrogen is reliable (always on) and thus requires less storage infrastructure (and hence lower costs) than green hydrogen.

Happy to clarify our response and engage further with you and NGT

Kind regards,

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