

**Reference**  
**MP/NIC-001**

**Cadent Gas Limited**  
Brick Kiln Street, Hinckley  
Leicestershire LE10 0NA  
[cadentgas.com](http://cadentgas.com)

**Date**  
19 November 2020

**Mr Steven McMahon**  
Deputy Director, Electricity Distribution and Cross Sector Policy  
Ofgem



Email: [networks.innovation@ofgem.gov.uk](mailto:networks.innovation@ofgem.gov.uk).

Dear Steven

**Cadent response to consultation on amendments to Gas Network Innovation Competition (NIC) Governance Document version 3.0**

Cadent support the proposal to increase the annual funding available for the final year bids in the Gas Network Innovation Competition (NIC).

In order to ensure critical hydrogen projects are given the opportunity to reach demonstration and deliver significant network customer benefits, we, along with all other GDNs, are responding to Ofgem's consultation as above to confirm our support for the Formula Year 2020/2021 permitted annual cap to be raised to £28m. The proposal would allow sufficient funds to be available for both National Grid's HyNTS FutureGrid submission and SGN's H100 Fife submission (of which Cadent are a partner), should both qualify for award under the Full Submission process, in line with the requirements and criteria of the Gas NIC Governance document version 3.

By permitting the NIC annual cap to be raised to £28m, this will allow for a decision to be made on the merits of both NIC projects without the limitations of the current artificial constraint on funding awarded, which could be the only constraint to delivering both projects submitted.

If you have any further questions, please do not hesitate to contact me using the details at the top of this letter.

Yours sincerely  
By email

**Mark Pritchard**  
Innovation Specialist