

**FAO Steve McMahon, Deputy Director, Electricity Distribution and Cross Sector Policy For and on behalf of the Authority**

Dear Sir,

Re: Consultation on amendments to Gas Network Innovation Competition (NIC) Governance

DNV GL welcomes the proposal by Ofgem to increase the budget available for the Gas NIC awards for 2020. To assist in the UK's ability to meet its Net Zero target by 2050, a policy decision on the future development of, investment in the nation's gas networks needs to be made by 2025.

To enable the UK Government to make an informed decision, it is imperative that understanding of the capability of existing gas networks to transport 100% hydrogen is developed as a matter of urgency.


At a high level:

- The SGN H100 Fife project will demonstrate the safe and secure production, storage, distribution and combustion of green hydrogen in consumer appliances, with checks and balances in place to ensure that customers are treated fairly. The outcomes and learnings achieved and identified through this project will underpin future hydrogen conversion trials, which must also be delivered before 2025.
- The National Grid Gas Transmission HyNTS FutureGrid project will test the capability of the National Transmission System to transport hydrogen blends and 100% hydrogen in bulk and at high pressure. The legacy will be a unique and enduring flexible hydrogen test and training facility for the UK and other regions around the world.

Ofgem has received two strong bids this year, which have the potential to put the UK at the forefront of research into decarbonising domestic heat, power generation and industry using hydrogen.

To delay the award to one or both projects because of an artificial ceiling on funding at such a critical point in our preparation for the energy transition would be unfortunate.

Yours faithfully,

A handwritten signature in black ink that reads 'Sarah Kimpton'.

**Sarah Kimpton BSc, PhD**  
**Senior Principal Consultant, Energy Transition Team**  
**DNV GL - Oil and Gas**

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