

NON-VERBATIM MINUTE

DATE: Monday May 23 2022

TIME: 16:00 - 17:00

VENUE: Hybrid Meeting

CHAIR: Jacob Young MP, Chair of the All-Party Parliamentary Group on Hydrogen

Jacob Young MP welcomed attendees and opened the discussion. He welcomed Richard Bradley, Head of Strategy, Midlands Connect.

Richard said that his role predominantly covered the decarbonisation the hydrogen transport system. He explained the Midlands Connect work programme, focusing on end user travel demand and de-risking the supply chain to respond to that. They are also looking at where people will need to refuel and recharge. He said that the forthcoming hydrogen trials are absolutely crucial for understanding what the early years of the hydrogen economy will be like. He said that BEIS have asked Midlands Connect to assist with their planning of a forthcoming network of hydrogen hubs, stating that Midlands Connect were one of 6 transport bodies working on this project, and that while working together is difficult, it reinforces the importance of cohesion.

He also emphasised the importance of getting parity between hydrogen and diesel transport. The main problem is the electrolysis process of producing green hydrogen because it is so expensive, but there is a race to getting the price of green hydrogen down as a result between different countries which should alleviate this in time. He added that there are difficulties in efficiency, with the hydrogen fuel cell now reaching parity of efficiency with the ICE.

He added that hydrogen suppliers needed to be integrated into the hydrogen roadmap, and that hydrogen-ready boilers need to be considered as part of the conversation. He noted that the gov has also announced hydrogen villages trials, and added that we don't have to do 100% hydrogen in every gas network all the time.

Jacob thanked Richard Bradley and introduced Melanie Taylor, Head of Stakeholder Relations, Northern Gas Networks.

Melanie said the gov had hit a milestone with its two hydrogen village projects. Every home will eventually be faced with a choice – not necessarily pure hydrogen but not natural gas either. NGN had found that 70-80% of trial consumers were opting for hydrogen heating when given the choice. Until we go ahead and roll out hydrogen heating, it is difficult to be certain exactly how such a huge change will affect consumers. Some customers will always find change difficult – this is a fantastic opportunity to understand how we support customers in difficult spaces to undergo change. Jacob asked what trial customer concerns were. Melanie said it revolved around buying into the debate around climate change.

Lord Lansley asked by what mechanism they expected to dictate further hydrogen trial locations. Richard Bradley said they were working with the other 5 regions on a site selection process.

Jacob asked if we should continue to pursue blue hydrogen. Richard Bradley said they were thinking about the future and what the future network may look like - what we do in terms of green hydrogen is one of the most challenging areas.

Jacob asked if we expected the cost of hydrogen to come down long-term. Melanie noted that hydrogen is expensive because it is new, and that the cost will go down the more of it is produced. She also noted systems' costs, and noted that there will be costs to net zero and that we need to be able to have those honest conversations with customers about the costs of those.

Jacob asked what her view on the blue/green debate was. Melanie said the debate was around whether we need CCUS to get to net zero and the real debate was around that. She noted the Climate Change Committee's recommendation that CCUS remain part of the journey to net zero, though the end destination is green.

Jacob introduced Emily Ly, Senior Hydrogen Analyst, National Grid Gas.

Emily Ly discussed National Grid's Project Union, repurposing the national transmission system to be hydrogen-ready. They are initially looking at connecting industrial clusters, and have been engaging heavily on Project Union, which will facilitate swifter decarbonisation and connect previously isolated hydrogen facilities. She stated that this could support £300 million in economic contribution and create 3,100 jobs nationwide, and that National Grid are currently carrying out wider analysis such as the market frameworks. She said that the East Coast is likely to be the first in terms of connection.

Jacob asked what the costs would be of upgrading gas grid to deal with hydrogen. Emily said that that analysis had not been done yet. National Grid know we need hydrogen at scale, and the best way to move forward is by repurposing the existing grid for hydrogen rather than constructing a new pipeline.

Jacob asked for National Grid's perspective on the blue/green debate. Emily said we need to step away from the colours debate and focus more on carbon content.

Jacob then asked for closing remarks. Richard said coming together was a start but staying together would constitute real success – we need to talk about collaboration in practice.

Melanie noted that it was possible to use the existing gas network to safely transport hydrogen. Jacob also noted that hydrogen boilers avoided the risk of carbon monoxide poisoning.

Emily added that collaboration is key, both among industry and with Government. She concluded by complementing the publication of hydrogen production targets.

Jacob thanked speakers and attendees and concluded the discussion.