



Great British Energy Bill

Call for Evidence

National Gas Transmission Response

October 2024





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Dear Public Bill Committee

Thank you for the opportunity to respond to the “GB Energy Bill” call for evidence.

At National Gas, we are the owners and operators of the country’s national gas transmission network (NGT), stretching 7600km, transporting energy to supply around 23m homes and over 500,000 businesses.

Our NGT obligations are to maintain energy security throughout the country, and we are proud of the leading role we have played, particularly in recent years, to deliver to this – both at home and across Europe.

As we look ahead, we are aware of the critical role we hold in GB’s energy decarbonisation. We are ramping-up the transition of our network for hydrogen – via pioneering programmes like ProjectUnion and [FutureGrid](#), to replace natural gas in dispatchable electricity production and step in when other renewable energy sources (RES) fall short. Alongside providing CO2 transportation via our involvement as the Carbon Capture Storage (CCS) pipeline for the Scottish Cluster.

If you have any questions, please do not hesitate to contact our Net Zero Policy Manager, Malcolm Arthur (malcolm.arthur@nationalgas.com).

Yours sincerely,

Malcolm Arthur (via email)

Response

We welcome the opportunity to respond to the call for evidence on the introduction GB Energy.

National Gas welcomes the Government's ambition to make the UK an energy superpower and we stand ready to support in delivery. Clarity on how the gas sector can work in partnership with GB Energy, and what investments it is looking to underpin, will be crucial in helping the UK to reach clean power and enhance energy resilience.

To this end, the delivery of clean power by 2030 and net zero by 2050, alongside our interim climate targets, will require a diverse range of energy sources and the development of supporting energy infrastructure across these different energy vectors. The introduction of GB Energy and the role it can play in helping to reach our targets – if played right – will be critical.

We believe, like the Government, that a core feature of GB Energy's role should be incentivising production and consumption of low-carbon and clean energy, underpinning private investment by helping to de-risk new energy sources/technologies and provide positive market signals in these – stimulating demand.

We believe that hydrogen and CCUS will be critical in helping to deliver Government's ambition. To support the hydrogen economy, we believe that there will need to be a core hydrogen transmission network to deliver low carbon energy to power stations, industry and large-scale transport, as recognised by the National Infrastructure Commission (NIC)¹. While the development of CCUS infrastructure will be essential to accelerate industrial decarbonisation and keep industry on our shores, as endorsed by the Climate Change Committee.

To ensure GB Energy reaches its full potential, we recommend the following amendments and inclusions should be made to the Bill, and the purpose and objectives of the organisation.

1. Amend the Objects in the Energy Bill to include blue hydrogen

Due to the current cost and market for hydrogen (which is currently in the early stages of development), we anticipate that hydrogen production will initially be focused on blue hydrogen, with green hydrogen production increasing as the market develops (increasing demand) and renewable penetration increases, eventually becoming the primary hydrogen.

Why blue hydrogen? Blue hydrogen is currently the cheapest form of low-carbon hydrogen. Having access to affordable, low carbon hydrogen will help develop the GB wide hydrogen market in the short to medium term and also allow GB to deliver interim climate targets and ambitions such as Clean Power 2030. In the longer term, increased levels of renewable energy production will result in increased levels of green hydrogen.

The provisions outlined in Clause 3, section (2) (a) of the GB Energy Bill states that:

(2) The statement must provide that Great British Energy's objects are restricted to facilitating, encouraging and participating in—

(a) the production, distribution, storage and supply of clean energy...

Due to the definition of clean energy, this would restrict GB Energy from facilitating, encouraging and participating in the production, distribution, storage and supply of blue hydrogen. **We believe that the definition of clean energy needs to include the potential for blue hydrogen** (which is a low-carbon energy source with the hydrogen production is coupled with CCS technology).

As an alternative, provisions could be included in section (2)(b) the reduction of greenhouse gas emissions from energy produced from fossil fuels, including distribution, storage and supply of low carbon hydrogen.

2. Add a provision into the GB Energy Bill that requires the Secretary of State to undertake a public consultation on the ‘strategic priorities’ of GB Energy

In Clause 5, the Bill outlines the process for the development of the strategic priorities of GB Energy.

Due to the importance and critical role GB Energy will play in helping to deliver net zero, we believe that **a provision should be put into clause 5 which requires the Secretary of State to conduct a public consultation on the strategy priorities of GB Energy**, ahead of preparing a statement.

This will help ensure that the priorities of GB Energy are robustly developed and take consideration of the needs of energy customers (and the general public), industry and government (including national, devolved and local).

ⁱ <https://nic.org.uk/studies-reports/national-infrastructure-assessment/second-nia/#tab-netzero>