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**SSE plc**  
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Dear Catherine,

SSE welcomes the opportunity to respond to Ofgem's consultation on National Gas Transmission Project Union Feasibility Phase Project.

This response is written on behalf of SSE's generation businesses, SSE Thermal and SSE Renewables. SSE's generation businesses are developing hydrogen projects across the full value chain of production, storage and power generation focused in the industrial regions where hydrogen demand will be greatest. Examples of some of our hydrogen projects in the UK include:

- **Keadby Hydrogen Power Station, The Humber region:** 1,800 MW hydrogen-to-power facility
- **Aldbrough Hydrogen Storage & Aldbrough Hydrogen Pathfinder, The Humber region:** 320 GWh hydrogen storage project in partnership with Equinor and pathfinder project
- **Gordonbush Hydrogen Project, Scotland:** 15MW co-located green hydrogen production

We support Ofgem's minded-to position to allow funding for the Project Union feasibility phase under the Net Zero Pre-Construction and Small Projects reopener. Project Union has the potential to be a key enabler to reaching the Government's net zero targets cost effectively. By linking areas most suited to hydrogen production, storage and demand it will support the development of the hydrogen economy required to decarbonise the energy system. A pipeline running from Scotland to England will also optimise use of Scottish wind generation that may otherwise be curtailed for green hydrogen.

To ensure that the route and phasing of Project Union best caters to the needs of users of the pipeline, it is important that National Gas Transmission effectively engage with stakeholders from an early stage. We therefore support the addition of a specific project deliverable for National Gas Transmission to engage with relevant stakeholders on their phasing strategy, market analysis and regulatory activities.

More generally, strategic planning of hydrogen networks is needed to support investor confidence in the development of hydrogen production, storage, and demand projects. We encourage Ofgem to support furthering coordination and strategic planning of hydrogen more widely.

Yours sincerely,

**Thomas Bourke**  
Regulation Manager

## Responses to selected consultation questions

### **Q1. Do you agree with our minded-to decision to approve funding for the Project under the NZASP re-opener mechanism, and at the value proposed?**

Yes.

### **Q2. Do you agree with our assessment of the Project's needs case?**

Yes.

We agree with Ofgem's assessment that the Project provides benefits to natural gas consumers. The evidence the Project proposed to delivery on the costs, impacts, and feasibility of repurposing natural gas assets will be essential for informing decisions on the future role of the national transmission system.

We also think this evidence will benefit current and future energy consumers more broadly across the whole energy system, including electricity and hydrogen consumers. The potential of a hydrogen backbone could provide significant benefits for the development of a net zero electricity system by 2035. It would support the availability of hydrogen to hydrogen generating stations at times of low wind through line packing and connecting long term storage facilities.,

### **Q3. Do you agree with our assessment of the design and efficient costs of the Project's work packages?**

We broadly agree with Ofgem's assessment.

However, we think it is important that the disallowance of several stakeholder engagement workstreams does not result in National Gas failing to deliver adequate stakeholder engagement for the Project. For example, although you consider the stakeholder engagement aspect of the Regulation work package to be a BAU activity, it is still essential for the effective delivery of the Project. Coordination across stakeholders is particularly important for the development of hydrogen in GB currently, as multiple key projects and policies are being developed in parallel.

### **Q6. Do you have any views on the proposed project deliverables for NGT, and whether further deliverables are required?**

As noted in our answer to Question 3, we consider proactive stakeholder engagement from National Gas with key stakeholder groups to support the development of regulatory policy relating to Project Union to be an essential to the project. Therefore, we support including this as a Project deliverable.