

LETTER OF SUPPORT

National Gas Transmission RIIO-GT3 Business Plan

London, 28.01.2025

VPI is a leading power company in the UK and are system solvers creating practical pathways to decarbonising power by optimising existing assets and delivering new energy projects and services. Whether providing peaking power or storing electricity, capturing carbon or offering services, we strive for solutions that meet the multiple needs of customers and end users. We provide flexible and reliable power for today and for tomorrow.

In turn, National Gas has a responsibility to maintain and upgrade their existing network to ensure a reliable gas supply to NTS users, industrial and domestic gas consumers, whilst investing in forward-looking initiatives to support Britain's net zero ambitions of Clean Power by 2030 and Net Zero by 2050. These responsibilities sit alongside obligations to minimise negative impacts on consumer gas bills and gas availability, and to operate within Ofgem's regulatory framework throughout. Within RIIO-GT3, National Gas will also have the obligation to work closely with NESO to address key challenges associated with planning and reaching net zero.

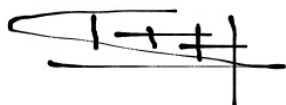
Within National Gas' RIIO-GT3 business plan, we acknowledge and support that:

- The increase in network investment proposed by National Gas would seem to enhance resilience and energy security, increase capacity at system entry points, facilitate the decarbonisation of Britain's energy system. When underpinned by the needs of consumers and market participants, these business plans are crucial to enabling incremental investment required and continued reliability of the National Transmission System
- National Gas' proposed investments would seem important to safeguard their Critical National Infrastructure and uphold high standards of resilience across the National Transmission System as well as across National Gas' workforce and supply chain. We trust these investments are particularly salient given the age of the network, as well as the increased risks to infrastructure posed by increased volatility of demand, climate hazards, cyber and physical threats.
- Britain will need a gas transmission network beyond 2050, to transport natural gas, biomethane, hydrogen, and/or carbon dioxide across the country. Clean Power 2030 has highlighted the critical role gas generation plays in the operating the electricity system safely and securely. Electrification will only increase the need for firm capacity, albeit at a low load factor, to be available throughout a range operational system conditions.
- The pace of Project Union needs to be accelerated for customer and investors to plan for the future. Although work is progressing around the infancy of a hydrogen backbone in the north of England, we believe that there should be greater emphasis placed on customers in the south, located close to very

high demand. Furthermore, by utilising existing NTS infrastructure, Government avoids stranded asset risk and can minimise the amount of onshore electricity transmission reinforcement required. This whole system approach to operating an “energy” system is standard across Europe, hence moves towards integrating hydrogen-blending into existing gas networks and customer operations.

- Although this Letter of Support is not legally binding, we express our interest in and general support for National Gas’ RIIO-GT3 Business Plan and we look forward to continued collaboration with National Gas.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Iwan Hughes', with a stylized flourish at the end.

For more information:

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