

HYDROGEN FRINGE – LABOUR PARTY CONFERENCE



All Party Parliamentary Group on
Hydrogen

Minutes

Date	Monday 26 September 2022
Time	15.30-17:00
Venue	ACC Concourse 1
Chair	Dr Alan Whitehead MP, Shadow Minister for Green New Deal and Energy
Speakers	<ul style="list-style-type: none">• Jonathan Collins, External Affairs Manager, Cadent• Simon Virley, Head of Energy and Natural Resources, KPMG• Melanie Taylor, Head of Stakeholder Relations, Northern Gas Networks• Clare Jackson, CEO of Hydrogen UK• Bill Esterson MP, Shadow Minister for Business and Industrial Strategy
Theme	<i>What do we need to do to make hydrogen a reality?</i>

Dr Alan Whitehead MP opened the meeting and introduced speakers, opening by handing over to **Jonathan Collins, External Affairs Manager at Cadent**.

Jonathan stated that Cadent have a number of networks across UK, employing around 6,000 people per network. Cadent don't see hydrogen as silver bullet, and a whole systems approach is needed to decarbonisation. Hydrogen has a significant role to play, and should be considered across everything else. There are 4 areas to focus on to get the hydrogen economy moving: Marketplace regulation changes, continuation of hydrogen trials (eg the hydrogen village proposals from cadent and NGN), infrastructure preparation for hydrogen-ready status, and consumer engagement. Jonathan noted the current lack of consumer awareness on net zero, for example with heat pumps – we need a consumer focus, can't force decisions on people, and this is something that Cadent are working on with their hydrogen trial.

Alan thanked Jonathan and noted hydrogen not a silver bullet, and handed over to **Simon Virley, Head of Energy and Natural Resources at KPMG**.

Simon began by noting that there are no silver bullets anywhere, and we need a mix of technologies to achieve net zero, including heat pumps and hydrogen. He noted the difficulty of delivering the aims of the Hydrogen Strategy under the current government, which wants to take different approach to its predecessor. He noted the examples of the US and Germany in encouraging the development of the hydrogen economy, as well as those of Australia and China. The UK needs to get its act together or we'll be left behind. International investors are looking elsewhere, hoping the Energy Bill pause is just a pause, because we need the provisions of the Energy Bill to build the hydrogen economy. We should be moving ahead with blending as a route to developing the H2 economy. He added that he hoped Labour would resource organisations to

properly develop the hydrogen economy. We know what next steps forward should look like, but institutional change is needed to enact it.

Alan thanked Simon and handed over to **Melanie Taylor, Head of Stakeholder Relations, Northern Gas Networks.**

Melanie said her and Jonathan shared many of the same views on the issue of hydrogen. We really can't afford to have any delay on milestones that have been set out, for example on blending, and that the next policy decisions need to be on hydrogen for heat. The village trials will provide the key evidence that Government needs to make a decision. Cadent and NGN have been the first ones to communicate to public that natural gas will not be an option soon, whether it be hydrogen or electrification the nature of heat is going to change dramatically. Keeping up the momentum and programs (for example via the Energy Bill) is key.

Alan thanked Melanie and handed over to **Clare Jackson, CEO of Hydrogen UK.**

Clare said Hydrogen UK are excited about the possibilities of hydrogen and making it a reality, noting that hydrogen is excellent at decarbonising hard-to-decarbonise sectors. We will need to build a hydrogen system roughly the same size as the current power grid to maximise the hydrogen economy, so any delay on necessary infrastructure will have a massive impact on long term ability to reach net zero. Energy security is a new issue brought to the table post-Ukraine, meaning that the industry is now thinking in terms of short-term targets rather than just the 2050 target. If we are going to successfully upgrade our ambitions on energy security, we need to get started now, we are in a global race here and hydrogen will be a multi-trillion industry by 2050 producing millions of jobs. The UK is in a really great space here, but we are all in a very competitive space, with the US' recent investment notable in particular. As an industry, we have the capability of delivering targets set by government, but we just need to pull the trigger and get the necessary projects going.

Alan thanked CJ and handed over to **Bill Esterson MP, Shadow Minister for Business and Industrial Strategy.**

Bill paid tribute to Alan for his work on hydrogen, and noted Ed Miliband's recent announcement on Labour's pledge for zero carbon electricity by 2030. He said Labour have a long term agenda for net zero including solar, offshore and onshore wind and tidal power, we have to use all of these to achieve net zero, we are making critical progress but we need to go further on delivery, hydrogen is as important as any and has a USP in being able to be used in hard-to-decarbonise industries. He noted the ATI's work on hydrogen planes, and said we need to get the oil and gas sector involved in the just transition. He noted the opportunity hydrogen presents for the current industry workforce to do something new. The UK is a leader in so many elements of net zero, including retrofit and tidal, but that will only last so long if we don't push ahead now. Labour has a plan for this.

Alan thanked Bill and opened up to the floor for questions. The Chair of Planning for City of London asked what threats there were to the hydrogen agenda. Simon said cost – we need to scale the industry to get costs down. The sector needs pump-priming, the US Production Tax Credit is a good example of this. Melanie said there is a lack of confidence and belief from consumers which poses difficulties, but Government attitude is primarily responsible. Clare added that skills are an additional challenge, and a joined up approach for the skills needed to deliver the hydrogen economy is important.

Adam Barnett from DeSmog asked why time should be spent on blue hydrogen and blended gas rather than zero carbon solutions such as green hydrogen. Clare said blue hydrogen when done badly is not good at all, noting positively the development of the Low Carbon Hydrogen Standard.

Jonathan added that fully utilising existing infrastructure is important, and that blue hydrogen is just a transitional system. Melanie added that NGN's work has found that it is easy to blend 20% hydrogen into the existing grid with no change at all. Alan added that Labour's policy on green hydrogen is that blue must only be a transitional step to green. Clare added that we know we will need to upgrade the electricity grid as demand for electricity increases through decarbonisation.

Richard Katz from Glass Futures said industry is a huge polluter, and that there are a lot of unknowns as to how hydrogen can be used in industry, and asked what the processes and opportunities are that we have to go through to best use hydrogen in industry?

Clare noted that there will always be inefficiencies in the system which does affect cost, but hydrogen storage gives you a margin for error on this. Simon added that diversity is key when it comes to energy – you don't want to have all your eggs in one basket as a purely electrified system would have major flaws, balance is key.

David Cowdrey asked if the UK should go more down 100% green hydrogen strategy. Jonathan said the UK is particularly well suited for this, and Simon added that we need to get on with the four clusters Government has promised.

Alan thanked attendees and speakers and wrapped up the discussion.