All Party Parliamentary Group on Hydrogen

APPG ON HYDROGEN PANEL SESSION – PRODUCTION

MEETING MINUTES

Date	Monday 20th April 2026
Chair	• **Graham Leadbitter MP (SNP, Moray West, Nairn and Strathspey**)
External Witness Panel	• Dr Eugene McKenna – Senior VP for Hydrogen & Sustainable Technologies, Johnson Matthey. • Colin Pritchard – Sustainability & External Relations Director, INEOS Grangemouth • Hazel Page – Growth & Commercial Director, Centrica Energy Storage + • Joe Seifert – CEO, EET Hydrogen • Ian Livingston – Head of Hydrogen and Ammonia UK, Equinor
Parliamentary Panel	• **Graham Leadbitter MP (SNP, Moray West, Nairn and Strathspey**) • **Lord Moynihan (Conservative)** • **Baroness Redfern (Conservative)** • **Lord Cameron of Dillington (Crossbench)**
Context / background information	The Government faces strong pressure to reduce spending, and hydrogen and carbon capture and storage (CCS) can seem costly on their own. However, hydrogen can play a role in many net-zero pathways: it enables low carbon power generation, energy storage, decarbonisation of hard-to-electrify industries, fertiliser production, cleaner transport (including trucks and shipping), and supports sustainable aviation fuel production. This is further reflected by GBE's recent commitment of £40 million investment for hydrogen technology with hydrogen recognised by government "as a key clean energy industry that will contribute to Britain becoming a clean energy superpower, securing energy sovereignty and skilled clean energy jobs across the country." Hydrogen costs in the UK are projected to decrease significantly, with reports suggesting green hydrogen production costs could drop by as much as 58%, from £241/MWh in 2023 to less than £100/MWh. This reduction will be driven by scaling up production, falling renewable energy prices, and continued Government support mechanisms. Additionally, a fall in system costs will be parallel to efficiency rates over time. This APPG session therefore examined the policy required to make the UK a world leader in hydrogen production, supporting domestic industry and ensuring high-quality jobs and investment across the UK. Panellists were in broad agreement that the UK's hydrogen sector continues to have strong potential but that it is being held back by a lack of a coherent, system-wide strategy. Gaps in infrastructure, supply chains, and risk-sharing

mechanisms, alongside policy uncertainty and slow regulatory timelines, are undermining investment.

Overall, panellists emphasised the need for a clear regulatory framework, better alignment across the value chain, and faster, more decisive Government action to unlock hydrogen's role in energy security, industrial growth, and decarbonisation.

Hence the APPG urges the Government to publish the Hydrogen Strategy as soon as possible and meet industry's demand for more strategic certainty.

Graham Leadbitter MP opened the session welcoming speakers and asked them to introduce themselves and their backgrounds. The session then began with opening thoughts on the topic from all panellists.

Dr Eugene McKenna, Senior VP for Hydrogen & Sustainable Technologies, Johnson Matthey, outlined that JM have a new refinery opening soon in the UK, which is one of the country's largest. He also noted that Johnson Mathey's CCM factory is the largest in the world. The UK's approach to hydrogen was always to invest in cutting-edge production technology, but the country is falling behind competitors such as China. Despite this, the UK remained an attractive place to invest. Dr McKenna also emphasised that the lack of investment into hydrogen is an all-system problem and that industry needs a holistic plan.

Colin Pritchard, Sustainability & External Relations Director, INEOS Grangemouth also emphasised the need for a holistic approach and noted that production was not the issue *per se*, but wider supply chain issues. Issues such as business rates continue to impact the production of hydrogen, and that revising these rates was crucial. Companies only receive the Low Carbon Hydrogen Agreement (LCHA) benefit for industrial off takers and excludes consumers. Hence the commercial risk of investing at scale remains too great given the lack of incentives across the supply chain.

Hazel Paige, Growth & Commercial Director, Centrica Energy Storage + similarly highlighted the importance of a whole-system approach – suggesting that the production business model is not presently suited to wider roll-out. Renewable power could be absorbed by hydrogen production. She also outlined that hydrogen was conducive to multi-season storage and could help to push power back on to the grid at lower prices.

Joe Seifert, CEO, EET Hydrogen noted that demand is not the main issue when rolling out hydrogen across the UK. The Contract for Difference (CFD) continued to be the right strategy, and that the Hydrogen Standard was a good mechanism. However, contractual negotiation with Government, which happens frequently, was not helpful to the wider economic viability of hydrogen projects. He also argued that there would need to be a political push to get hydrogen projects over the line in time to hit the Government's Net Zero targets. He added that the storage and transportation of hydrogen were the next big facets, noting that these variables would be required to connect consumers to hydrogen supply and thereby making the hydrogen business model more commercially viable.

Ian Livingston, Head of Hydrogen and Ammonia UK, Equinor highlighted that timeframes continue to be too elongated and frustrate investment. He also pointed to the long-awaited Hydrogen Strategy, which he noted was bad for investor confidence – largely due to significant publication delays and no clarity from the Department for Energy Security and Net Zero regarding the timeline. He also agreed that transport and storage are vital next steps.

Baroness Redfern asked **Ms Paige** how industrial clusters could be created in strategic areas.

Ms Paige outlined that the UK does not presently have a whole-systems approach, and a lack of absorption of risk from Government. This is needed to change if production, alongside hydrogen's other components, were to have good strategic business cases. **Mr Livington** also compared investment in hydrogen to carbon capture and outlined the latter had been successful due to the commercial confidence, and hydrogen was not yet there.

Lord Cameron of Dillington asked what other Governments had done well, and why the UK hadn't yet succeeded in establishing a system-wide approach to the hydrogen supply chain. In response, **Dr McKenna** outlined the vast investment across networks in Europe, and that this money was not just being pushed into siloes as it was in the UK. Europe continues to do well as it has targets and mandates for hydrogen refuelling, and for heavy duty vehicles, for example. He pointed to consistent obligations across the European market. However, he added that there hadn't been regulatory implementation for other areas of the hydrogen supply chain.

Mr Livingston outlined that the UK had had a positive approach to power, but Europe had more of a balance between different mechanisms to incentivise the uptake of hydrogen, either through subsidies or mandates.

Lord Moynihan issued his thanks for the panellists and said he expected there will be an energy bill in the King's Speech. He outlined there was no cohesiveness or overall full-systems strategy and asked how the industry could come together and find a business solution to address this. Lord Moynihan added that the business model was too fragmented, and that contractual frameworks would need to be worked out. However, he reaffirmed that hydrogen had such great potential.

Dr McKenna, in speaking about solutions, outlined the industry needed the UK Government to provide a clear regulatory framework, and that the sector stood ready to capitalise on that, but that it needed it sooner rather than later.

Mr Leadbitter spoke about the Government's ambitions to speed up clean energy technologies. He asked whether global risk, such as the Iran crisis, could serve to accelerate investment across the hydrogen supply chain. **Mr Seifert** outlined the competing economic reactions to war and global demand for fuel. He argued that from an investment perspective, the UK is seen as a haven, and that despite ongoing regulatory issues, the rule of law and general regulatory stability are undoubtedly advantages.

Lord Moynihan stressed that the UK could not have energy security if it continued to draw its supply predominantly on imported energy. Reversing this would be an obvious win for business affordability.

Mr Pritchard agreed, but noted it goes beyond energy security. He spoke about safeguarding different goods, such as clean water. He also argued that hydrogen could be a resource to safeguard these critical day-to-day resources and goods.

Mr Leadbitter spoke about the need for political unity over hydrogen investment, particularly considering present energy crises. In responding, **Dr McKenna** outlined that crises serve to shift investment into crucial areas, and spoke about the importance of learning from energy shocks and crises. He also questioned the political decisions behind investment or lack thereof, and noted the importance of communicating the facts, such as affordability, to sceptical voters and the general population.

Lord Moynihan outlined the importance of maximising the UK's domestic energy investment for future generations, and lamented deindustrialisation across the country due to persistently high and volatile energy prices.

Baroness Redfern referenced steel, also citing how high energy costs had in effect marginalised the steel industry in the UK. In responding to these contributions, **Mr Livingston** spoke about ammonia production in the UK, and how companies were still investing even despite projects being 'mothballed'. This was an example of the disconnect between industry, which is often ready to invest, and Government regulatory frameworks. The blue hydrogen costs were significantly lower than the public perceptions of it.

Separately, **Baroness Redfern** and **Lord Moynihan** both argued that there wasn't a lack of Government will, just a disproportionately strong focus on things like wind power, which had increasingly come at the expense of everything else. In response, **Mr Pritchard** said that hydrogen had the potential to draw down manufacturing costs if taken seriously and unlock more renewable storage capacity.

Mr Leadbitter ended the session by emphasising the importance of a system-wide approach to scaling hydrogen, which relied on production capacity, and thanked both the external and parliamentary panellists.