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Welcome to the June edition of DeliveringDecarb!

June not only marks the halfway point of the year but also the month for celebrating Pride and recognising efforts to achieve equality for those within the LGBTQ+ community. The energy industry lacks diversity, especially in representing women and the LGBTQ+ community, and these are issues the sector must continue to face and address. Yet, one person breaking those barriers and finding success within the energy industry is Xoserve's CEO, Steve Brittan. In April's <u>Decarb Discussions podcast</u>, he discusses the importance of encouraging a diverse workforce.

Did you also know that June has the longest day of the year? From now on, the days will start getting shorter, but let's not dwell on that because it's now officially summer! Many of you may have already busted out the board shorts and bikinis, ready for sunny beaches and relaxing by a pool with the latest energy report. Meanwhile, the world of energy has been buzzing with exciting developments.

So grab a scoop of your favourite ice cream, and we'll serve up some of the top stories that have been shaping the industry over the past few weeks.

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01 Notable news



Coalition aims to replace gas cooking from their UK kitchens by 2040

The Global Cooksafe Coalition has recently expanded into the UK with property developers Grosvenor Property UK, the UK Green Building Council, the British Safety Council, End Fuel Poverty Coalition and a collection of celebrity chefs all becoming members.

Together, the members have committed to phasing out gas from all new UK kitchens in their developments by 2030, and to retrofit existing properties with renewable power by 2040. They aim to mitigate:

- health impacts caused by toxic gases,
- · lack of access to affordable energy
- and the sector's carbon footprint.

Read more on the story



Lincolnshire AD plant has planning permission approved

BioteCH4, an anaerobic digestion (AD) operator in the UK, plans to construct a second AD plant in Lincolnshire, creating 18 new jobs. The project is still in its early stages, with the

application for the new plant approved by Lincolnshire County Council's planning and regulation committee earlier this month.

The 6MW AD plant will feature a waste reception building, three digesters, and a gas bag. Once operational, it could generate enough green energy to power over 19,000 homes.

Learn more about the project



01 Notable news

Green Gas Support Scheme guidance updated

New regulations on the Green Gas Support Scheme (GGSS) came into effect 4th of June, allowing applications for new anaerobic digestion (AD) biomethane plants to be made until 31 March 2028. The GGSS aims to encourage new AD biomethane plants to boost the amount of green gas in the gas network. This support will be given to registered biomethane producers according to the quantity of qualifying biomethane that they feed into the gas grid.

Download the new GGSS guidance



Power from renewables will double as reliance on fossil fuels declines

A new report from DNV, The New Power Systems report, has said the global electricity demand is set to double by 2050 as the world's reliance on fossil fuels declines. The electrification of transportation, heating, and industry are key considerations for the anticipated surge in global electricity demand.

The report predicts in 2050, 82% of all electricity will come from renewable sources including hydropower, geothermal, biomass,

solar and wind with nuclear contributing just 6% of electricity generation. It also suggests that the route to a decarbonised energy system will require significant grid expansion, solutions for grid congestion, and new business models to accommodate rising electricity demand and generation from wind and solar.

Access the full report



01 Notable news



New oil and gas production won't play a large role in Britain's energy security

The Energy and Climate Intelligence Unit (ECIU) forecast that renewable energy will significantly enhance the UK's energy security, surpassing the impact of new domestic oil and gas production. Their report suggests that the UK is set to become more dependent on foreign energy imports over the next five years as the North Sea's output declines and that new oil and gas licences "would do little to counter the rise of imported energy".

The non-profit organisation highlights a need for a combination of renewables, insulating homes, switching from gas boilers to heat pumps and from petrol to electric cars to halt the rise of energy import dependency. The analysis further suggests that without the adoption of clean technologies, even the maximum projected output from new North Sea licences would leave the UK's energy import reliance 25% higher by 2030.

Download the full report

Energy UK promotes net zero as an economic opportunity

Energy UK has urged all political parties to consider the economic benefits of an accelerated transition to net zero, highlighting the potential to boost the UK's economy by £240 billion in 2050. The figures came from research undertaken by Oxford Economics last year on behalf of the trade association, which also found that even regions facing significant

challenges in transitioning from fossil fuel industries, such as Scotland and the North East, could experience GDP growth of over 5% under the most ambitious pathway.

Energy UK also warned that continued reliance on gas could leave the UK significantly exposed to price spikes in the late 2020s, 2030s and 2040s, potentially increasing UK debt by 13%.

Emma Pinchbeck, CEO of Energy UK, said:

"The UK has the chance to lead the world in technologies like hydrogen, CCUS and floating offshore wind. But global competition is increasing and urgency is needed to reap the rewards of a globally leading energy sector. [...] And above all, a fair transition will improve lives and livelihoods."

Read the full press release



01 Notable news

Oil and gas are still needed in net zero transition, according to SNP Leader

First Minister of Scotland and Leader of the Scottish National Party, John Swinney said that North Sea oil and gas would still be needed "for a period of time" for Scotland's transition to net zero.

During a campaign visit to Inverness, Swinney said that future applications for oil and gas licences must be considered "rationally". Within the party's manifesto, it advocates "an evidence-based approach" that would involve new licences being considered on a "case-by-case basis, through a robust climate compatibility assessment."

See the full news story





02 Spotlight on... UK general election and party manifestos

Xoserve typically does not include political news agendas in its newsletters. However, considering that the upcoming general election on the 4th of July could significantly impact the energy sector, we believe it's important to share excerpts from the UK political parties' manifestos and discuss how they may affect the future of industry.



Conservatives: "An affordable and pragmatic transition to net zero"

Key energy takeaways from the Conservatives manifesto:

- Legislate annual licensing rounds for oil and gas production from the North Sea.
- Introduce new gas power stations to support renewable energy.
- Treble offshore wind capacity.
- Build the first two carbon capture and

storage clusters.

- Invest £1.1 billion into the Green Industries Growth Accelerator
- Scale up nuclear power
- Deliver a new gigawatt power plant at Wylfa in North Wales.
- Lower green levies on household bills.
- Maintain the energy price cap.
- Introducing local markets for electricity.

Read the Conservative Party manifesto

Elabour

Labour: "Make Britain a clean energy superpower"

Key energy takeaways from Labour's manifesto:

- Double onshore wind, triple solar power, and quadruple offshore wind by 2030.
- Invest in carbon capture and storage, hydrogen and marine energy
- Introduce a new Energy Independence Act
- Maintain a strategic reserve of gas power stations.
- A phased transition in the North Sea that recognises the ongoing role of oil and gas in our energy mix.
- No new licences to explore new fields.
- Create a new publicly-owned company, Great British Energy.
- Focus on local power generation.
- Implement The Warm Homes Plan.
- Introduce the National Wealth Fund to support energy-intensive sectors decarbonise.

Read the Labour Party manifesto



02 Spotlight on... UK general election and party manifestos



Liberal Democrats: "Climate change and energy"

Key energy takeaways from the Liberal Democrats manifesto:

- Cut greenhouse gas emissions to net zero by 2045 at the latest.
- Introduce a ten-year emergency upgrade programme, including free insulation and heat pumps for those on low incomes.
- Expand incentives for households to install solar panels.
- 90% of the UK's electricity will be generated from renewables by 2030.
- Appoint a Chief Secretary for Sustainability in the Treasury.

 Establish a new Net Zero Delivery Authority to coordinate action.

Read the Liberal Democrats Party manifesto



Green Party: "Powering up fairer, greener energy"

Key energy takeaways from the Green Party's manifesto:

- Wind to provide around 70% of the UK's electricity by 2030.
- Deliver 80 GW of offshore wind, 53 GW of onshore wind, and 100 GW of solar by 2035.
- Investment in energy storage capacity and more efficient electricity distribution.
- Community-owned energy sources.

- Revoke recent fossil fuel licences and stop all new fossil fuel extraction projects in the UK.
- Introduce a carbon tax on all fossil fuel imports and domestic extraction.
- Phase out nuclear energy

Read the Green Party manifesto



03 Things to look out for

When the July newsletter is published, we will know the outcome of the general election. Regardless of which party is elected, one thing remains the same: we must meet our legally binding net zero targets by 2050. The exact route of how we will achieve this is still unknown, but the conclusion of the election may start to bring some clarity from the Government on the next steps for decarbonising heat and power in the UK.





04 Policy milestones

Here are key Government energy policy / regulatory milestones:

2024 - Energy Bill expected to complete

2024 - Future systems operator appointed

2024 - Smart meter rollout completed

2025 - H100 trial to commence

2025 - New business models for hydrogen transport and storage infrastructure designed

2025 - Hydrogen certification scheme introduced

2025 - Target for reaching 1GW electrolytic hydrogen production capacity and price competitive annual allocation rounds

2026 - Final policy decision on whether hydrogen will support domestic heating

2026 - MHHS (Marketwide Half Hourly Settlement) begins

2030 - New target for creating up to 10GW low carbon hydrogen production

2030 - Hydrogen town trial to commence





05 Dates for your diary

We'd love to see you at our Hydrogen Implementation forums. To join, please email decarbonisation@xoserve.com

Following the last meeting, we agreed to make the hydrogen update sessions for Shippers, IGTs and Metering quarterly. Therefore the dates for September are as follows...

| Shippers | Friday 20th September2024 | 10:00 - 11:00 |
|----------|----------------------------|---------------|
| | | |
| IGTs | Friday 20th September 2024 | 11:30 - 12:30 |
| | | |
| Metering | Friday 20th September 2024 | 14:00 - 15:00 |

Network monthly update meetings remain as the first Monday of the month...

| DNs | Monday 1st July 2024 | 10:00 - 11:30 |
|-----|----------------------|---------------|
| DNs | Monday 1st July 2024 | 10:00 - 11:3 |

As well as our regular sessions, we'd also like to invite you to these additional events:

Hydrogen Information Sharing Group

| Hydrogen Information | Friday 5th July 2024 | 10:00 - 12:00 |
|----------------------|----------------------|---------------|
| Sharing Group | Filday Stilluly 2024 | 10.00 - 12.00 |





06 Keeping in touch

If you've found any of the topics in this month's newsletter particularly interesting, please get in touch or share your comments on LinkedIn, tagging @Xoserve. You can also delve deeper into decarbonisation with our Decarb Discussions podcast, which covers topics from different industry perspectives. To get involved and have your voice heard on our podcast channel, please get in touch.

Don't forget to sign up to our industry 'intranet'. An exclusive resource for the gas industry, the intranet is designed to keep you up to speed with the latest news, new projects and policy changes. It acts as a central repository for essential information related to your industry, some of which may not yet be available as a public resource. If you would like access to this site, please contact:

decarbonisation@xoserve.com

