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Welcome to May's edition of DeliveringDecarb!

This month has witnessed some big news stories in the energy sector including the postponement of the hydrogen town pilot which shortly followed the announced delays to the H100 trial in Fife.

Alongside energy news, May also had some important awareness days such as Mental Health Awareness Week, Learning At Work Week, World Day for Cultural Diversity for Dialogue and Development, and many more.

Raising awareness about important topics in the sector is a core part of Xoserve's purpose, whether it's how we can best decarbonise heat and achieve net zero or promoting a more diverse and inclusive workplace for the sector. On that note, you can read our blog on fostering inclusion and diversity in the energy and utilities industry [here](#).

Now, let's take a look at what the final month of spring has sprung upon us in the world of decarbonisation.

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01 Notable news

Hydrogen town pilot will not go ahead until after 2026

Plans to develop a 10,000-home hydrogen programme in Britain have been put on hold by the UK Government. The hydrogen town pilot will not progress until policymakers have made a long-term strategic decision on whether to support hydrogen as a heat decarbonisation pathway – scheduled for 2026.

In an official statement released by the Department for Energy Security and Net Zero, they stated:

“We believe that low carbon hydrogen may have a role to play in heat decarbonisation, alongside heat pumps and heat networks, but in slower time in some locations. We plan to take a decision in 2026 on whether, and if so how, hydrogen will contribute to heating decarbonisation.”

[Read the full Government statement](#)

Energy leaders call for a social tariff on bills

The chief executives of Centrica and E.ON UK, Chris O’Shea and Chris Norbury, have called for the introduction of a social energy tariff to help low-income households who are struggling to pay the bills.

The reform would see the dissolution of standing charges, which are applied daily, regardless of how much energy the customer uses, and are used to cover the cost of supplying energy to homes and businesses.

Fuel poverty and consumer advice campaigners welcomed their comments in favour of a UK-wide social energy tariff to help tackle fuel debt amongst low-income households.

[Read the full story](#)



01 Notable news

The UK invests in Europe's first advanced nuclear fuel facility

The UK is to invest £196 million to create Europe's first-ever advanced nuclear fuel facility. The project, located in Cheshire, will support the nation in meeting its climate targets and boost energy security by producing advanced uranium fuel by 2031 for export or use domestically.

The Government said it would support 400 jobs, power the UK's future nuclear power stations and ensure other countries are not reliant on Russia for advanced nuclear fuel. The funding is part of a £300 million programme announced in January, and Urenco, which is part-owned by the government, will co-fund the facility.

[Read more on the story](#)



Ember forecasts a decline in fossil fuel-generated electricity from 2024

According to the think tank, Ember, wind and solar are growing faster than any other sources of electricity in history. Its latest Global Electricity Review highlighted that this year will likely see a peak in fossil fuel electricity generation. It also states that the rise of wind and solar has been stemming the growth of fossil fuel power, which would have been 22% higher in 2023 without them.

In the report, Ember forecasts that clean electricity generation will continue its fast growth alongside the acceleration of electricity demand. Wind, solar and other clean energy sources will add an estimated 1,300TWh in 2024. As a result, Ember estimates that fossil generation will decline by 333TWh or 2% in 2024, meaning a steady reduction in related emissions.

[Download the report](#)

01 Notable news

Call for evidence on the future deployment of CO₂ transport

The UK Government is calling for evidence to explore new ways to transport captured CO₂ to enable more UK industries to adopt carbon capture technology. The Call for Evidence delivers on a commitment made in the landmark Carbon capture, usage and storage (CCUS) vision published last December, which set out plans for a new competitive UK carbon capture, usage and storage market by 2035.

The call for evidence will look to gather views and evidence in 3 areas:

- » non-pipeline transport (NPT) value chain data
- » CCUS policy landscape
- » wider deployment considerations

The consultation will close on 16 July.

[Submit CCUS responses](#)

North Sea drilling could extend beyond net zero

Officials approved 31 licences for oil and gas drilling in the North Sea, which could extend production until 2060. Since October 2023, 51 other licences have been approved allowing offshore operators to extract fossil fuels equivalent to 600 million extra barrels of oil.

The UK has about 280 active oil and gas fields, but about 180 are predicted to close by 2030, with the remaining forecast to cease operation by 2040. With the addition of new licences, drilling is now likely to continue for up to 10 years after the Government's 2050 net zero target.

Industry trade body Offshore Energies UK remarked that the new licences would enhance energy security and increase business confidence. However, environmentalists argued that the new licences would have little impact on energy security, but would instead undermine UK climate ambitions.



[Read more on the story](#)

01 Notable news

The Royal Society presents steps for “defossilising” the chemical industry

A new policy briefing from the Royal Society sets out the steps the chemical industry could take to reduce its carbon emissions, which currently account for approximately 6% of global CO₂-equivalent emissions.

Catalysing Change: Defossilising the chemical industry highlights the need for cross-sector industry collaboration and Government support to help navigate the challenges of transitioning away from fossil-based chemicals.

Lead author of the report, Professor Graham Hutchings points out that the chemical sector cannot fully decarbonise in the way that some sectors can, as most chemicals inherently contain carbon atoms essential to the material’s structure.

Suggestions for “defossilising” include using biomass, plastic waste and carbon dioxide as alternative carbon sources to make chemicals and decarbonising energy-intensive processes, through electrification and green hydrogen.



[Access the full briefing](#)

Existing technology could cut £1 billion curtailment costs by 80%

Energy storage developer Field found turning on gas power plants in England and Wales and switching off wind farms in Scotland cost homes and businesses £920 million in 2023. Three-quarters of the costs were attributed to the B6 ‘pinch point’ in the UK’s transmission network on the Scottish and English border, with £670 million of payments made to gas power plants to overcome the bottleneck.

The report further estimated that the pinch point will cost £2.2 billion a year in curtailment payments by 2030 in the network alone, and £3.5 billion a year overall in the UK. Field suggests curtailment costs could be cut by 80% through more efficient use of technologies such as battery storage to unlock capacity on the existing transmission network.

[Download the full analysis](#)

01 Notable news

Higher energy bills are more likely in the North due to lower EPC

Statistics from the Office for National Statistics show those in Yorkshire, The Humber, Wales and the North West have, on average, the lowest energy performance certificates (EPC). From analysing these statistics, Cotswold Energy highlighted a “North and South divide” with those living in the North and Wales potentially facing higher energy costs than the South due to lower average EPC in homes.

Lower EPCs result in colder homes and take more energy to heat effectively. This emphasises the need to look at Britain’s aged housing stock and what other necessary measures are needed when exploring alternative fuel sources to ensure homes are heated affordably.



02 Spotlight on... Reshaping the UK's gas infrastructure

The latest Decarb Discussions Podcast episode is a must-listen with new host James Verdon taking the reins. In his first episode, he interviewed Professor Russell Thomas to explore the incredible transformation of the UK gas industry over the past seventy years.

Whether you're a history buff or just curious about the fascinating world of gas, this episode is for you! Don your leather jacket, gogo boots, and spandex and let them take you on a captivating journey into the past, exploring the evolution of gas from the 1950s to the end of the 80s. Discover how the distribution system has changed and how past transformation initiatives can inform today's decarbonisation agenda.

[Dive into Xserve Decarb Discussions](#)



03 Things to look out for

Already listened to the latest episode? Don't worry, James will be back next month with more regular instalments of **Xserve Decarb Discussions**.

With each new episode, he will be speaking to leaders across the gas and energy industry as they shape the future of energy. You won't want to miss any inspiring stories and in-depth conversations that delve into the most pressing issues surrounding the decarbonisation of gas and net zero, so be sure to subscribe!



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@xserve.com

We are reinstating our monthly hydrogen update sessions for Shippers, IGTs and Metering - these will be held on the third Friday of the month, with the dates and times for June as follows...

Shippers	Friday 21st June 2024	10:00 - 11:00
IGTs	Friday 21st June 2024	11:30 - 12:30
Metering	Friday 21st June 2024	14:00 - 15:00

Network monthly update meetings remain as the first Monday of the month, with June's meeting being held on Monday 3rd June...

DNs	Monday 3rd June 2024	10:00 - 11:30
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As well as our regular sessions, we'd also like to invite you to these additional events:

Hydrogen Information Sharing Group

Hydrogen Information Sharing Group	Friday 7th June 2024	10:00 - 12:00
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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

