

Contents

Welcome to the September issue of **DeliveringDecarb!**

In this instalment, we'll guide you to where you can dive into the advantages and applications of anaerobic digestion and biomethane and their potential in shaping the future of sustainable energy production. We'll also bring you the most significant updates and news stories in gas and decarbonisation this month.

With the pressing need to transition to low-carbon and renewable energy sources, anaerobic digestion has a myriad of uses to support the move to renewable energy across multiple sectors. By utilising natural biological processes, it harnesses organic waste such as agricultural residues and food waste to generate biogas, which can then be refined into biomethane, a low-carbon natural gas. For those following our [Decarb Discussions podcast](#), you'll know there's a new episode available to stream, and it's on, you guessed it – anaerobic digestion and biomethane if you'd like to learn more about this fascinating process.

And don't forget to check our Dates for your Diary section if you would like to join one of our panel discussions and add your voice to the conversations taking place about gas decarbonisation.

01 Notable news

02 Spotlight on... Anaerobic digestion

03 Things to look out for

04 Policy milestones

05 Dates for your diary

06 Keeping in touch

01 Notable news

The Government seeks views on hydrogen blending and lead options

The Government is seeking views from industry experts to help inform their assessment of hydrogen blending's potential strategic and economic value and lead options for its implementation if enabled. The consultation will help to inform a strategic policy decision on whether to support the blending of up to 20% hydrogen into Britain's gas distribution networks.

The consultation covers:

- Nature and scope of blending policy decision
- The strategic role of hydrogen blending
- Commercial support models
- Market and trading arrangements
- Technical delivery models
- Gas billing arrangements
- Economic analysis

[Submit responses](#) by 11:59 on 27 October 2023



New analysis reveals no country is on track to phase out fossil fuels

Climate Action Tracker published a new analysis revealing that no country is progressing adequately toward transitioning from fossil fuels to renewable energy generation – although the UK is nearing this goal.

The report assessed Australia, Brazil, Chile, China, the EU27, Germany, India, Indonesia, Japan, Mexico, Morocco, Turkey, South Africa,

the United Arab Emirates, the UK, and the US.

According to the analysis, none of the countries examined possess explicit fossil gas phase-out plans, and the fossil gas pipeline currently surpasses that of coal. However, the UK is set to eliminate coal usage by 2024, aligning with a timeline compatible with the 1.5C target.

[Download the full analysis](#)

01 Notable news

Octopus Energy acquires Shell's home energy business in the UK and Germany

Octopus Energy signed an agreement to purchase Shell Energy's residential business in the United Kingdom and Germany. The deal will grow energy supplier Octopus to nearly 6.5 million household customers in the UK, equating to over 11 million meter points.

The sale follows the announcement in June from Shell about an exit from the home energy retail business in the UK, the Netherlands and Germany following "a strategic review of market conditions". Subject to regulatory approvals, the acquisition is expected to close in the fourth quarter of 2023.

[Read more about the acquisition.](#)

Energy transition campaigners fear NSTA is assisting the fossil fuel industry

Discussions from a North Sea Transition Steering group meeting have raised concerns for campaign group Uplift that the North Sea Transition Authority (NSTA) is helping the fossil fuel industry construct a new public "narrative" to "effectively make the case for continued North Sea oil and gas".

The meeting is a regular NSTA event attended by executives from Shell and other fossil fuel companies, as well as representatives from Offshore Energies UK, with the meeting minutes published on the NSTA's website.

In a section headlined "Oil and Gas narrative" the minutes show that the group "would like to develop three to five key messages that are coherent and consistent, to effectively make the case for continued North Sea oil and gas" and the need for "simple positive messages"

These notes have led the Executive Director of campaign group Uplift, Tessa Khan, to question the relationship between NSTA and fossil fuel companies, its capacity to remain an unbiased regulator and the public's ability to trust its actions and communications.

An NSTA spokesperson reaffirmed that decarbonisation remains a priority for the industry and the discussion points from the meeting were "entirely appropriate and in keeping with responsibilities" and do not affect their independence.

[Read more on the story](#)

01 Notable news

UK falls from second to eighth in the International Hydrogen Index

The Energy Networks Association's (ENA) International Hydrogen Progress Index revealed that the UK has fallen from second to eighth place. In 2021, the UK was ranked second in the international hydrogen ecosystem, second only to South Korea, now the UK is surpassed by the USA, Germany, Japan, Canada, the Netherlands and France.

The ENA cited political uncertainty around hydrogen technology, meaning that policies and funding arrangements are currently falling short in comparison to other markets, as one of the main issues with the UK's hydrogen rollout. This uncertainty has also led to no major projects having progressed to the final investment decision stage since 2021.

To regain momentum, ENA's gas members and Hydrogen UK have set out four recommendations for industry and Government

to deliver growth:

- Move faster and be more flexible with production support
- Identify and support strategic infrastructure investment now
- Give clarity on the minimum roles for hydrogen in industry, power, transport and heat, with support measures to make high-carbon expensive and low-carbon affordable
- Maximise the significant economic opportunity on offer by stimulating domestic supply chains

[Access the Index here](#)

Government publishes its response to Offshore Hydrogen Regulation consultation

The Offshore Hydrogen Regulation consultation, which closed on 22 May 2023, proposed certain amendments to the existing

system of offshore pipeline and gas storage regulation that will enable first-of-a-kind offshore hydrogen projects to be realised.

The majority of respondents agreed with all five Government approaches set out, including support for the proposals for offshore hydrogen pipeline construction, use and decommissioning to fall under the Petroleum Act. The Government also intends to make legislation to designate hydrogen as a gas under section 2(4) of the Energy Act 2008 in Autumn 2023.

[Read the full response](#)

01 Notable news

UK risks losing £100bn of investment in domestic offshore energy projects

According to the 2023 Economic Report from Offshore Energies UK, the total expenditure in offshore energy could reach £200 billion within this decade, encompassing sectors such as oil and gas, offshore wind, carbon capture and storage and low carbon hydrogen.

However, approximately £100 billion, remains contingent upon final investment decisions from businesses, necessitating renewed assurance to proceed. The report outlines a set of recommendations, urging policymakers to collaborate with the business sector to facilitate this level of investment.

David Whitehouse, Chief Executive of OEUK warned: “The UK mustn’t just become a good place to do energy business, it must become irresistible. Our Economic Report shows that as the global race for energy investment accelerates, the UK must compete by making the most of its diverse homegrown industry,

from oil and gas to offshore wind, hydrogen and carbon capture. Globally, this is the lesson other countries have learnt.”

[Download the full report](#)



A record £1.6bn from the UK committed to Green Climate Fund at G20

During the G20 summit in India earlier this month, Prime Minister Rishi Sunak announced the UK would commit a record £1.6 billion to the Green Climate Fund. The investment

is part of the country’s £11.6 billion pledge for international projects that have a positive impact on climate change and represents a 12.7 per cent increase on the UK’s previous contribution to the fund.

At the summit, Prime Minister Rishi Sunak also reiterated the UK’s commitment to achieving its net zero carbon emissions goal but expressed a desire to avoid “hair shirt” policies that could adversely affect British consumers.

01 Notable news

Rishi Sunak has announced changes to the UK's climate commitments

In an announcement earlier this month, Prime Minister Rishi Sunak confirmed the UK would push back the deadline for phasing out gas boilers alongside selling new petrol and diesel cars. Sunak reiterated his and his government's commitment to reach net zero carbon emissions by 2050, but he wanted to take a "more pragmatic, proportionate and realistic approach".

He reasoned this approach would avoid backlash from the public that "would not just be against specific policies but against the wider mission itself, meaning we might never achieve our goal". Recent polls have shown that the majority of people back the transition to net zero to limit climate breakdown, although that support starts to wane if costs are applied to consumers.

The majority of the Tory MPs were supportive of the new policy. However, environmental

experts criticised the decision, claiming it would "cost consumers more in the long run and threaten the UK's global leadership on the issue".

[Read the full article](#)



AstraZeneca set to establish UK's first commercial biomethane supply

The first unsubsidised industrial-scale supply of biomethane is to be established by pharmaceutical firm, AstraZeneca.

The company is investing in its existing infrastructure to facilitate the shift, including its Macclesfield campus, the UK's largest pharma manufacturing site.

The sites in Macclesfield, Cambridge, Luton and Speke will be supplied with energy from the biomethane facility currently under construction. A total of 100 GWh per year, equivalent to the heat demands of over 8,000 homes will be supplied. Once operational in early 2025, the project will reduce emissions by an estimated 20,000 tonnes of CO2 equivalent.



02 Spotlight on

Anaerobic digestion and biomethane in the energy transition

If you're interested in the advantages of anaerobic digestion and biomethane, as well as their potential role in the energy transition, then check out our latest podcast with Victoria Mustard and Christer Stoyell, the Managing Director of Severn Trent Green Power. In the podcast, Christer explains how the gas produced by organic waste can be trapped and put to use thanks to anaerobic digestion, and what needs to happen to accelerate the adoption of anaerobic digestion as the default method to dispose of food waste.

If that's not enough to quench your thirst for knowledge, or if you prefer to read about the potential of anaerobic digestion and how it can help us reach net zero, we've got it covered in our blog section.

[Listen here](#)

[Read here](#)



03 Things to look out for

Hydrogen blending and why it's important for net zero

The potential benefits of hydrogen blending in addressing the climate emergency are substantial, and the Government has launched a consultation to gather input from the industry on hydrogen's role in the national gas network.

By blending up to 20% hydrogen with existing natural gas, it could save approximately 6 million tonnes of carbon dioxide emissions annually. The Government has set an ambitious target of achieving a hydrogen production capacity of 10GW by 2030. To achieve this goal, hydrogen projects like HyDeploy are testing the efficacy of blending hydrogen.

To find out more about hydrogen blending and its role in the energy transition, we spoke to [Hydrogen Industry Leaders](#) on blending in the emerging hydrogen economy and our next episode of Decarb Discussions, we'll be exploring hydrogen blending with an industry expert.



04 Policy milestones

Here are key Government energy policy / regulatory milestones:

- **2023** - Final policy decision on [hydrogen blending](#)
- **2023** - First [hydrogen support contracts](#) allocated
- **2023** - Decision on hydrogen village location
- **2024** - H100 trial to commence
- **2024** - Energy Bill expected to complete
- **2024** - Future systems operator appointed
- **2024** - Smart meter rollout completed
- **2025** - New business models for hydrogen transport and storage infrastructure designed
- **2025** - Hydrogen certification scheme introduced
- **2025** - Hydrogen village trials to commence
- **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 box.xserve.decarbonisation@xserve.com

Don't miss these upcoming sessions:

Networks Meeting	26th October	10:00 - 12:00
Shipper Meeting	13th October	11:30 - 13:00
Metering Meeting	20th October	10:00 - 11:00
IGT Meeting	24th November	10:00 - 11:00



06 Keeping in touch

We've been working on a range of initiatives designed to help raise awareness of gas decarbonisation and keep everyone in the industry connected. Our Decarb Discussions podcast is one such initiative and covers topics from different industry perspectives. If you'd be interested in getting involved and hearing your voice on our podcast channel, please get in touch.

And 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:

box.xoserve.decarbonisation@xoserve.com

