

Xoserve Hydrogen Villages – Supplier Comms

UK HYDROGEN VILLAGE PROJECT IN AREAS WITHIN WHITBY (ELLESMERE PORT) /REDCAR AND HOW IT COULD AFFECT YOUR ORGANISATION

The government has announced that both Cadent and NGN have been chosen to develop plans to run the country's first Hydrogen Village (also known as the Hydrogen Village Trial and Hydrogen Village programme) in areas within Whitby (Ellesmere Port) and Redcar.

Over the coming months Cadent and NGN will be engaging with local community stakeholders and developing project plans in more detail. In 2023 Ofgem will confirm which of the locations will progress to go live from 2025 for around two years.

Some of your customers will live in these areas. We're writing to let you know what will be happening, where and when. This will give you the information you'll need to answer any enquiries you may receive from your customers.

Why hydrogen?

Hydrogen energy trials are part of the plan to reduce the CO₂ emissions of the average household by 95% to reach the 2050 net zero goal.

Natural gas, used by most homes, accounts for around 23% of the UK's overall CO₂ emissions, but hydrogen — which produces no greenhouse gas emissions at the point of use — could potentially replace natural gas as a low-carbon source of energy for heating, hot water and cooking.

Existing gas boilers can be replaced with hydrogen-ready versions, and hydrogen can be carried by the network providers' existing pipe infrastructure.

Why Whitby (Ellesmere Port)/ Redcar?

Two areas comprising around 2,000 homes and businesses each have been identified as potential locations for the Hydrogen Village. Cadent is the gas distribution network for the Whitby (Ellesmere Port) project and Northern Gas Network (NGN) is the gas distribution network for the project in Redcar. The two companies have written to customers in the areas and will be engaging with the local communities further in the coming months.

- The Whitby area of Ellesmere Port has been chosen because of its proximity to the HyNet hydrogen production facility at Stanlow Manufacturing Complex. HyNet is on track to produce low-carbon hydrogen from the mid-2020s.

- Redcar's project would be taking place in the Warrenby, Coatham and Kirkleatham districts. The area is near sites which have been identified for low-carbon hydrogen production.

Cadent and NGN have already been running the HyDeploy programmes in the North East and Staffordshire, where 20% of the gas mix has been replaced with hydrogen (sometimes called 'hydrogen blend'). A neighbourhood trial, supplying 100% hydrogen, is taking place in 2024 in Fife, Scotland. The hydrogen village is next and will lead into an upscaled hydrogen town pilot by the end of the decade.

How will it work?

Cadent and NGN will soon be starting a period of engagement with owners/residents of homes and businesses within the proposed areas, including holding meetings and events to explain the benefits of the programme and how it would work. Everyone in the proposed areas will receive a free heating survey.

Wherever the final project goes ahead, 100% hydrogen will replace natural gas in the pipelines for around two years from 2025, and existing gas boilers will be upgraded to hydrogen-ready versions free of charge.

What do suppliers need to do?

You will not need to make any changes to the way you bill customers or deal with their enquiries. Residents will pay the same per unit for their hydrogen energy as they would pay for natural gas.

As you are their supplier, your customers may come to you with questions about the project and how it could affect them. We have prepared FAQ documents for your customer services teams to use to explain what is happening, and how it will affect both those properties within the proposed hydrogen village area, and those who are not within the area.

What's happening and when?

- May 2022 — letters sent by gas distribution networks to residents in the proposed areas
- June 2022 — more information supplied to residents; public engagement activities begin; gas distribution networks undertake surveys to develop proposals for the project
- 2023 — Ofgem confirms the area(s) where full trial will take place
- 2025 — 100% hydrogen supplied in place of natural gas to properties in the confirmed project area.

If you'd like more information on the proposed hydrogen village projects, visit:

- **Whitby, Ellesmere Port:**
 - www.hydrogenvillage.com
 - enquiries@hydrogenvillage.com
 - 0800 035 3371

- **Redcar**
 - www.redcarhydrogencommunity.co.uk
 - redcar@northerngas.co.uk
 - 0800 040 7766