



XOSERVE

DELIVERING
DECARB

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Parliament returns... Before recessing again

After a busy summer of gas industry decarbonisation relevant announcements, the House of Commons returned for a fortnight of scandals and resignations, leading to a significant reshuffle of the energy Ministerial team.

With several key gas-relevant policy announcements- including the Warm Homes Plan - expected in October, the new Department of Energy Security and Net Zero leadership team are likely to become familiar voices in future DeliveringDecarb issues.

Meanwhile, our Spotlight on... Party Conference Season keeps you up-to-date on the latest energy policy developments emerging from Reform, Lib Dem, Labour and Conservative Party Conferences, highlighting growing pressure for the Government to outline a more comprehensive and cost-effective role for the gas system within the Green Transition.

01 Notable news

UK Government reshuffle

Following the resignation of Deputy Prime Minister and Deputy leader of the Labour Party Angela Rayner MP, Keir Starmer MP took the opportunity to launch a long-awaited refresh of his Ministerial team. The reshuffle includes a number of appointments relevant to decarbonisation for UK gas infrastructure:

- **Minister of State for Energy, Michael Shanks MP** – Shanks has been promoted to senior Minister in the Department, effectively deputising for Secretary of State Ed Miliband MP, with an expanded role responsible for Clean Power 2030, all energy network infrastructure, market reform, biomethane, hydrogen, CCUS, and powering digital infrastructure (including data centres). After a series of rapid promotions, Shanks is considered one of the Government's rising stars following his victory in the Rutherglen and Hamilton West by-election in 2023.

- **Parliamentary Under-Secretary of State for Energy Consumers, Martin McCluskey MP** – A member of the 2024 intake of MPs, McCluskey will lead on clean heat policy and the delivery of the Government's upcoming Warm Homes Plan.
- **Parliamentary Under-Secretary of State for Industry, Chris McDonald MP** – Sitting within both the Department for Energy Security and Net Zero and Department for Business and Trade ministerial teams, McDonald is responsible for driving decarbonisation of UK foundation industries (including steel, chemicals, manufacturing and construction), industrial energy bills, carbon trading, and green skills.

[You can review all new Ministerial roles and responsibilities within the Department here](#)

UK gas storage capacity could be doubled

After successfully securing a gas storage licence in August, Anglo-Irish company dCarbonX has launched a £830 million project to redevelop the depleted Bains gas field – located 30 miles west of Morecombe Bay in the Irish Sea – as a 1.4 billion cubic meter gas storage site.

The project will more than double the UK's gas storage capacity, boosting resilience to market shocks similar to the energy crisis experienced in the wake of Russia's 2022 invasion of Ukraine.

The facility will take up to three years to be redeveloped, with the first gas injections expected in 2030.

01 Notable news

dCarbonX is majority owned by Italian gas infrastructure company Snam, which also has a majority stake in [Interconnector UK](#), operators of the UK-Belgium gas interconnector pipeline linking the UK and continental wholesale gas markets.

Why it matters: The planned Bain facility is being designed to store a range of gases, from natural gases to hydrogen. As noted within the August edition of DeliveringDecarb, the Government is currently consulting on the UK's CO2 storage infrastructure requirements through its [CCUS future network strategy](#) call for evidence. Storage facilities like Bain and Centrica's Rough facility – which the company plans to redevelop as a hydrogen store – will be crucial to the future of a decarbonised gas infrastructure system.

[Get the full story here](#)

Net Zero vision for existing gas infrastructure

Similarly, Kevin Keable, the Chair of the East of England Energy Group, has spotlighted the role of the Bacton Gas Terminal in Norfolk to the Green Transition.

During an interview with the BBC, Keable spotlighted Bacton's potential to produce blue hydrogen and as the home of the [Poseidon Project](#). The UK Government trail was the first project in the world to successfully reinject over 4,000 tonnes of captured liquid CO2 into the Leman gas field earlier this year. The project will become fully operational in 2029.

[Get the full story](#)

10MW gas power plant with integrated carbon capture system commissioned

Landmark Power Holdings has opened a new 10MW gas-fired power station in Worksop in the East Midlands. The innovative facility integrates six Rolls-Royce natural gas-fuelled generators with innovative CO2 recovery system.

The power plant will generate enough electricity to power and heat 10,000 local households, while capturing up to 30,000 tons of CO2 a year. The captured CO2 will be purified and liquified for use in carbonated beverages including beer and lemonade.

[Get the full story here](#)

01 Notable news

Hydrogen production and storage innovator receives funding

Clyde Hydrogen, a spin out from Glasgow University, has secured strategic investment from Ecotricity to accelerate development of its innovative green hydrogen production technology.

The company has secured a total of £1 million in funding to commercialise its technology, which is more efficient and cost-effective than traditional electrolysis.

[Get the full story here](#)

New report indicates a strategic gas reserve could save £65 from annual household energy bills

A new study by energy consultancy Stonehaven – commissioned by Greenpeace UK – indicates that switching UK gas-fuelled generators to a Regulated Asset Base (RAB) model would help to reduce both carbon emissions and household bills by up to £65 – over a fifth of the UK Government’s commitment to reduce UK energy bills by £300 by the end of the parliament.

The study indicates that shifting gas generators to RAB models could be completed by as early as 2028, at a total one-off cost of £17.4 billion, but delivering annualised savings of £5.1 billion, including £1.7 billion to households and £3.3 billion to industry. Total costs of the switchover would be recovered by the UK economy in less than four years.

The report also considers the practical implementation of shifting to the RAB model either under the provisions of the Energy Act 2023 or through the passage of new primary legislation.

[Get the full story here](#)



01 Notable news

SGN trial repurposes gas transmission pipeline to transport hydrogen

Scotia Gas Networks (SGN) has successfully completed a trial demonstrating that the UK's gas network can be repurposed for transporting hydrogen. During the trial, a 30km stretch of the high-pressure Local Transmission System (LTS) pipeline, running between Granton near Edinburgh and Grangemouth, was successfully repurposed to carry hydrogen.

The LTS Futures trial project aims to provide a blueprint for decarbonising all 11,600 km of the LTE network by repurposing it for hydrogen.

News of the success of this project arrives shortly before the publication of the highly anticipated UK Hydrogen Strategy, expected later this autumn.

[Get the full story here](#)

EU platform supporting green hydrogen production launched

The European Commission has launched a new EU Hydrogen Mechanism under the EU Energy and Raw Materials online platform.

The digital platform helps buyers to source renewable and green hydrogen (and its derivatives ammonia, methanol and sustainable aviation fuel) by efficiently matching with suppliers and producers.

The platform aims to support additional production and use of green hydrogen by making the market more efficient and transparent. If successful, it may inspire the development of similar mechanisms in other markets, including the UK.

[Get the full story here](#)

Wholesale gas prices remain steady

UK natural gas prices remained below 80p for the majority of September, continuing a price stabilisation trend throughout the summer due to strong renewable energy generation output (including a record breaking [14 GW of concurrent solar output in July](#)); reduced energy consumption during the summer; and strong EU gas storage ([76% of EU gas storage capacity was filled by August](#), which benefits the integrated UK energy market).

Stable gas prices maintain favourable economic environment for low carbon gas market strategies, including the production of blue hydrogen. The UK Net Zero Roadmap is targeting bringing a minimum of 4 GW of blue hydrogen production online by 2030 (as part of a 5 GW total hydrogen production), including the H2Teesside and HyNet Hydrogen Production Plant 1 projects.

[Get live wholesale natural gas prices here](#)

02 Spotlight on... Party Conference Season

Party Conference season is in full swing, with Reform, the Liberal Democrats and Labour Party conferences all taking place in September, and the Conservative Conference following in early October.



Each Party has taken the opportunity to outline their distinctive vision for the role of gas within the future UK energy system:

- **Reform, Friday 5 - Saturday 6 September** – Richard Tice MP, the Party's Energy and Foreign Policy spokesperson, continued to develop the Reform's Net Zero sceptical policy positions during his speech to conference, calling for:
 - » End of ban on new North Sea oil and gas extraction
 - » Accelerated development of onshore fracking
 - » Blocking planning approvals for new renewable generation and removing tax exemptions for new infrastructure
 - » Committing to holding a referendum on the UK's legally binding Net Zero 2050 target

While Reform's developing energy policy position may resonate with some of the electorate's concerns about the cost of decarbonisation, polling indicates that many of the individual policies are extremely unpopular.

- **Liberal Democrats, Saturday 20 - Tuesday 23 September** – Meanwhile, Lib Dem Deputy Leader Daisy Cooper MP unveiled plans to implement a new windfall tax upon UK banks forecasted to raise up to £7bn a year. This would be used to fund affordable loans of up to £20,000 for households and £50,000 for small businesses to invest in decarbonisation technologies.

Originally proposed by the left-of-centre think tank the Institute for Public Policy Research (IPPR), the proposal will increase pressure upon the Labour Government to identify additional methods of funding domestic decarbonisation.

02 Spotlight on... Party Conference Season

- **Labour, Sunday 28 September –**

Wednesday 1 October – In anticipation of Labour Party conference, SNP Energy Spokesperson Stephen Flynn MP has written to the Energy Secretary urging him to loosen restrictions on exploration of new oil and gas in the North Sea – essential to the local economy of his Aberdeen South constituency.

Flynn's intervention coincides with reports that Miliband is facing internal pressure from Trade Unions representing offshore workers to water down Labour's manifesto commitment to block all new North Sea exploration licences. It has been suggested that Miliband will confirm plans to permit limited extraction of new oil and gas reserves where there is existing offshore infrastructure. However, while supported by Unite the Union (which represents the majority of North Sea unionised workers), the newly formed Offshore Industry Liaison Committee (OILC), and by Labour's Treasury teams on economic growth

grounds; any loosening of the Party's decarbonisation manifesto commitment's is likely to be vehemently opposed by the wider membership, reducing the likelihood that this policy adjustment will be announced at Labour Conference.

- **Conservative, Sunday 5 – Wednesday**

8 October – Opposition Leader Kemi Badenoch MP is expected to attempt to reinforce her ailing leadership by reconfirming plans to discard the Net Zero 2050 commitment implemented by the Conservative-led Coalition Government with the 2008 Climate Change Act. This includes a commitment to resume North Sea oil and gas exploration.

03 Policy Milestones

The path to a decarbonised energy system will be marked with significant policy milestones and project developments. As the gas industry continues its efforts to transition to net zero, understanding these key events is essential. Here we highlight the policy announcements, project milestones and consultations impacting the decarbonisation of gas.

Upcoming opportunities to influence energy policymaking

In addition to the Government and parliamentary inquiries spotlighted in the August issue of DeliveringDecarb, additional opportunities for gas industry stakeholders to contribute to relevant decarbonisation and energy policy discussions have been launched, including:

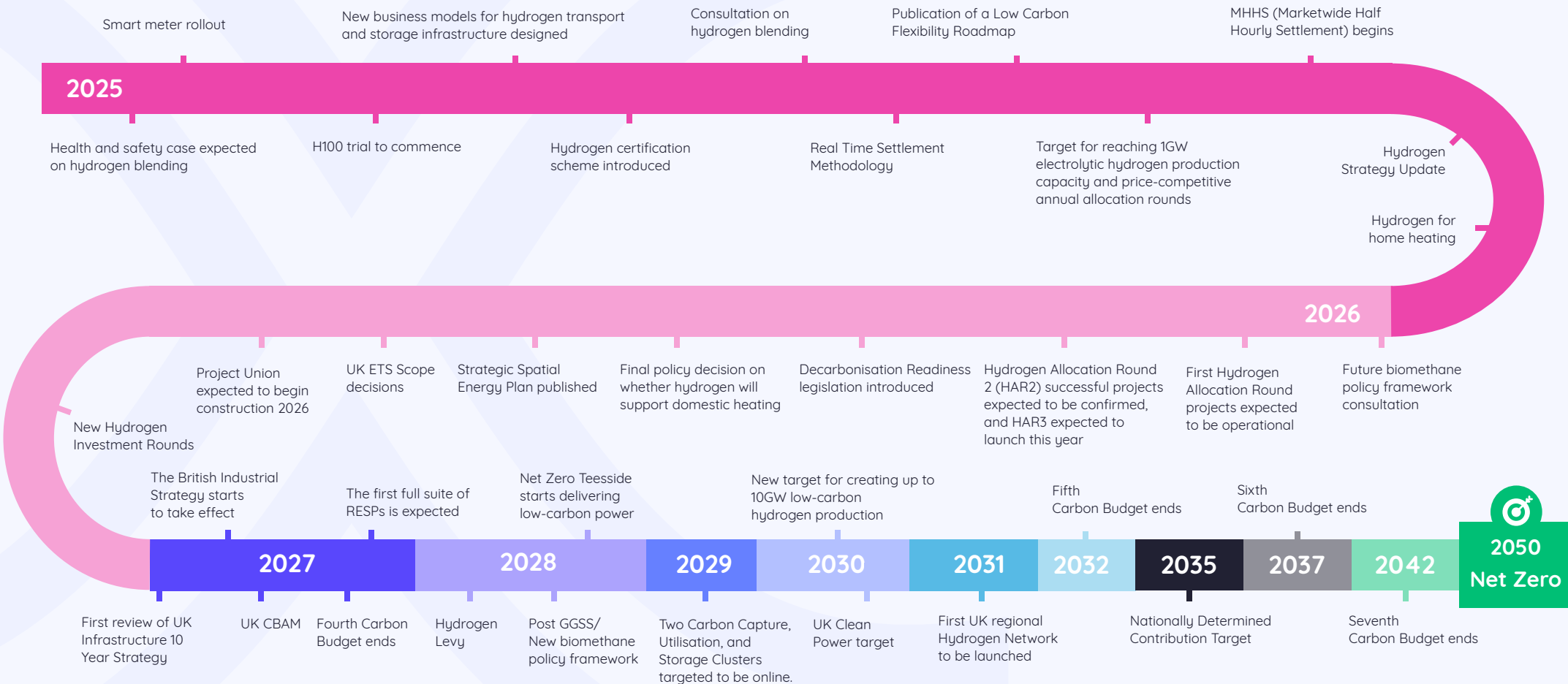
1. The House of Commons Environmental Audit Committee (EAC) has launched an inquiry into the **Seventh UK Carbon Budget**, focused upon “The journey to net zero: How will it affect household budgets into the 2040s?” Cognisant that electrification is often perceived as synonymous with net zero by some political stakeholder, the EAC inquiry is an opportunity to make the case for the gas system as a key component of delivering secure and affordable decarbonisation:

[Submit your response](#) to the EAC inquiry by Tuesday 4 November.



03 Policy Milestones

Key Government energy policy/regulatory milestones:



04 Things to look out for

Although Parliament has been in its summer recess, there are plenty of consultations and strategies ongoing. The next DeliveringDecarb edition will keep you informed of any announcements, new data or research on the potential future role and benefits of biomethane, hydrogen and gas blending.

Plus, you can expect valuable insights into any major projects in the hydrogen and decarbonisation sector.

For now, here are some upcoming publications to keep an eye on in the near term:

Expected Autumn 2025:

- [UK Government's updated hydrogen strategy](#)
- [Gas Shipper Obligation consultation response](#)
- The delayed UK Warm Homes Plan (initially slated to be published in July) is expected during the week beginning Monday 13 October

Expected end of 2025:

- Consultation on hydrogen for home heating
- Hydrogen transport and storage market framework consultation response
- Gas system resilience consultation
- Network investment and cost recovery call for evidence

If you can't wait until next month's edition of DeliveringDecarb, be sure to [follow Xoserve on LinkedIn](#) for comments and key takeaways as they happen.

05 Dates for your diary

Here are some upcoming dates in September when you can meet the Decarbonisation Team. We'd love to see you there.

**Network Monthly
Decarbonisation Meeting**

Monday 6 October, Online

UK Green Gas Day

Thursday 9 October, Birmingham

**Energy Landscape UK
2025 Conference**

Wednesday 15 & Thursday 16 October,
London

To join our quarterly Hydrogen Implementation Forums or enquire about our meetings above, please email decarbonisation@xoserve.com



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.

To help you stay ahead of the curve, we've created the [Decarbonisation Knowledge Centre](#), for the latest news, exciting new projects, and important policy updates. We're confident you'll find a wealth of valuable resources on decarbonisation. If you'd like to suggest any ideas, please contact: decarbonisation@xoserve.com



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