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Welcome to our September edition of DeliveringDecarb, the monthly newsletter designed to bring you right up to date on everything that's happening in gas decarbonisation across the nation.

This month's Spotlight section focuses on the Government and Ofgem consultations happening right now that may impact your business; breaking down the key points you need to know. We also take a look at how the energy crisis has affected the gas industry. Plus,

don't forget to check our Dates for your Diary section so you can be sure you won't miss out on the information most relevant to you as our gas system transforms on the path to net zero.

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01 Notable news

The Energy Bill Relief Scheme

On September 21, 2022, Business Secretary Jacob Rees-Mogg announced a new initiative to support businesses struggling with increased energy bills. The Energy Bill Relief Scheme sets a supported wholesale price for energy, expected to be £211 per MWh for electricity and £75 per kWh for gas - less than half of the expected price for the upcoming winter period.

The new measures, which will apply to energy usage from October 1 2022 to March 31 2023, were designed as an equivalent to the Energy Price Guarantee for households and look set to cost £29bn. Eligible organisations do not need to apply and the discount will be automatically implemented in their bills.

The Energy Bill Relief Scheme was just one of the announcements made as part of the UK Government's Growth Plan 2022, which will also remove

some of the planning obstacles to offshore wind; allowing it to be deployed more easily.

Industry experts have welcomed the relief provided to businesses and domestic energy users by the Growth Plan, as well as the removal of the block on onshore wind - but have expressed concerns that, overall, economic growth has been prioritised above crucial climate targets. As Julie Hirigoyen, Chief Executive of the UK Green Building Council stated, 'a green recovery would achieve much needed economic, social and environmental goals all at the same time'. Energy UK's Director of Advocacy, Dhara Vyas also stressed the importance of reducing the UK's reliance on imported gas to 'prevent future price shocks'; something not explicitly considered in the new plan.

[Read more](#)

BEIS new appointments

September saw the new Government appointed by Prime Minister Liz Truss receive Royal approval. Jacob Rees-Mogg has been appointed as the new Secretary of State for Business, Energy & Industrial Strategy (BEIS) and the broad ranging reshuffle also included the appointment of Ranil Jayawardena as Secretary for the Department for Environment, Food and Rural Affairs (Defra). Jayawardena was previously minister for International Trade from May 2020 to September 2022.



01 Notable news

Climate Change Committee's citizens' panel on home energy decarbonisation

On 22nd September, The Climate Change Committee (CCC) published the findings of their citizen's panel on energy decarbonisation. Conducted in collaboration with Lancaster University, the citizens' panel was composed of 24 homeowners from different backgrounds and aimed to explore awareness of home energy decarbonisation. The panelists discussed the need for further incentives to encourage the uptake of green technologies among homeowners, emphasising that despite high levels of awareness, environmental concerns are not enough to convince homeowners to change their energy consumption patterns. As well as financial support, the panellists identified access to independent and impartial advice as a key requirement.

The findings of the panel's discussions were summarised in a series of suggestions for policymakers which included a stamp duty determined by a home's energy efficiency level, a variety of loans and grants, and a logbook to register the work undertaken to enhance energy efficiency as well as suggestions for future improvements.

Panellists also highlighted the need for a regulatory environment that is conducive to these changes, including a ban on new gas boilers from 2035 - and the introduction of consumer awareness campaigns.

A full version of the citizens' panel findings can be [downloaded here](#).



01 Notable news

Second version of the RIIO-2 SIF Governance Document

On Friday 23 September, Ofgem announced its decision to introduce version two of the RIIO-2 Strategic Innovation Fund (SIF) Governance Document.

The Strategic Innovation Fund (SIF) aims to 'find and fund ambitious, innovative projects with the potential to accelerate the transition to net zero'. Changes introduced by the second version of the governance document are intended to make the funding environment more flexible and responsive and to ensure that rules on intellectual property rights and royalties are accessible for third parties.

The update also confirmed that Distribution Network Operators (DNOs) will be eligible for the second round of the discovery phase of the SIF; meaning DNO innovation projects can be progressed sooner once the RIIO-ED2 price control comes into play on 1 April 2023.

[Read more](#)



IEA global hydrogen review

The International Energy Agency (IEA) annual Global Hydrogen Review tracks global hydrogen production and demand as well as progress in critical areas such as infrastructure development, trade, policy, regulation, investments and innovation.

The 2022 report, published this month, highlights hydrogen's potentially major role in meeting international energy and climate goals and focuses on the progress being made in electrolyser manufacturing, creating new momentum for low-emissions hydrogen investment. It's an important read for all hydrogen economy stakeholders.

[Read more](#)

02 Spotlight on... Government consultations

Consultation: REMA

Billed as the biggest electricity market reform in a generation, The Review of Electricity Market Arrangements (REMA) launched on 18th July and is open until 10th October 2022.

The consultation will gather views on the options available to address the challenges of creating a cleaner energy system against a backdrop of rising global energy costs and the need for greater energy security. These include incentives for consumers to use energy when demand is lower, and reform of the capacity market to increase participation from low carbon flexibility technologies, such as electricity storage.

Crucially, the consultation will also address the possible decoupling of global fossil fuel prices from electricity produced by renewables - to make sure consumers feel the price benefit of clean energy sources.

[Have your say](#)

Consultation: Hydrogen transport and storage business models

Of interest to all hydrogen economy stakeholders including producers, consumers, transporters, shippers and investors, this consultation launched on 31st August and is open until 22nd November 2022.

The 'Hydrogen transport and storage business models' consultation stems from the commitment made by the Government through the British Energy Security Strategy to explore options for the creation of a hydrogen-ready infrastructure by 2025. Of particular interest is the consultation's focus on whether the UK's existing market framework and commercial arrangements are optimal for supporting the deployment of hydrogen transport and storage infrastructure.

[Have your say](#)



Understanding the hydrogen rainbow

As highlighted by our recent Hydrogen Guarantees of Origin blog, not all hydrogen is created equal when it comes to their carbon value. To help increase awareness of the different types of hydrogen and why production methods will matter as we make the transition to a net zero gas network, Xserve has created a new Hydrogen Rainbow Infographic. [View it here.](#)

03 Policy milestones

Here are the key Government policy / regulatory milestones:

- **Autumn 2022** - Indicative assessment on the value-for-money case for [blending hydrogen](#) in the existing network
- **Q4 2022** - [Business model](#) for hydrogen support finalised
- **2022** - Decision on [rebalancing policy costs](#) between electricity and gas
- **2022** - Final investment decisions on two 'Track 1' [Carbon Capture & Storage \(CCS\) clusters](#)

- **2023** - Final policy decision on [hydrogen blending](#)
- **2023** - First [hydrogen support contracts](#) allocated
- **2023** - Decision on hydrogen village location
- **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
- **2030** - New target for creating up to 10GW low carbon hydrogen production
- **2030** - Hydrogen town trial to commence



04 Dates for your diary

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

Don't miss these upcoming sessions:

Shipper working group	Friday 7th October	11:30 - 13:00
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Network working group	Monday 17th October	10:00 - 12:00
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IGT working group	Friday 21st October	10:00 - 11:00
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Metering working group	Thursday 25th October	10:00 - 12:00
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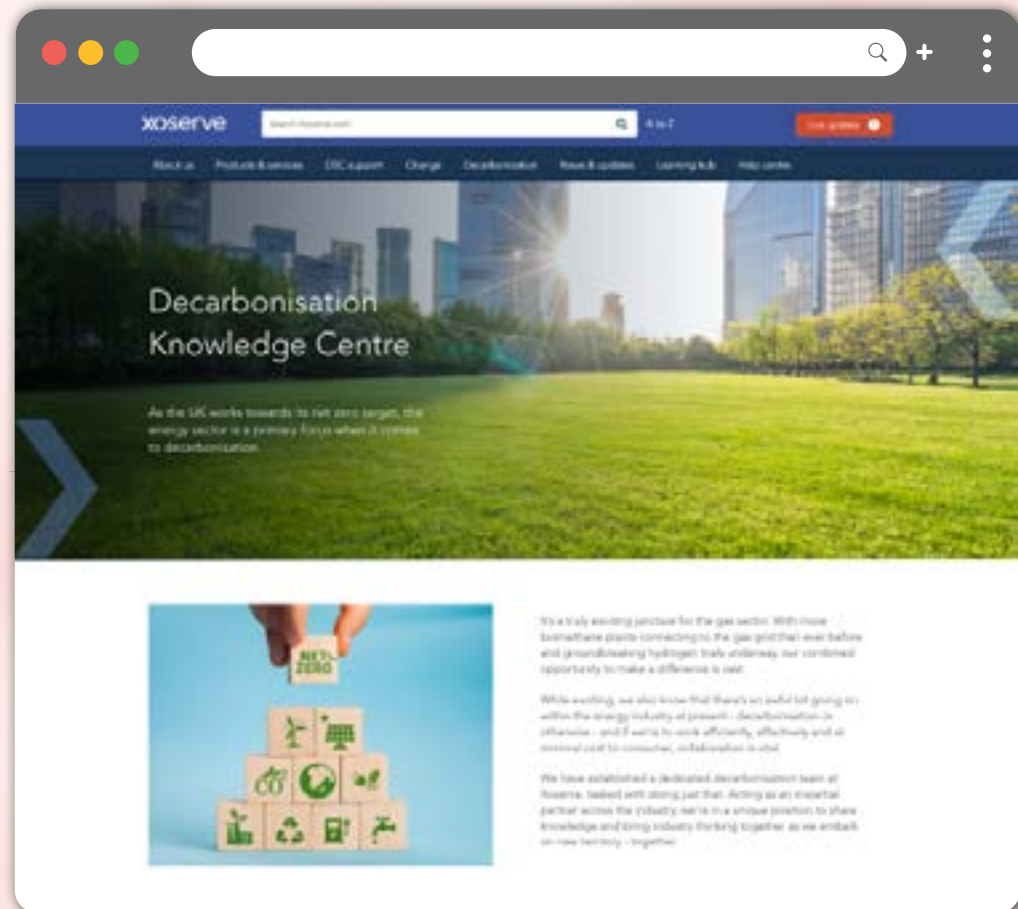


05 Things to look out for

The Xserve Decarb Hub is now live

Designed to be both genuinely useful and extremely user friendly, the new Xserve Decarb Hub is your essential online resource for hydrogen project updates. It's the place to find informative videos and podcasts about gas decarbonisation to keep you informed and share with your network. You'll also be able to find a full list of Xserve forums, meetings and event dates - so make sure you bookmark the Decarb Hub and check in regularly to be sure you're up to speed with the latest developments as they happen.

[Visit the Decarb Hub](#)



06 Keeping in touch

Have you signed up to our Xoserve industry 'intranet' yet?

An exclusive resource for the gas industry, the internet is designed to help you stay up to speed with the latest news, new projects and policy changes and 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

