



Department for
Energy Security
& Net Zero

Hydrogen Delivery Council

Tenth Meeting – Summary

09 May 2023

Attendees

Co-Chairs:

Lord Callanan, Minister for Energy Efficiency and Green Finance, Department for Energy Security and Net Zero.

Jane Toogood, Chief Executive for Catalyst Technologies at Johnson Matthey and UK Hydrogen Champion

Council members:

Name	Role	Organisation
Jo Bamford	Executive Chairman	Ryze
Wouter Bleukx	Business Director, Hydrogen	Inovyn
Martin Cook (deputising for Jon Butterworth)	Chief Commercial Officer	National Gas
Andrew Doyle	Executive Director	Mitsubishi UFJ Financial Group
Adam Gray (deputising for Dr Susi Wiseman)	Hydrogen and CCS Process Technical Authority	Storegga
Sam French	Business Development Director	Johnson Matthey
Rajesh Kedia (deputising for Ian Brown)	Banking Director	UK infrastructure bank
Chris Manson-Whitton	Director	Progressive Energy
Dominic Martin (deputising for Alex Grant)	Vice President, Governmental and Regulatory Affairs, Marketing and Trading	Equinor
Alastair McConville (deputising for Olivia Breese)	Head of Commercial for P2X	Orsted
Jim Mercer	CEO	BOC Linde
Catherine Raw (deputising for Alistair Phillips-Davies)	Managing Director	SSE
Prof Nilay Shah	Director, Centre for Process Systems Engineering	Imperial College London
Dennis Schultz	CEO	ITM Power
Steve Scrimshaw	Vice President	Siemens Energy
Sopna Sury	COO	RWE
Chris Train	Gas Goes Green Champion	Energy Networks Association
Matthew Williamson (deputising for Louise Kingham)	Head of Country, UK	BP
Yunji Xu (Deputising for Paul Bogers)	Vice President, Hydrogen	Shell

Observers:

Name	Organisation
Richard Burn	Johnson Matthey
Alison Conboy	Deputy Director, Hydrogen & Industrial Carbon Capture (HICC), Department for Energy Security and Net Zero
Rich Denny	Infrastructure and Projects Authority
John Howells	Welsh Government
Edward Kerr	Northern Irish Government
Josh Lawrence	Department for International Trade
Will Lochhead	Deputy Director, HICC, Department for Energy Security and Net Zero
Andrew Mackenzie	Department for Transport
Professor Paul Monks	Chief Scientific Adviser (CSA) - Department for Energy Security and Net Zero
Stef Murphy	Director, HICC, Department for Energy Security and Net Zero
Iona Mylek	Deputy Director, HICC, Department for Energy Security and Net Zero
James Walker	OFGEM

Also in attendance, officials from: Department for Energy Security and Net Zero;
Department for Transport; Department for International Trade; Scotland Office.

NB: This is a summary of Council member comments made in an **advisory** capacity. The
summary of member comments does not represent government policy or views.

Item 1: Welcome & Introductions - Jane Toogood (JT)

JT welcomed Council members and introduced the new ministerial co-chair, Lord Callanan, Minister for Energy Efficiency and Green Finance, Department for Energy Security and Net Zero. JT also set out the agenda for the meeting.

Item 2: Ministerial Update – Lord Callanan (LC)

LC reiterated the critical role that hydrogen has in delivering net zero, expressed his enthusiasm for working with the Council to develop the UK hydrogen economy and highlighted his recent involvement in leading the Energy Bill through the House of Lords. He paid tribute to JT's work as a leading voice within the industry and indicated he would welcome invitations from industry to visit projects on the ground.

Item 3: Departmental Policy Update – Stef Murphy (SM)

SM updated the Council on progress since the last meeting in December, starting with the creation of the Department of Energy Security and Net Zero. SM also updated on recent publications and policy developments on hydrogen including:

- The announcements in the Powering Up Britain package which will support the UK's ambition of 10GW of low carbon hydrogen production by 2030. This included announcing the 15 winning projects from Strands 1 and 2 of the £240 million Net Zero Hydrogen Fund, a shortlist of 20 projects for due diligence in the first electrolytic hydrogen allocation round (HAR1), and naming the two CCUS-enabled hydrogen projects moving forward on the Track-1 clusters (March 2023).
- A consultation on proposed regulations in relation to the Hydrogen Production and Industrial Carbon Capture business models (March 2023).
- The Hydrogen Champion report (March 2023), which offers a positive vision for how Government and industry can work closely together to realise the full potential of the UK Hydrogen economy.
- Launching the second round of Strands 1 and 2 of the Net Zero Hydrogen Fund (April 2023)
- An updated version of the Low Carbon Hydrogen Standard (April 2023).
- A consultation seeking views on initial regulatory proposals for offshore hydrogen pipelines and storage (April 2023).

Council members recognised this progress and emphasised that policy momentum is fundamental for project momentum and broader investor and industry confidence.

Discussion topics also covered: international comparisons, policy progress across different parts of the hydrogen value chain and the need to ensure policies were being developed in sync and were sufficiently forward looking. One member requested an update at the next meeting on Government's plans for hydrogen for transport, including fuel cells for heavy duty transport and off-road vehicles.

Item 4: Update on Council Reset – Head of Strategy, Hydrogen Strategy and Portfolio

The Head of Hydrogen Strategy in the Department of Energy Security and Net Zero updated participants on the reset of the Hydrogen Council. This included:

- A shift in focus from designing to delivering the UK's ambitions set out in the Hydrogen Strategy (2021), British Energy Security Strategy (2022) and 'Powering Up Britain' Energy Security and Net Zero Growth Plans (March 2023).
- Changing the name to the "Hydrogen Delivery Council".
- Refreshing the membership of the Council to reflect the shift to project delivery.
- Refreshing the Council's Working Groups, their objectives and activities and formalising reporting structures into the Council. Also creating two additional Working Groups (1) on Production and (2) on Demand.

- The development of a two-year work plan for the Council in collaboration with Working Groups.

Members welcomed the proposed changes to the Council priorities and governance structures. There was also discussion covering how topics which sit across multiple Working Groups could be reflected in the two-year work plan, and how the Council can learn from international experiences.

Item 5: Storage Business Models Update – Head of Storage Business Models, Hydrogen Business Models

The Head of Hydrogen Storage Business Model Team in the Department of Energy Security and Net Zero gave a progress update on the business model. Government is:

- Drawing lessons from the design process for the hydrogen production business model and from feedback to the hydrogen transport & storage consultation.
- Aiming to mitigate the risks developers face, to provide better certainty to investors and encourage Final Investment Decisions to be taken.
- Considering design options to address revenue risk with the business model.
- Planning to publish the government's 'minded to' position on the storage business model end Q2 2023.
- Continuing to engage with industry on designing hydrogen transport and storage business models by 2025, including allocation considerations and strategic planning.

Council members welcomed progress made, while expressing a desire to move as quickly as was practicable. Some members felt that final investment decisions would be delayed until 2025, which could put existing projects at risk. Officials explained that any interim solution would also take time to deliver and pull resource from the long-term solution.

Item 6: Supply Chains Strategy – Head of Sector Development & Clare Jackson (CJ), CEO of Hydrogen UK

Both the UK Government's Hydrogen Sector Development Action Plan and the Hydrogen Champion report recommended that industry should work with government to identify UK supply chain strengths, make voluntary commitments to deliver UK content and to formulate a wider supply chain strategy that builds on UK strengths, as has been done for aviation.

Hydrogen UK are planning to bring industry together to deliver this supply chain strategy.

The Head of Hydrogen Sector Development Team at the Department of Energy Security and Net Zero reiterated the value of this voluntary, industry-led work.

CJ outlined the proposed scope and timeline of the hydrogen supply chains strategy work which follows a similar model to the CCUS supply chain strategy currently being developed. CJ proposed prioritising learning from experience from deployment of hydrogen and adjacent technologies. This work is intended to build on the assessment of the supply chain requirements to support the hydrogen economy in the UK, which was delivered by Wood Plc and Optimat Ltd and published in July 2022.

Members raised comments on:

- The role of government support for deployment sending the right signals to supply chains.
- The definition of a voluntary commitment.
- The need to drive capacity in the UK supply chain.
- The need for consistency for current projects to keep delivering.
- Actions to promote local content, suggesting the UK should take similar actions to those being taken in other markets.

Item 7: Actions from Previous Meeting & Closing Remarks – Jane Toogood (JT)

JT thanked DESNZ and Hydrogen UK colleagues for their presentations to the Council and thanked members for their engagement in the Council. The next Council meeting is due to take place in July 2023.