

Bacton Energy Hub

Regulatory SIG Findings

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Limited / Regulatory SIG Chair

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Core Group Members

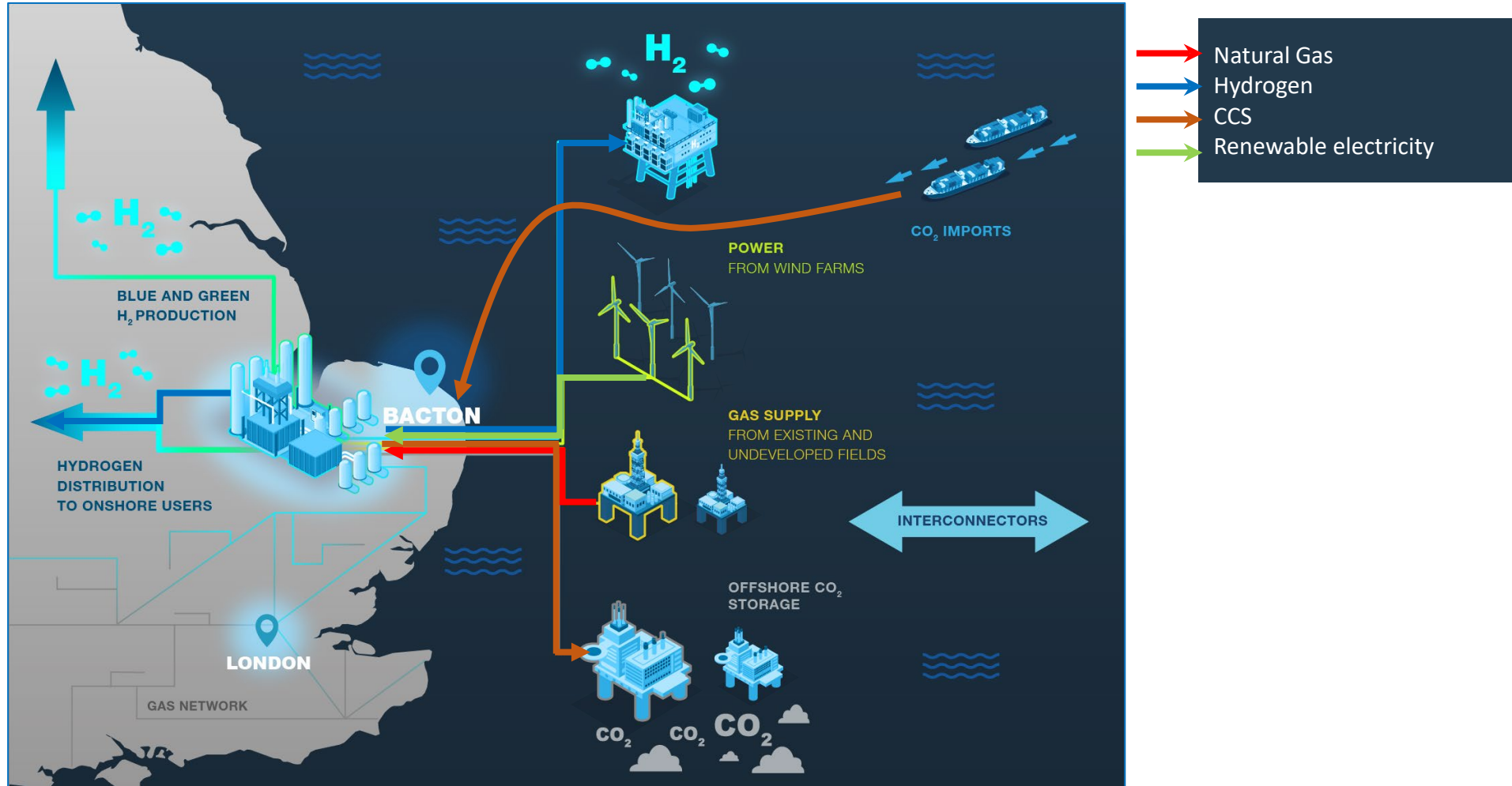


Northbrook Energy Advisory Limited
Accelerating the Energy Transition



Thank you!

The approach



Follow the molecules to identify regulatory gaps

Key findings

There is no specific regulatory requirement to Bacton; required changes are broader UK needs.

Based on review of the regulatory environment that may apply for Bacton the following key conclusions were identified.

Location	Area	RAG rating	Action
Offshore	Natural Gas Extraction and Supply	Green	No action
Offshore	Carbon Dioxide Storage	Green	No action
Offshore	Hydrogen Transportation and Underground Storage	Yellow	Requires revising existing regulations to include Hydrogen.
Offshore	Electrical Supply	Green	No action
Onshore	Plant to be constructed at Bacton	Green	No action
Onshore	Plant to be constructed at Port of Great Yarmouth	Green	No action
Onshore	Pipelines	Green	Blending contingent on amendment to GS(M)R to accept higher levels of blending.
Onshore	Onshore Transportation via Rail	Green	No action
Onshore	Electricity supply (via National Grid)	Green	No action

Funding: The current funding landscape for low carbon Hydrogen production presents an opportunity for a more joined up approach

Any changes to legislation are not substantive

Offshore Hydrogen Transportation and Storage

Offshore Hydrogen storage and transport

- Gaps identified in offshore regulatory arrangements.
- May be remedied by extending offshore oil and gas regulatory arrangements for hydrogen
- Including amending legislation:
 - Adding Hydrogen to definition of “gas” in section 2(4) of the Energy Act 2008 (Secretary of State action).
 - Adding Hydrogen pipelines by adding hydrogen to list of “relevant substances” to Petroleum Act (Specified Pipelines) Order 2011 (Regulatory modification).
- Clarifying offshore regulatory roles, e.g. for:
 - NSTA, Opred, HSE, Ofgem, TCE/CES, etc.



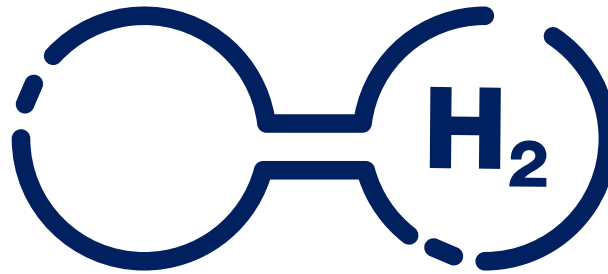
Key next steps

Enable blending of Hydrogen into National Grid as a primary route to market



- This enables rapid and early decarbonisation (but is not the long term solution).
- BEIS action.

The word “gas” is defined many ways in different legislation



- To enable the Hydrogen economy to develop there is a need to ensure that Hydrogen is included in the definition of "gas" in the different pieces of legislation.
- Government action.

Funding for Hydrogen projects



- Currently piecemeal.
- Recommend creation of predictable, long term competitive funding framework that will enable both electrolytic and CCS enabled Hydrogen to be developed at scale and at pace – perhaps similar to the offshore wind framework.
- BEIS action.