

## Contents

**Welcome back from the Easter break! We hope you had a chance to recharge.**

Whether you enjoyed an extended time away or not, you won't have to miss the chance to unwrap any energy 'Easter eggs' this month.

April's DeliveringDecarb expands on last month's theme of evolving energy policy and the "world is changing" message from March's Spring Statement. We will look at the industry building blocks across infrastructure, the production of biomethane and hydrogen, and the investments within CCS that could help determine the feasibility and scale of gas blending in Britain's decarbonised future.

This month's spotlight focuses on the shortlisted projects from the Hydrogen Allocation Round 2 (HAR2) – the initial steps for building the necessary production capacity for future hydrogen blending.

So, please take a moment and discover the top stories for April, and perhaps enjoy a real chocolate egg while you do!

To receive our monthly newsletter straight to your inbox, please email [decarbonisation@xserve.com](mailto:decarbonisation@xserve.com)

### 01 Notable news

### 02 Spotlight on... Shortlisted projects for HAR2

### 03 Things to look out for

### 04 Policy milestones

### 05 Dates for your diary

### 06 Keeping in touch

## 01 Notable news

### **BGS makes the case for underground hydrogen storage in the UK**

The British Geological Survey (BGS) released a briefing note advocating for the development of underground hydrogen storage to support the UK's transition to net zero. The note highlights that as renewable energy generation increases, long-duration energy storage solutions become critical for balancing energy supply and demand.

The briefing note points out that the UK's current gas storage capacity is low compared to European averages, and the estimated hydrogen storage needed for net zero by 2050 could be up to five times greater. Significant knowledge gaps remain regarding how and where such large-scale storage can be achieved.

To address these gaps, the BGS recommends:

- Implementing more demonstration projects to build technical capability, address market barriers, and encourage wider hydrogen adoption.
- Integrating hydrogen storage into the UK's energy strategy through comprehensive planning and supportive regulations.
- Investing in research and development to expand knowledge of essential hydrogen storage technologies.

[Access the briefing note](#)

### **National Gas invests in future-proof gas compressors at three sites**

National Gas has announced its "largest ever investment", with more than £350 million, to upgrade gas compressors at its sites in Peterborough, St. Fergus, and Wormington.

This investment will fund the replacement

of existing compressors with new, state-of-the-art equipment supplied by Siemens Energy, Baker Hughes, and Solar Turbines.

According to National Gas, the new equipment will help ensure the ongoing security of Great Britain's energy supply by enabling its National Transmission System (NTS) to efficiently deliver gas to major industries, power stations, and businesses. This project is expected to create around 1,000 jobs across the UK.

The new gas compressors are also designed to be compatible with future gas blends, including hydrogen, for transportation around the existing NTS.

Read the [full announcement](#)

### **DESNZ seeks technical information on H2P projects**

The Department for Energy Security and Net Zero (DESNZ) is seeking views and technical information on innovative hydrogen-to-power



## 01 Notable news

projects that could be implemented by 2030, prior to the establishment of large-scale hydrogen infrastructure.

This call is aimed at stakeholders who have existing plans for deploying such projects, including those in the energy industry and project developers. The UK Government intends to gather information on the scope, timelines, costs, and potential obstacles associated with these projects.

[Respond online by 12th May 2025](#)



### **Welsh cement works gets the green light for carbon capture plant**

Planning permission has been granted for the construction of a carbon capture plant at the Padeswood cement works in Wales, a significant step forward in the project's aim to create the UK's first net zero cement works.

The proposed facility is designed to capture up to 800,000 tonnes of CO<sub>2</sub> annually from the existing cement works. The captured carbon dioxide will then be transported via the HyNet North West underground pipeline for permanent storage under the seabed in Liverpool Bay.

The project is anticipated to generate economic benefits for the region, including the creation of approximately 50 new full-time jobs and up to 500 additional jobs during the construction phase.

[Read the full story](#)

### **Viking CCS pipeline project received approval**

The Secretary of State has approved the Viking carbon capture and storage (CCS) pipeline project, led by Chrysaor Production (UK) Limited.

The project will establish a CO<sub>2</sub> intake facility at Immingham and construct an onshore pipeline to Theddlethorpe, Lincolnshire. A facility at Theddlethorpe will then send the CO<sub>2</sub> to a subsea reservoir. The pipeline aims to transport and store up to 10 million tonnes of CO<sub>2</sub> annually by 2030.

[Access the decision document](#)

Read more about the [Viking CCS pipeline](#)

## 01 Notable news

### Ofgem published the RIIO-2 Gas Transmission: Annual Report 2023 to 2024

The latest report gives an overview of National Gas Transmission (NGT)'s output delivery and financial performance under the current RIIO price control period (RIIO-2). It highlights NGT's position, as owners and operators of the NTS, to take a leading role in whole system energy thinking.

Alongside key messages on performance, outputs and delivery incentives, the report also looks at NGT's innovation strategy. NGT's innovation strategy and spending relating to decarbonisation:

- **Fit for the future:** Spending on preparing and extending the life of existing assets to operate towards hydrogen blends is currently forecast to reach £40.3m over the RIIO-2 price control period. The advantages of this initiative include a simpler and

more cost-effective transition to hydrogen transportation.

- **Ready for decarbonisation:** Expenditure is forecasted to reach £17.7m over the RIIO-2 period to demonstrate and confirm the health and safety aspects of transporting hydrogen gas.
- **Decarbonised energy system:** Work includes projects assessing the impact of hydrogen and hydrogen blends on linepack. The forecasted cost for this initiative is currently £40.4m over the RIIO-2 period. Benefits include identifying potential opportunities and challenges of the new NTS on the transport sector and other customers.

Design studies for Project Union could also impact NGT's spend over the RIIO-2 period. However, Ofgem's interim RIIO-2 funding may support hydrogen feasibility studies on a case-by-case review.

[Download the full report](#)



### Ofgem sets out decision on the Regional Energy Strategic Plan Policy Framework

Ofgem has published its decision on the policy framework for Regional Energy Strategic Plans (RESPs) to coordinate energy system planning across electricity, gas, and hydrogen networks.

The National Energy System Operator (NESO) will be responsible for developing RESPs for England, Scotland, and Wales, which are “place-based, whole system, vision-led, proactive, transparent and collaborative, and fair.”



## 01 Notable news

RESPs will be developed in each of the 11 areas. For each area, NESO will produce five components, which together comprise the regional plan:

- a regional context,
- a set of spatially modelled pathways of future supply and demand,
- the spatial context of the pathways, showing supply and demand against network capacity information,
- a specification of strategic investment needs,
- and a set of common planning assumptions to drive consistency in networks' detailed planning.

NESO is expected to publish transitional outputs in early 2026, with the first full suite of RESPs anticipated in late 2027.

[Read the full decision on the RESP](#)

### **OEUK publishes its Hydrogen Insight 2025 report**

A new report by the UK Offshore Energies Association examines the emerging role of low-carbon hydrogen in the UK's energy mix, emphasising its potential to decarbonise industry, power generation, and transport.

Hydrogen Insight 2025 looks at the UK's dual approach to hydrogen production, using both electrolytic and carbon capture and storage (CCS)-enabled methods. It also identifies key obstacles, including significant costs, limited current demand, and insufficient infrastructure.

The report calls for clearer and more ambitious government policy, the establishment of long-term funding mechanisms, and strategic integration of hydrogen with both wind energy and the existing gas network.

[Access the full report](#)



## 02 Spotlight on...

### **Government announces shortlisted projects for HAR2**

The Department for Energy Security & Net Zero (DESNZ) selected 27 electrolytic projects located across England, Scotland, and Wales for the Hydrogen Allocation Round 2 (HAR2).

Selected projects include:

- Grangemouth Green Hydrogen in Scotland,
- Green Hydrogen 5 in Wales,
- Humber H2ub in the East Midlands,
- Teesside Green Hydrogen in the North East, and
- Tyseley 10MW in the West Midlands.

These shortlisted projects are expected to continue developing and maturing their proposals while focusing on reducing costs.

In December 2023, the UK Government announced 11 successful projects from HAR1, representing a total hydrogen capacity of

125 MW. The first round puts the UK in a leading position with the largest number of commercial-scale green hydrogen production projects announced at once anywhere in Europe.

[See the full list of shortlisted projects](#)





## 03 Things to look out for

May's edition of DeliveringDecarb will explore the versatility of low-carbon gas. We will look at how leaders in biomethane, hydrogen, CCS, and gas blending are facilitating Britain's journey towards heat and power decarbonisation through new investments and projects.

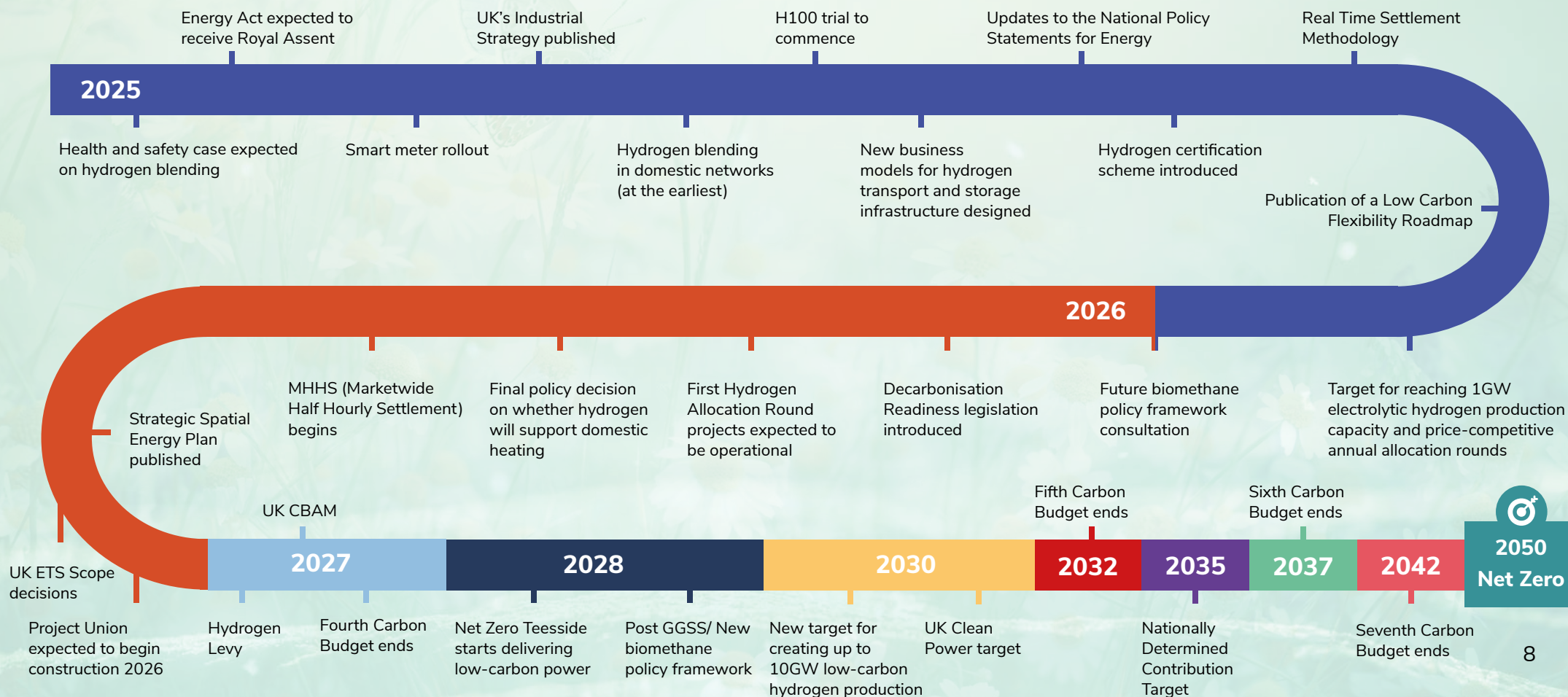
We also expect to see some valuable insights from the upcoming budget reports by the Climate Change Committee, where we will provide key takeaways to help you anticipate potential changes. The next issue will also bring you information and industry perspectives from a host of exciting events scheduled for next month.

If you can't wait, be sure to follow @Xoserve on LinkedIn for comments and key takeaways as they happen.



## 03 Policy milestones

Here are key Government Energy policy/regulatory milestones:





## 04 Dates for your diary

We'd love to see you at our Hydrogen Implementation forums.

To join, please email: [decarbonisation@xserve.com](mailto:decarbonisation@xserve.com)

**Hydrogen  
Information Sharing  
Group**

Friday 2nd May

10:00 - 11:30

**DN Update**

Monday 12th May

10:00 - 11:30

### Come say hello

Xserve will be attending these events, so why not join us and say hello?

[Utility Week Live 2025](#) NEC, Birmingham – **20th/21st May**



## 05 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 @Xserve.

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@xserve.com](mailto:decarbonisation@xserve.com)

