

## Contents

### **Summer's on its way, and so is the Strategic Spatial Energy Plan (SSEP)**

This month, we took a step closer with the approval of the SSEP development methodology from the UK Secretary of State for Energy Security and Net Zero and Ofgem. As a result, the National Energy System Operator (NESO) can start setting out the first high-level blueprint for Britain's future energy infrastructure from 2030 to 2050.

A key part of this will be decarbonising the gas network. Switching to low-carbon alternatives such as biomethane and hydrogen will require a clear plan for production, investment, government policy, and infrastructure. Research into gas blending development is helping form this strategy and ensure a smooth transition.

May's DeliveringDecarb covers the stories that could influence the pace of gas blending. This includes the full details of what the SSEP means for the clean gas transition, the policies and regulations that will impact it and new hydrogen projects pushing it forward.

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

### **01 Notable news**

### **02 Spotlight on... Shape the UK's future gas transmission network**

### **03 Things to look out for**

### **04 Policy milestones**

### **05 Dates for your diary**

### **06 Keeping in touch**

## 01 Notable news

### First hurdle cleared in race towards a resilient, renewable energy system

The UK Secretary of State for Energy Security and Net Zero and Ofgem have approved the methodology for developing the first SSEP, as proposed by the National Energy System Operator. The SSEP will establish the plan for developing Britain's energy infrastructure from 2030 to 2050.

By setting out the strategy to accelerate the clean energy transition, it's hoped the SSEP will give confidence and clarity to the industry, investors and consumers on how the country will achieve its net zero targets. The SSEP will ensure the energy system will be secure, resilient and affordable as well as low carbon.

To achieve this, the approved methodology will consider:

- Cost of development
- Technological requirements
- Environmental impact
- Views of communities
- Other uses of land and coast around Britain

[Get RenewableUK's take on the announcement](#)

[Download the full Strategic Spatial Energy Plan Methodology](#)

### Great British Energy legislation passes through Parliament

The Great British Energy Bill came into law on 15th May, establishing a publicly-owned, independently operated energy company, Great British Energy. It's hoped that the landmark bill will accelerate the transition to clean power, bring energy security and open up new jobs in the sector after it was passed through Parliament.

This company is a fundamental part of the UK's plan for reaching its 2030 Clean Power Target. It will work to produce, distribute, store and supply clean energy to reduce greenhouse gas emissions, improve energy efficiency and secure power sources.

Backed by £8.6 billion of funding, Great British Energy will also aim to make the clean power transition affordable (and even profitable) for taxpayers, billpayers and communities.

[Read the government's announcement](#)



## 01 Notable news

### **UK-EU Summit opens door to cross-border hydrogen trade**

Energy security was on the agenda for discussions between Prime Minister Sir Kier Starmer and European Commission President Ursula von der Leyen at a recent UK-EU Summit. They discussed various proposals for cross-border cooperation that would shore up energy resilience across the continent.

Proposals included:

- Opening up the UK's participation in the EU's electricity market
- Continued technical regulatory exchanges on new energy technologies
- Linking Emissions Trading Schemes to stop businesses being hit by the EU carbon tax

Manon Dufour, Executive Director of E3G (Brussels), an independent climate change think tank, said, "Agreeing a forward agenda for cooperation on decarbonisation and the energy transition can contribute to lasting security and competitiveness on both sides of the Channel."

[Read more about the summit and its outcomes](#)



### **EU takes step towards clean energy independence with REPowerEU roadmap**

As the EU looks to reduce its reliance on Russian fossil fuels and accelerate the transition to renewable gases, the European Commission has released an updated REPowerEU roadmap. This framework outlines nine actions which will gradually switch the EU's energy sources from Russian gas, oil and nuclear to low-carbon gas.

Considered an essential part of the EU's future energy mix, it's expected that biogas production will reach 101bcm by 2040 and 150bcm by 2050. This equates to a 359% increase by 2040 and 581% increase by 2050 compared to 2023 levels. In response, the European Biogas Association (EBA) has set out its own strategy and pushed the commission to adopt a binding target of 100bcm of biogas by 2040.

Read more about the [REPowerEU roadmap](#) and the [EBA's response](#)

## 01 Notable news

### Ofgem consults on valuation methodology for repurposed natural gas assets

The transition to clean power means existing natural gas network assets could be repurposed. Currently, gas transporter licensees have a regulatory asset value for those they own, such as compressors and expanders, metering and monitoring equipment and pipelines, for which they get a return on investment.

Ofgem are now consulting on how these assets should be valued when repurposed outside the natural gas network. This is necessary because the assets' assigned value is embedded within the overall network's regulatory asset value (RAV) and not easily separated. Plus, overvaluing these assets will lead to unfairly high network costs.

Alongside consulting on the methodology, the regulator is also asking which costs incurred before and after the asset transfer should lie with each company, including the scope and costs of repurposing natural gas assets for the hydrogen network. The deadline for responses is 1st July 2025.

[Read more about the consultation](#)



### Energy boss warns over future of gas storage facility

Centrica's Chief Executive, Chris O'Shea, warned in a BBC interview that the UK's largest gas storage facility could close without government-backed redevelopment. The Rough facility, based on the coast of East Yorkshire, accounts for around half the UK's gas storage capacity.

It's also set to lose £100 million this year, with £2 billion worth of investment required to improve its storage capacity, including for hydrogen gas. O'Shea confirmed that Centrica (which owns British Gas) is in talks with the government about a funding mechanism to support this expenditure.

He also said that this investment will create and secure thousands of jobs for the long term, and support the UK's energy resilience.

[Read the full interview](#)



## 01 Notable news

### **“Trailblazing” UK hydrogen scheme gets government approval**

A joint hydrogen development venture between SSE Thermal and Equinor has been given the go-ahead by the UK Government. Based in East Yorkshire, the Aldbrough Hydrogen Pathfinder will produce the low-carbon gas with a 35MWe electrolyser powered by renewable electricity.



Storage facilities will be built in a salt cavern, with the gas supplied back to the grid via a turbine. The plant will also run on up to 100% hydrogen. This is the only hydrogen-to-power project to have completed FEED and achieved planning consent ahead of the country's 2030 Clean Power Target.

Sally O'Brien, Senior Project Manager for the facility, said, “By integrating hydrogen production, storage, and power generation in the Humber, we hope to create new opportunities for investment in the region, while advancing national clean power and decarbonisation goals.”

[Discover more about the project](#)

### **Scotland approves ‘UK’s largest’ green hydrogen project**

Developers Statera Energy have been granted planning approval for their Kintore Hydrogen project by Aberdeenshire Council. Expected to produce 500 MW in its first phase, building up to 3 GW when it reaches full operation, the construction partner has claimed it to be ‘the largest project of its kind’ in Europe.

As the first utility-scale green hydrogen plant in the UK, Kintore will be an important step towards achieving the country's Hydrogen Strategy. It's also one of 15 projects backed by the £240 million Net Zero Hydrogen Fund. The site is expected to be up and running by 2030.

[Here's more information about the development](#)

## 01 Notable news

### HEA launches action plan to drive UK hydrogen demand

The Hydrogen Energy Association (HEA) has published a comprehensive strategy to unlock low-carbon gas's full potential in the UK. The Building Hydrogen Demand Action Plan recommends clear, practical steps to increase demand for green hydrogen in key sectors such as industry, power and transport.



Aligning with the latest Hydrogen Allocation Round 2 shortlist announcement, which focused on hard-to-abate industries, the action plan also comes against the backdrop of unstable energy markets and stringent environmental targets.

Key recommendations from the plan include:

- Incentivising zero-carbon solutions with better carbon pricing
- Allowing risk-taking intermediaries (RTIs) under Low Carbon Hydrogen Agreements
- Blending into the gas grid, speeding up decision making to enable the gas distribution network to function as a realistic off-taker of last resort

[Read the full details of the plan](#)

### National Gas forms strategic partnership to advance decarbonisation

National Gas has partnered with Dutch energy infrastructure company Gasunie under a memorandum of understanding (MoU). The parties have agreed to work together to advance decarbonised energy solutions across multiple sources including natural gas, hydrogen, biomethane, and carbon capture and storage (CCS) technologies.

National Gas has stated that the intended approach recognises that 'no single technology or pathway can address the complex challenges of climate change and the energy transition'.

National Gas has already forged several collaborations with European partners including Germany's GASCADE for creating a hydrogen corridor between the UK and Germany, and Belgium's Fluxys for exploration of decarbonisation methods and infrastructure.

[Read more about these partnerships](#)



## 01 Notable news

### Australia agrees first biomethane feed into natural gas network

The Australian Gas Infrastructure Group (AGIG) has signed an agreement to connect the first biomethane project to its South Australian gas networks. Working with the local bioenergy business Delorean Corporation, up to 210TJ of biomethane generated from organic waste will be injected into the network each year.

Delorean's anaerobic digestion facility in northern Adelaide processes up to 70,000 tonnes of waste annually. Under this new agreement, the biomethane produced will be exported to customers via the network owned by gas infrastructure business AGN.

Funded by a \$6.1 million grant from the Australian Renewable Energy Agency (ARENA), this agreement is a significant step forward towards reaching the country's net zero goals, of which biomethane is seen as a key part.

It could also provide valuable research for other countries on how biomethane can support a decarbonised energy system.

[Find out more about the agreement](#)





## 02 Spotlight on...

### **Shape the UK's future gas transmission network**

NESO has opened a consultation into the Gas Options Advice (GOA) methodology. This aims to identify the most effective gas network investment proposals submitted by National Gas Transmission.

These proposals aim to make the network safe, resilient and low-carbon and will be independently assessed in the GOA report, due to be published later this year. This will be part of the strategic planning work on designing and building the UK's energy system to match these goals.

[Review and feedback on the consultation document by 3 June](#)





## 03 Things to look out for

June's **DeliveringDecarb** edition will continue to keep you updated on any gas-related news, making sure you're fully informed with the latest policy announcements before Parliament breaks for summer. We'll also bring you any 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 CCS and decarbonisation sector. From policy decisions to technological developments and announcements about new projects.

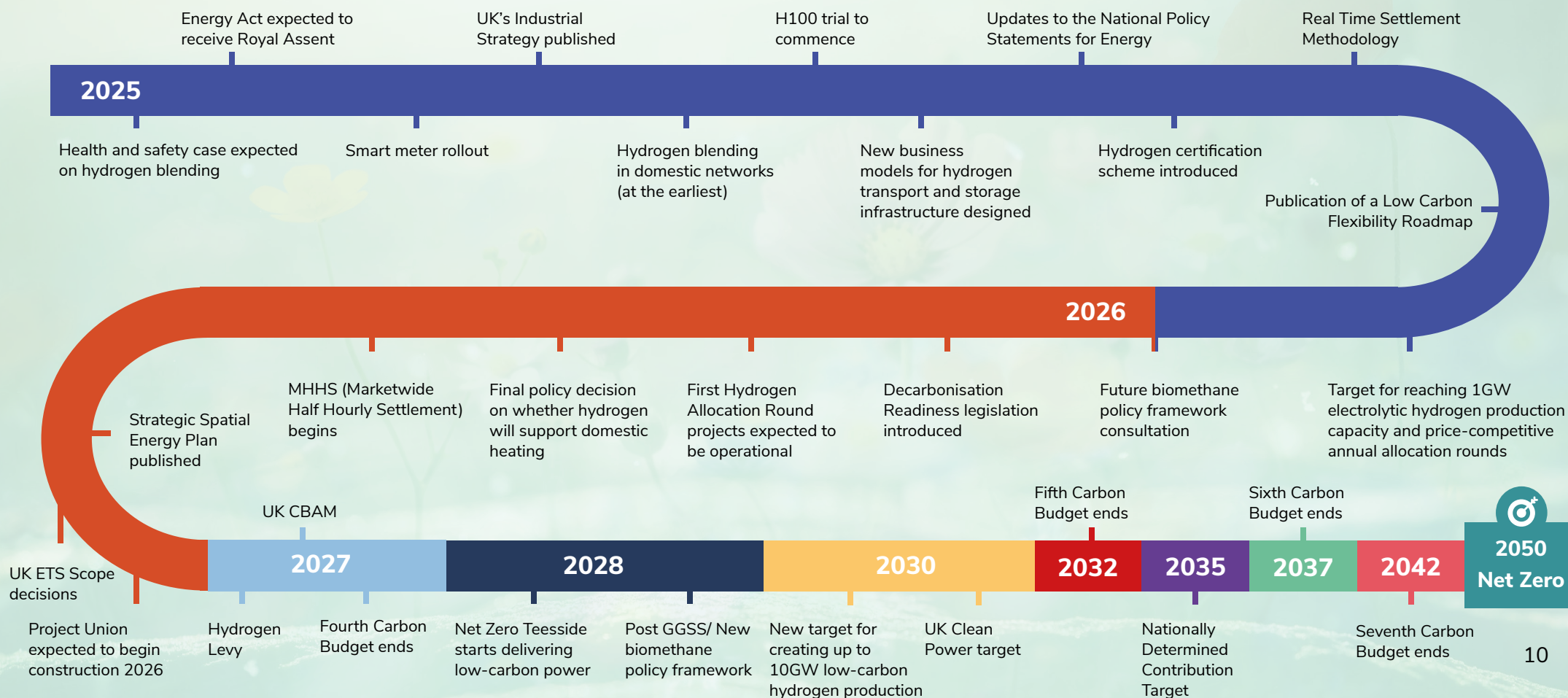
If you can't wait till next month, be sure to follow [Xserve on LinkedIn](#) for comments and key takeaways as they happen.





## 04 Policy milestones

Here are key Government Energy policy/regulatory milestones:





## 05 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)

<b>DN Update</b>	Monday 2nd June	10:00 - 11:30
<b>Hydrogen Information Sharing Group</b>	Friday 6th June	10:00 - 11:30
<b>Shipper Hydrogen Implementation Forum</b>	Friday 20th June	10:00 - 11:00
<b>IGT Hydrogen Implementation Forum</b>	Friday 20th June	11.30-12.30
<b>Metering Hydrogen Implementation Forum</b>	Friday 20th June	14:00-15:00

### Come say hello

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

#### [FT Hydrogen Summit](#)

Marriott Grosvenor Square, London – 24th June

#### [IGEM Policy Conference](#)

No.11 Cavendish Square, London – 25th June



## 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 @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)

