

Contents

Hello, Decarb enthusiasts!

In typical British fashion, the leaves are starting to turn, and there's a crispness in the air – just before a heatwave. Yet, despite some confusing weather this month, there is still excitement for Autumn. According to YouGov, a quarter of Brits consider Autumn to be their favourite season!

Amidst the changing weather, the energy industry is also evolving, from new funding for renewable projects to shifts in policies to align with our new Government's vision for the future. In this issue, we will have a closer look at some of the major developments shaping the gas and energy sector this month.

So, settle into your favourite arm–or office–chair with a steaming cup of something spiced, and let's dive deep into the stories and insights that are shaping the energy landscape.

01 Notable news

02 Spotlight on...Green Gas Support Scheme

03 Things to look out for

04 Policy milestones

05 Dates for your diary

06 Keeping in touch

01 Notable news

UK Government pledges £5.5 billion for Sizewell C nuclear power plant

The UK Government has increased its financial commitment to the Sizewell C nuclear power plant by allocating an additional £5.5 billion through a new subsidy scheme. The scheme – the Sizewell C Devex Scheme – adds to the approximate £2.5 billion already pledged and will support the development of the 3.2GW nuclear power plant until a Final Investment Decision (FID) is reached.

The Sizewell C plant, managed by EDF, aims to be operational by mid-2034, providing 7% of the UK's energy needs for at least 60 years, while also contributing to the growth of other low carbon technologies like hydrogen production and Direct Air Capture (DAC).

[Read more on the story](#)



Report highlights risk to UK economy under new North Sea tax

A new report by industry body Offshore Energies UK (OEUK) has warned that proposed tax increases on North Sea oil and gas companies could cause a stop in investment. The report claims a reduction in capital investment from £14 billion to £2.3 billion between 2025 and 2029 if the changes are implemented. According to OEUK, this would lead to a £13 billion decrease in the sector's total economic value during the same period.

The new tax levies, proposed by Chancellor Rachel Reeves and Energy Secretary Ed Miliband, will see North Sea oil and gas producers pay a 78% tax on profits starting from November. This is the highest tax rate for any sector in the UK. The OEUK fears that this increase could impact future investment and development in the North Sea, and “will ultimately reduce this sector's contribution to the UK economy.”

[Download the full report](#)

DESNZ invests £57 million in low carbon heat networks

The Department for Energy Security and Net Zero has announced a £57 million investment in five heat network projects across London and the North of England. These projects, funded through the Green Heat Network Fund (GHNF), will collectively provide low carbon heat to over 17,000 properties, contributing to the decarbonisation of urban areas.

01 Notable news

The funding includes:

- £24.5 million to extend the existing Leeds PIPES project to 28 additional buildings.
- £12.6 million will add to a £32.3 million from private sources to create a heat network in Barnsley powered by air-source heat pumps, mine water, and nearby industrial manufacturing operations.
- Three network projects in London totalling £20.1 million to decarbonise existing networks in Clapham Park and Hammersmith & Fulham and install a fully electric energy centre in Brent Cross.

The funding will continue to allocate budget until 2027-2028 to support the transition to low carbon heat solutions across England and Wales.

[Learn more about the funding](#)

Future of Utilities report highlights Top 10 Trends defining the sector

A new report from Future of Utilities says “securing the UK’s energy supply of the future” is the top trend defining the utility sector. The report cites the increasing dependence on energy imports and the fluctuating energy prices resulting from Russia’s invasion of Ukraine for placing this issue at the top.

Additional energy trends identified in the report include:

- Connecting the dots in grid connections
- Scaling electricity flexibility
- The dawn of energy as a service
- Defining the next decade of heat in the UK

[Access the trend report](#)

UK gas-fired power plant usage is at its lowest since 2017

Gas-fired power plants in the UK are running at their lowest capacity since 2017. A recent analysis by Kilowatts.io revealed that less than half of the combined cycle gas turbine (CCGT) capacity was utilised during peak hours in 2024. This decrease in usage is because the grid is now primarily powered by wind, solar, and electricity imports from Norway and France. The report also noted that only about 20% of the CCGT capacity has been operational for more than half the time.

[Delve into the story](#)

01 Notable news

Ofgem awarded £84 million to 12 projects through SIF

Ofgem has awarded £84 million to 12 projects under the Strategic Innovation Fund to accelerate the UK's journey toward net zero. The fund, launched in 2021, is expected to invest £450 million by 2028.

This round saw projects such as SHIELD, led by UK Power Networks, which focuses on making low carbon technologies more accessible for low income households, and Powering Wales Renewably, a collaboration between National Grid Electricity System Operator and the Welsh Government to boost renewable energy and enhance energy system resilience.

[Read more on the story](#)

UK Ministry of Defence completed a hydrogen power trial for recharging vehicles

The UK Ministry of Defence (MOD) and GeoPura have completed a trial to demonstrate the potential of hydrogen power for recharging vehicles. This trial is the first time the technology has been used in a military application and focused on using green hydrogen-powered units to charge electric vehicles at five key MOD locations.



The GeoPura units are capable of providing up to 1MW of power, highlighting their potential to support the military's transition to electric vehicles. The green energy supplier is looking to further the use of hydrogen across Defence sites to decarbonise power use and reduce emissions on a wider scale.

[Find out more about the trial](#)

Newcastle Council aims to turn food waste into renewable energy

Over 5,000 residents in Newcastle will participate in a trial to turn food waste into renewable energy. Run by Newcastle City Council, the new service will see food scraps, including tea bags, vegetable peelings, leftovers and pasta generate renewable energy and create a fertiliser for crop growth. Collections for the trial will begin in September, with the aim of rolling it out to the whole city in 2026.

[Read more on the story](#)

02 Spotlight on...Green Gas Support Scheme

The Department for Energy Security and Net Zero has released its evaluation of the Green Gas Support Scheme (GGSS), which is aimed at promoting the production of biomethane and its injection into the gas grid. The Government's first annual interim report indicates that the GGSS has encountered challenges since its launch, including a lower-than-expected number of applications. However, it notes success in collecting funds with only minor non-compliance from suppliers. The report also commends Ofgem for its handling of the levy and the support scheme, particularly in terms of administration and communication.

A few days before the report was released, the Anaerobic Digestion & Bioresources Association (ADBA) responded to the GGSS Annual Tariff Review. In the review, ADBA acknowledged the issues but questioned whether the proposed government solutions go far enough to support the sector's growth and sustainability.

[Download the DESNZ's evaluation report](#)

[Read ADBA's review](#)



03 Things to look out for

Britain is making considerable strides toward decarbonising its energy system. Leading clean energy innovation in the Midlands are projects like Tyseley Energy Park, while Net Zero Teesside showcases the potential for large-scale industrial decarbonisation in the North East.

While the path to a zero-emission energy system remains complex, these ongoing initiatives signal exciting progress in the transition. As new policies and funding emerge from the new Government, keep an eye on initiatives like these as they start to shape the future of energy in Britain.



04 Policy milestones

Here are key Government Energy policy/regulatory milestones:

- **2024** - Energy Bill expected to complete
- **2024** - Future systems operator appointed
- **2024** - Smart meter rollout completed
- **2025** - H100 trial to commence
- **2025** - New business models for hydrogen transport and storage infrastructure designed
- **2025** - Hydrogen certification scheme introduced
- **2025** - Target for reaching 1GW electrolytic hydrogen production capacity and price competitive annual allocation rounds
- **2026** - Final policy decision on whether hydrogen will support domestic heating
- **2026** - MHHS (Marketwide Half Hourly Settlement) begins
- **2030** - New target for creating up to 10GW low carbon hydrogen production
- **2030** - Hydrogen town trial to commence



05 Dates for your diary

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

Hydrogen Information Sharing Group	Friday 4th October 2024	10:00 - 12:00
DN Update	Monday 7th October 2024	10:00 - 11:30
Shipper Update	Friday 20th December 2024	10:00 - 11:00
IGT Update	Friday 20th December 2024	11:30 - 12:30
Metering Update	Friday 20th December 2024	14:00 - 15:00

Come say hello

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

From Waste to Energy – IGEM House, Kegworth – 15th October

Energy Innovation Summit 2024 – Exhibition Centre Liverpool – 29th October



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 @Xoserve. 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.

Don't forget to sign up to our industry 'intranet'. An exclusive resource for the gas industry, the intranet is designed to keep you up to speed with the latest news, new projects and policy changes. It 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:

decarbonisation@xoserve.com

