



bp plc response to Ofgem Hydrogen Village Trial Detailed Design Studies Consultation

Key Points:

- bp supports Ofgem's minded-to position to fund a detailed design study by Northern Gas Networks (NGN) for a Hydrogen Village Trial in North East England.
- The NGN design study is of wider significance to the UK and will make an important contribution to supporting the UK to deliver on its net zero target as the replacement of natural gas with hydrogen is a key technology to substantially reduce emissions from buildings.
- bp believes the NGN trial will help the government to make informed decisions on the future of the gas grid, low-carbon zoning and hydrogen-ready boiler mandates to decarbonise heat and to understand the implications on wider net zero policy.
- bp also believes that the North East of England represents an ideal location for this trial. The region has a range of existing and planned hydrogen production facilities, a skilled work force with experience of operating hydrogen facilities along with a supply chain that bp believes can help to deliver the Hydrogen Village.
- The North East is home to an existing hydrogen industry representing c.50% of the UK's existing grey hydrogen production which is linked, via an existing hydrogen network, to a range of industrial customers. It is also the focus of bp's new low carbon hydrogen production projects in the UK. bp has announced its HyGreen electrolytic hydrogen production that targets 60 MWe of production by 2025 growing to up to 500 MWe by 2030. H2Teesside, a CCUS-enabled hydrogen production facility, aims to be producing hydrogen from 2027 with 1GW of capacity targeted by 2030.
- bp believes the trial will provide critical insights on the role of hydrogen in supporting the decarbonisation of building heating, which is complementary to the range of hydrogen uses that bp is supporting in the North East. The inclusion of the Hydrogen Village Trial provides the opportunity for bp's HyGreen and H2Teesside projects to support the decarbonisation of major sectors requiring hydrogen to decarbonise in the UK, including industry, transport, power and buildings.