

bp response to Scottish Government Draft Hydrogen Action Plan

Key Points

- bp broadly agrees with the overall approach as set out in the draft Hydrogen Action Plan. bp see hydrogen playing an essential role as Scotland transitions to a low carbon energy system as well as supporting local economic opportunities and green jobs.
- Enabled by pioneering technology, hydrogen has the potential to transform cities and regions and support the development of a hydrogen hub in Scotland. bp believe the proposed Hydrogen Action Plan will enable ambitions to decarbonise and provide further opportunities to manage and balance a decarbonised energy system through storage and stronger system integration with offshore wind.
- The current Scottish Government targets of 5GW installed hydrogen production capacity by 2030 and 25GW by 2040 provide clear constructive targets for the production of hydrogen. However, we believe it is not currently possible to determine whether the portfolio of projects adequately contributes toward achieving these targets. The plan could benefit from greater focus on progress towards these targets, including to inform our understanding of the planned interventions and potential funding cycles.
- bp believe demand for hydrogen can be supported by aggregation of fuel demand from public vehicle fleets and buildings. Such an approach can provide anchor demand to enable shared infrastructure development for public and private sector offtake. This concept could complement development of Regional Hydrogen Hubs.
- bp believe the priority for the Hydrogen Innovation Fund should include support for system integration; support for further improvements across the hydrogen value chain; securing the economic benefits of first phases of hydrogen early; and enabling a wider set of emitters to participate in decarbonisation activities.
- The approach proposed in the Aberdeen Hydrogen Hub provides a model for public and private sector investment that could be replicated to other projects and regions. In this project, a commercially investable approach is proposed, with public funding used to enable commercial viability of the joint venture and public assets used to provide anchor demand.