

bp response to the Department of Energy Security and Net Zero's Consultation on Proposals for hydrogen production and industrial carbon capture regulations

Summary and key points

- bp welcomes the Government's early engagement with industry on revenue support regulations for the hydrogen production and ICC business models. Ensuring that industry is aware of the Government's proposed approach will provide certainty, help project negotiations, and ensure developers can reach Final Investment Decision (FID) in a timely manner.
- bp is currently developing 2 hydrogen projects on Teesside – HyGreen and H2Teesside, as well as the Aberdeen Hydrogen Hub. These projects would benefit from clarity and certainty around the business models proposed in this consultation.
- To give industry clarity and confidence the Government should aim to progress the consultation response process at pace given the need to ensure that the revenue support regulations become law as early as possible.
- Certainty on the content of the revenue support regulations will support projects such as bp's green hydrogen project on Teesside (HyGreen), to reach FID.
- We would encourage the Government to begin drafting the necessary regulations alongside the passage of the Energy Bill in the House of Commons, to ensure implementation as soon as possible after Royal Assent.
- Aligning the hydrogen production and ICC business model provisions with each other where there is conformity, as well as with existing revenue support mechanisms like the CfD scheme, will aid simplicity.