

Ofgem
Network Directorate, RIIO Price Controls

Dear [REDACTED]

Net Zero Pre-Construction Work and Small Net Zero Project (NZASP) Re-opener Submission

Following on from your email dated 23rd of January 2024 confirming that the NZASP Re-opener as detailed in our pre trigger submission dated 22nd of December 2023 had been triggered, please find attached t a Re-opener submission from Northern Gas Networks (NGN) for the Front-End Engineering Design (FEED) of the East Coast Hydrogen (ECH₂) study in NGN's operational area.

We provide this information pursuant to Special Condition 9.4 of the Gas Transporter Licence and the associated Net Zero Pre-construction Work and Small Net Zero Projects Re-opener Governance Document, to enable the NZASP Re-opener which was created to allow gas transmission and distribution companies to undertake early design, development, general pre-construction work, and net zero facilitation capital projects.

NGN has worked in collaboration with National Gas and Cadent over the last year to provide Ofgem with confidence and understanding of the ECH₂ FEED project scope and needs case, including its wider strategic alignment with government targets, project timeline and consumer funding justification. We consider this activity is sufficient to meet the Re-opener engagement requirements outlined in the Re-opener Governance Document.

The ECH₂ programme seeks to build a 100% hydrogen transmission and distribution network to decarbonise the industrial and commercial, and power sectors in the east coast region. The ECH₂ Pre-FEED project, completed under the Use It or Lose It funding mechanism, clearly demonstrates the need and the methodology to create this network. To ensure that a UK hydrogen network can be operational in time to meet the UK government's net zero plans it is now necessary to conduct a FEED study.

we are
the network


Northern Gas Networks Limited is registered in England and Wales, no. 5167070.
Registered office: 1100 Century Way, Thorpe Park Business Park, Colton, Leeds LS15 8TU




Part of your monthly gas bill goes towards keeping your gas supply flowing and providing a fast and efficient emergency response service if you smell gas. To find out more visit: northerngasnetworks.co.uk/goodtoknow

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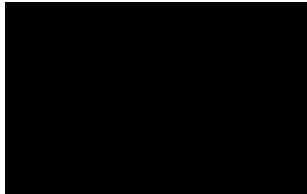
The attached Re-opener document includes the following:

1. How the project fits with strategic and policy goals.
2. ECH₂ FEED needs case
3. ECH₂ FEED project scope
4. ECH₂ FEED project cost
5. ECH₂ FEED project dates
6. ECH₂ Engineering justification paper
7. ECH₂ Cost Benefit Analysis
8. Why should all gas consumers pay for the ECH₂ FEED?
9. How the ECH₂ FEED funding should be treated from a regulatory point of view

We believe this submission meets all the NZASP guidelines and licence requirements and a confirmation letter is included to confirm the assurance process.

We look forward to working with Ofgem on the next stage of the Re-opener process and successfully agreeing a Reopener agreement for this critical project and receiving the NZASP Re-opener notification from Ofgem to progress the ECH₂ FEED study. Where additional clarification or information is required, please contact [REDACTED] [REDACTED] who will be able to deal with your query.

Yours sincerely



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