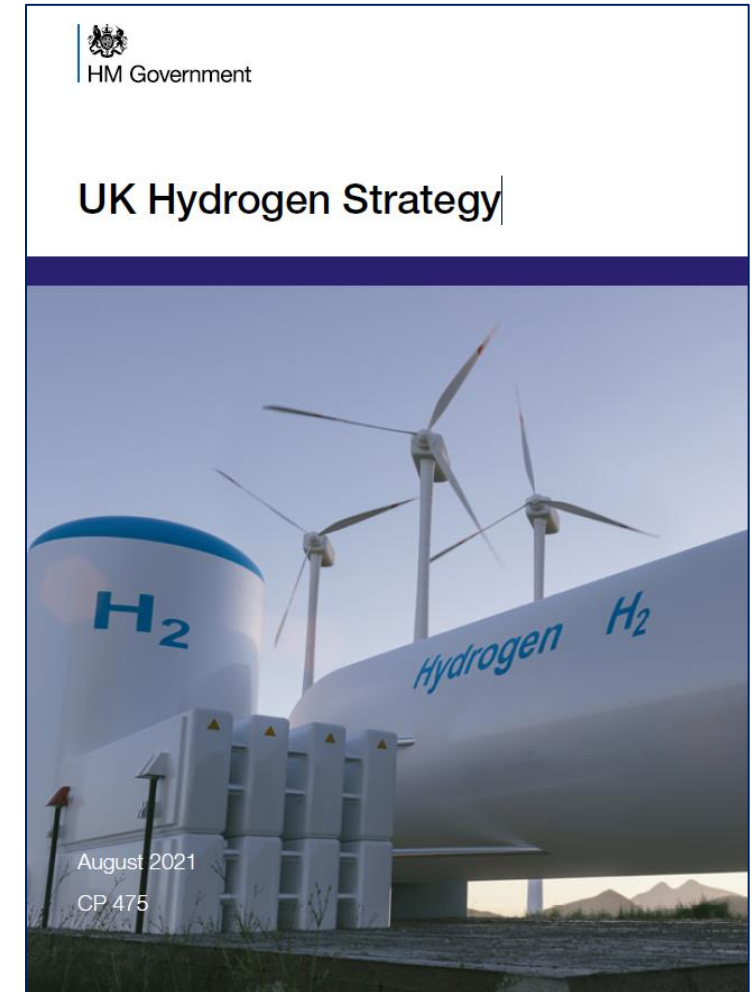


# UK Hydrogen Strategy

Friday 17th September 2021

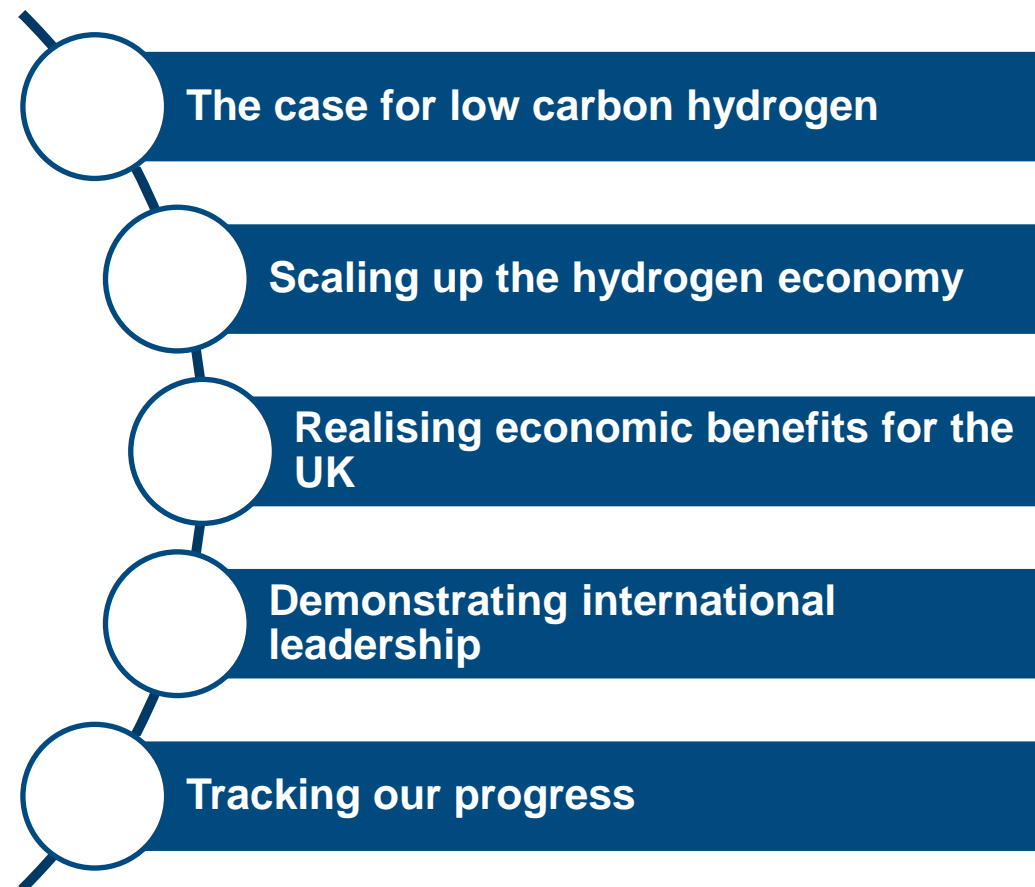


# UK Hydrogen Strategy: Summary

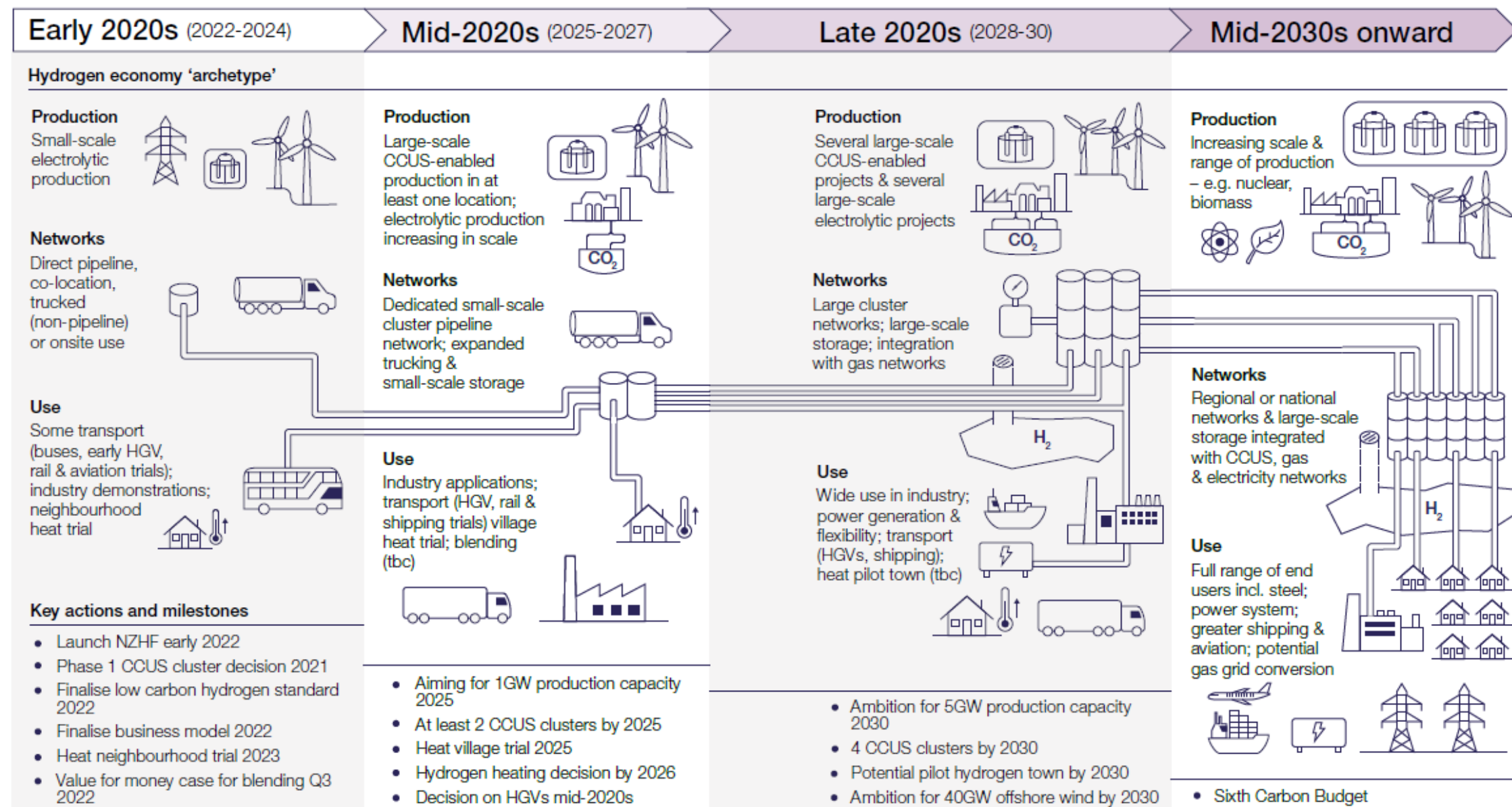
First ever UK Hydrogen Strategy focuses on **driving progress to scale up in the 2020s**, to deliver 5GW production ambition by 2030 and position low carbon hydrogen to help meet Carbon Budget 6 and Net Zero commitments.

## Key elements:

- **‘Twin track’ approach to production**, supporting a variety of production methods including electrolytic and CCUS-enabled
- Sets out how we will work closely with stakeholders to establish **network and storage infrastructure**
- On demand side, expect **industry to be a lead market** in near term, with increasing demand in power, heavy transport & potentially heating
- Sets out support for early expansion of a low carbon hydrogen market over 2020s, incl. through **Hydrogen Business Model**
- Seeks to secure **economic opportunities** from outset – **9,000 UK jobs & £900m GVA by 2030**, unlocking **£4bn investment**

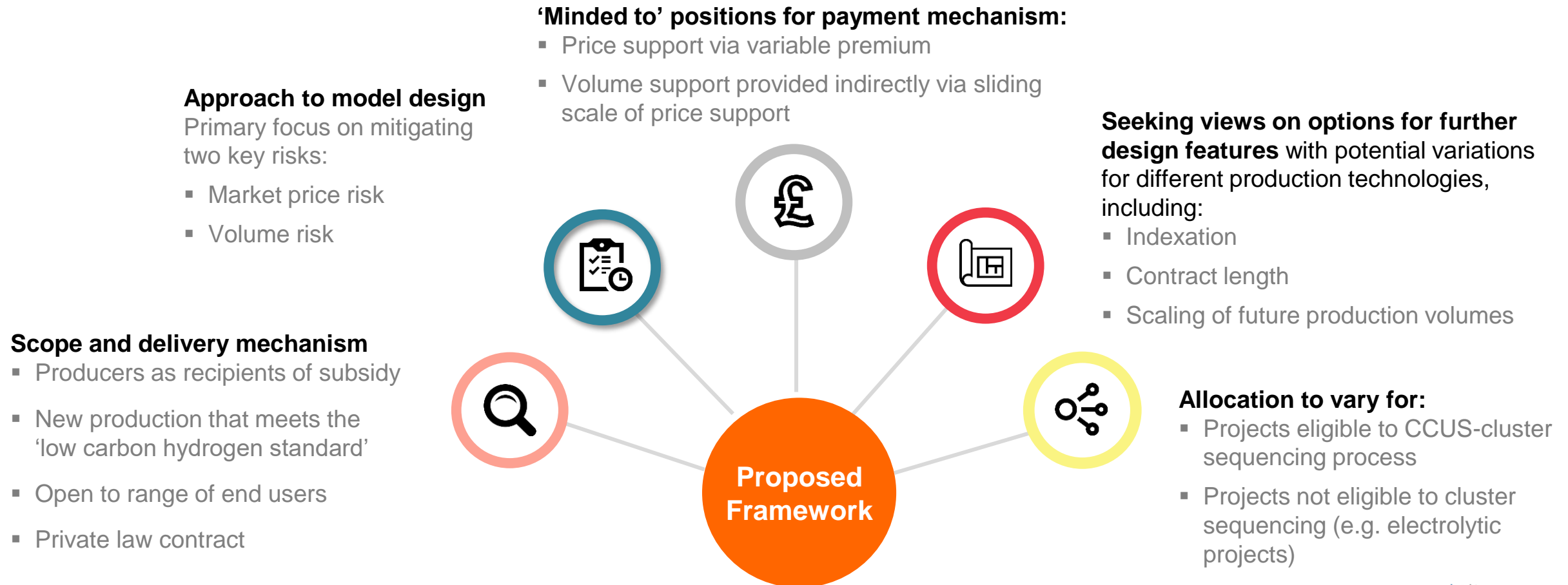


# Hydrogen Economy 2020s Roadmap: govt & industry delivering together



# Supporting documents: Hydrogen Business Model consultation

The objective of the hydrogen business model is to incentivise the production and use of low carbon hydrogen, and help us achieve our 5GW ambition by 2030. It is designed to provide hydrogen producers with revenue support to overcome the operating cost gap between low carbon hydrogen and fossil fuels in order to unlock private investment in hydrogen projects.



# Supporting documents: NZHF consultation

The £240m Net Zero Hydrogen Fund is intended to:

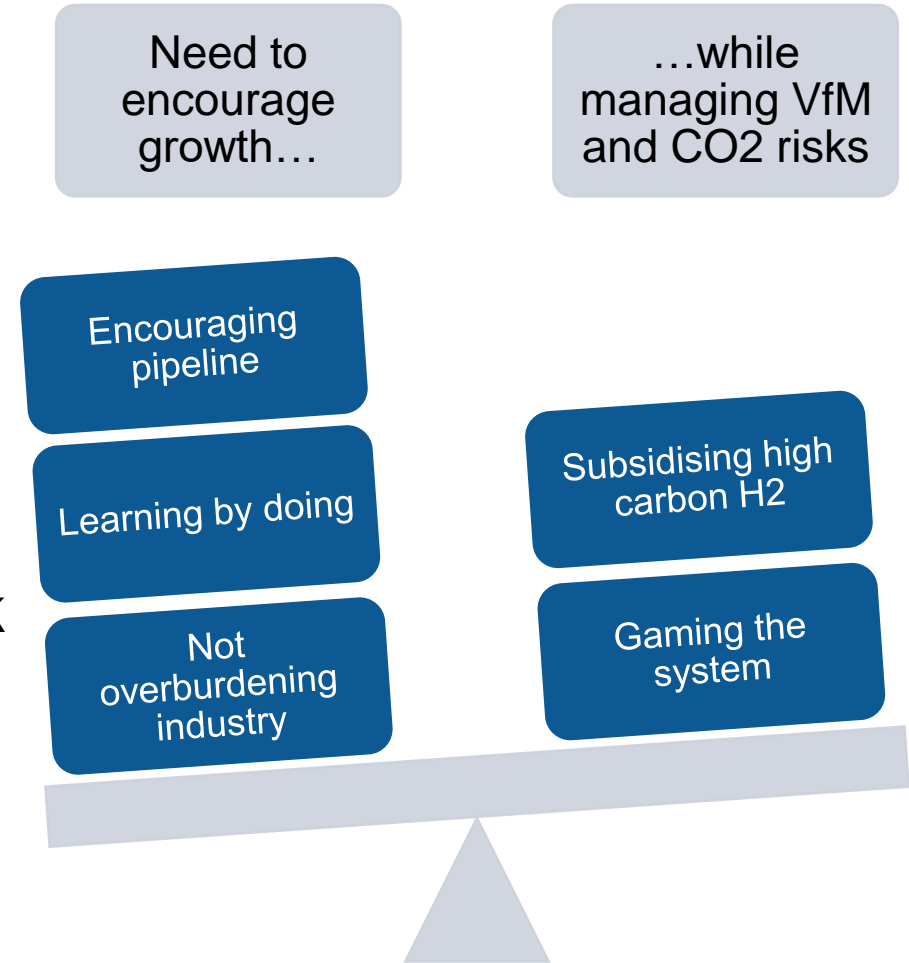
- Stimulate new low carbon hydrogen production in the early 2020s by supporting projects with upfront costs; and,
- Stimulate a future pipeline of projects to contribute towards meeting our 5GW ambition

The consultation is seeking views from industry on:

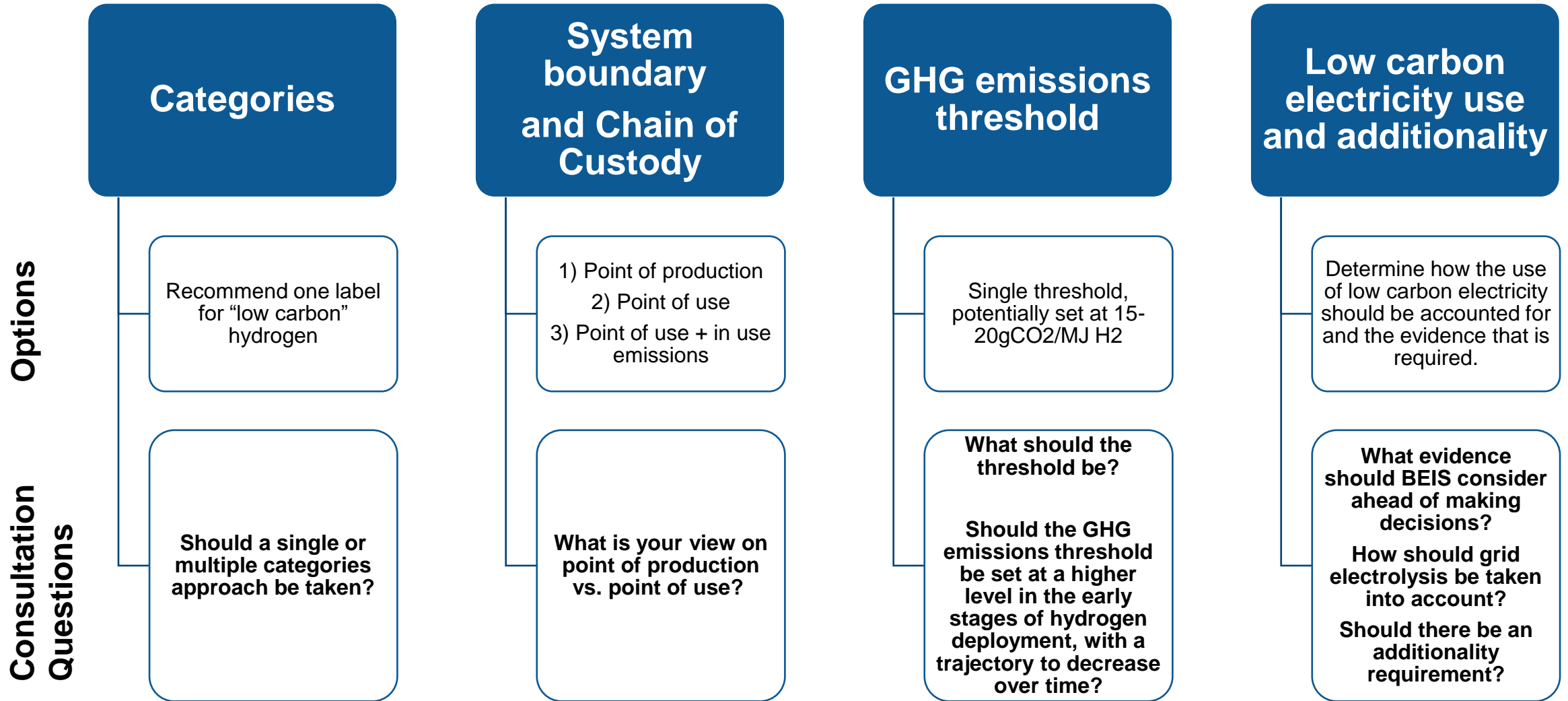
Scope	<ul style="list-style-type: none"><li>• Support multiple production technologies, including the main types of production (CCUS-enabled and electrolytic hydrogen)</li><li>• Focus on projects that can realistically deploy during the 2020s to contribute to 5GW ambition by 2030.</li></ul>
Type of funding	<ul style="list-style-type: none"><li>• Grant funding (to be co-funded with private sector funding) for both capital and development costs.</li></ul>
Type of activity: CAPEX and DEVEX	<ul style="list-style-type: none"><li>• Expect two types of projects to come forward for capital co-funding:<ol style="list-style-type: none"><li>1. Those that will also require a hydrogen specific business model (and may combine NZHF with a business model)</li><li>2. Those that don't require a business model to take FID</li></ol></li><li>• Also propose to offer companies development funding (co-funded) to support feasibility and FEED studies.</li></ul>
Eligibility & project assessment criteria	<ul style="list-style-type: none"><li>• Core eligibility and assessment criteria to ensure projects that apply are credible, new low carbon hydrogen production projects in the UK.</li></ul>
Delivery	<ul style="list-style-type: none"><li>• Propose to run a series of competitions at regular intervals.</li></ul>
Geographical coverage	<ul style="list-style-type: none"><li>• Anticipate the Fund to be funded and delivered on a UK-wide basis to support the levelling up agenda.</li></ul>

## Supporting documents: Low Carbon Hydrogen Standard consultation

- Intent of standard is to ensure any new low carbon hydrogen production HMG supports makes a **direct contribution to our carbon reduction targets**.
- Standard could be developed into a **certification scheme to underpin deployment** of low carbon hydrogen production and **support future international trade**.
- Need to consider cost / burden to industry of complex **compliance requirements**.
- Have consulted on the options considered as **part of the UK Hydrogen Strategy Package** and invite stakeholder views and evidence relating to a UK low carbon hydrogen standard. This will ensure that the different options can be fully tested and refined where appropriate.
- Debate on emissions intensity of different production methods highlights the **important role of the standard**.



# Key Policy Questions: Low Carbon Hydrogen Standard consultation





## Next steps

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