



Industrial Decarbonisation Policy News – July 2022

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UK Government

Energy Security Bill Introduced to Parliament

Department for Business, Energy and Industrial Strategy

6th July 2022

The Bill contains 26 measures covering 3 core areas: reforming the energy system to protect consumers from unfair pricing; leveraging private investment in clean technologies to build a homegrown energy system; bolstering the resilience of the UK's energy system.

More information [here](#), explanatory notes for the bill [here](#).

New Electricity Networks Commissioner appointed

Department for Business, Energy and Industrial Strategy

6th July 2022

Currently Chairman of Energy Systems Catapult, Nick Winser CBE has been appointed to the role with a brief to accelerate the delivery of critical electricity network infrastructure.

More information [here](#).

Contracts for Difference Scheme secures greatest ever capacity

Department for Business, Energy and Industrial Strategy

7th July 2022

The 4th round of the Contracts for Difference scheme has secured almost 11GW across a range of clean technologies, including offshore wind, solar, onshore wind, floating offshore wind, tidal stream and green hydrogen.

More information [here](#).

Direct Air Capture and Greenhouse Gas Removal Competition results announced

Department for Business, Energy and Industrial Strategy

8th July 2022

A total of 15 projects across the UK will receive a share of over £54 million to develop technologies that remove carbon emissions from the atmosphere. The new developments are intended to help create new green jobs and put the UK at the forefront of the industry.

More information [here](#) and a list of successful projects [here](#).

NSTA appoints Stuart Payne as new Chief Executive

North Sea Transition Authority

13th July 2022

Mr Payne 's work will include supporting the industry on vital projects involving electrification, carbon storage, energy hubs and exploration, liaising with other organisations with interests in the North Sea and working even more closely with Government and industry in light of challenging global politics.

More information [here](#).

Review of Energy Market Arrangements (REMA) consultation announced

Department for Business, Energy and Industrial Strategy

18th July 2022

In the wake of Russia's invasion of Ukraine and resulting soaring gas prices, the UK Government has announced a consultation to inform significant overhauls to the electricity market.

Key areas of focus for the consultation include:

- Decarbonisation,
- Security of supply,
- Flexibility,
- Cost-effectiveness.

The consultation is set to close on the 10th of October, with a Government response expected later in winter. More information [here](#).

Hydrogen Sector Development Action Plan published

Department for Business, Energy and Industrial Strategy

20th July 2022

The action plan sets out the actions that the Government, industry and partners are taking forward to realise economic benefits of hydrogen for UK. It assesses the supply chain, skills, investment and export opportunities across the value chain necessary to achieve the 10GW ambition for hydrogen.

More information [here](#).

First UK Hydrogen Champion appointed

Department for Business, Energy and Industrial Strategy

20th July 2022

Jane Toogood has been appointed the UK's first Hydrogen Champion, as announced by Secretary of State for Business, Energy and Industrial Strategy Kwasi Kwarteng at the Hydrogen Investment Summit. Ms Toogood's role will be vital in bringing industry and Government together to realise its hydrogen ambitions as she will help drive industry investment and deployment of hydrogen. She will identify the current barriers to building a hydrogen economy and develop solutions to address them and accelerate the project pipeline across the UK.

More information [here](#).

Expansion of hydrogen production pathways analysis

Department for Business, Energy and Industrial Strategy

20th July 2022

The department has published a new analysis investigating potential routes for imported hydrogen in the UK. The research, conducted by E4 Tech Limited and Ludwig-Bölkow-Systemtechnik GmbH on behalf of BEIS, covers five theoretical supply chains for import, including:

- Piping of compressed hydrogen,
- Shipping of ammonia,
- Liquid organic hydrogen carriers (LOHCs),
- Liquid hydrogen (LH2).

More information [here](#).

New support measures for R&D beyond European programmes

Department for Business, Energy and Industrial Strategy

20th July 2022

The Government announced new support measures for R&D and innovation programmes to ensure stability and continuity of funding for UK researchers and businesses if the UK is unable to maintain association with Horizon Europe, Copernicus and Euratom.

More information [here](#).

BEIS: Departmental update on priorities

Department for Business, Energy and Industrial Strategy

20th July 2022

Secretary of State for Business, Energy and Industrial Strategy Kwasi Kwarteng and Minister for Business, Energy and Corporate Responsibility Lord Callanan provided an update on the department's priorities and current projects. The update focuses on actions to tackle the cost of living crisis, support for R&D, energy security and support for the industry.

More information [here](#).

Hydrogen Business Model/ Net Zero Hydrogen Fund (NZHF) Electrolytic Allocation Round 2022 opens for applications

Department for Business, Energy and Industrial Strategy

20th July 2022

Applications are now open for low-carbon electrolytic hydrogen projects to apply for revenue support and capital grant support through the 2022 electrolytic allocation round of

the Hydrogen Business Model and Net Zero Hydrogen Fund. It is anticipated that this allocation round will deliver at least 250MW of new electrolytic hydrogen projects, contributing towards the targeted of 2GW of in-construction or operational capacity by 2025.

More information [here](#).

July 2022 update to the UK Hydrogen Strategy Published

Department for Business, Energy and Industrial Strategy

20th July 2022

As part of a commitment in the UK Hydrogen Strategy, BEIS will publish regular updates on policy developments related to the hydrogen market. The July 2022 update covers:

- Hydrogen production, including further detail on our hydrogen production strategy,
- Hydrogen networks and storage,
- Uses of hydrogen in industry, power, transport and potentially heat,
- Creating a market: market and regulatory frameworks, and gas blending,
- Hydrogen sector development covering investment, supply chains, jobs and skills, investment, exports, and research and innovation,
- International leadership in hydrogen, including the UK's achievements at COP26, during the UK's G7 Presidency in 2021, and as a co-lead of Mission Innovation's Clean Hydrogen Mission.

More information [here](#).

Waste management sector update to the Industrial Carbon Capture (ICC) Business Model

Department for Business, Energy and Industrial Strategy

20th July 2022

The July 2022 update provides information on key developments expected for the "Waste ICC Contract", the final adapted contract for waste emitters. The document focuses on "minded-to" positions of the business model for emitters in the waste management sector, detail around a potential approach for monetization of negative emissions, and monitoring requirements for biogenic CO₂.

More information [here](#).

Future policy framework for power with carbon capture, usage and storage (CCUS): call for evidence

Department for Business, Energy and Industrial Strategy

25th July 2022

This call for evidence seeks views and evidence on how Government can best support the continued deployment of power with CCUS projects into the 2030s beyond Track-1 of the Cluster Sequencing process.

More information [here](#).

UK Parliament

Evidence session on hydrogen and carbon capture in Scotland

Scottish Affairs (Commons) Committee

4th July 2022

The committee heard evidence on hydrogen and carbon capture in Scotland. It discussed potential, Government strategy, transport and storage, existing energy sectors, industry use, the Contracts for Difference model, workforce, benefits of hydrogen and timescales. Witnesses included Clare Jackson, chief executive, Hydrogen UK, Will Webster, energy policy manager, Offshore Energies UK, Bethan Vasey, energy transition manager, Shell UK Upstream, and Louise Kingham, senior vice president Europe and head of country, BP. When asked about the potential for hydrogen to flourish in the UK, witnesses said the UK had an advantage with hydrogen gas pipelines existed and could be repurposed to facilitate hydrogen. They also said the two-track approach would help the market develop quicker as it mitigates some of the investment risks and helps to facilitate faster development of new infrastructure. Ms Kingham said that BP is looking at a variety of solutions, including industrial decarbonisation, and said that they will make final investment decisions early next year. She added that BP could be producing green hydrogen as early as 2024.

Full transcript is available [here](#).

Debate on action on climate change and decarbonisation

5th July 2022

In a debate lodged by Philip Dunne (Con, Ludlow), members discussed the UK Government's spending priorities on climate action and potential solutions which could help decarbonise the economy in the light of the CCC's annual report to parliament. Of note, Darren Jones (Lab, Bristol North West) called on the Department for Business, Energy and Industrial Strategy to introduce more detailed delivery plans and technology roadmaps for the delivery of net zero and hydrogen production, carbon capture, utilisation and storage, and for industrial decarbonisation. Chris Skidmore (Con, Kingswood) said that the UK Government should expand its resilient and sustainable plans to achieve a green industrial revolution, with a move from petrochemicals towards a new materials economy. Minister for Industry Lee Rowley said that the UK is "nine months into a 29-year process" of transitioning to net zero economy and that the Government is showing a consistent, calm and methodical approach to these serious issues. He added that it is vital for the Government to support all industries.

Full transcript available [here](#).

Westminster Hall debate on British energy security strategy

5th July 2022

In a debate lodged by Mick Whitley (Lab, Birkenhead), members discussed the recently published British energy strategy and the forthcoming Energy Security Bill. Of note, John Redwood (Con, Wokingham) said that green hydrogen would be an answer to many challenges of net zero transition but said that the UK is years away from the necessary investment and the development of commercial projects. Dr Alan Whitehead (Lab,

Southampton Test) added that the UK Government should deliver hydrogen as soon as possible but must also resolve the debate between blue and green hydrogen. He suggested that the UK is too far from a serious carbon capture, utilisation and storage programmes and criticised the UK Government for not progressing the Acorn project in Scotland, describing it as a “real blow” to the development of the technology. Energy Minister Greg Hands reiterated the Government's commitments to generate more clean energy in the UK for the UK in the longer term to protect national security, reduce emissions, create new jobs, revitalise industrial heartlands and drive down bills for consumers. He added that the Government is continuing to investigate the potential solutions for hydrogen storage and is working on introducing blue and green hydrogen solutions.

Full transcript available [here](#).

EAC: Ambition outstrips policy actions for decarbonising steel

Environmental Audit (Commons) Committee

12th July 2022

Following the publication of BEIS's [response](#) to the Committee's work examining green steel, the Environmental Audit Committee stated that the UK Government has some way to go in formulating a strategy for decarbonising steel and that many of the innovations could take years to result in a meaningful drop in emissions.

More information [here](#).

BEIS Committee: Third report on energy pricing and the future of the Energy Market

Business, Energy and Industrial Strategy (Commons) Committee

26th July 2022

The committee has published its third report of Session 2022-23. Recommendations of note include that the Government should urgently publishes its long-delayed Strategy and Policy Statement for Ofgem to guide the regulator on how to manage the political and distributional trade-offs intrinsic to its responsibilities and clarify the split of responsibilities between Ofgem and BEIS. Additionally, it recommends that Government should bring forward legislation to increase the frequency of Renewables Obligation payment deadlines. It also recommends that BEIS and Ofgem urgently update the Energy Retail Market Strategy so that the supplier retail market aligns with the UK's net zero target; this must include interim milestones and high-level principles about the role suppliers will play in achieving net zero. It also recommends greater consideration is given to smart tariffs in the revised Energy Retail Market Strategy to deliver the Government's zero carbon electricity system by 2035.

Full report [here](#).

Scotland

Contract awarded for tech scaler hubs development

Scottish Government

13th July 2022

A contract worth up to £42 million has been awarded to Edinburgh-based company Codebase to establish seven new tech scaler hubs across Scotland. The contract will support tech founders to scale up their businesses by accessing advice and mentorship from industry experts at the hubs. Partners include Google Start-ups UK, Barclay Eagle Labs and Reforge.

More information [here](#).

Just Transition Commission: initial report published

Just Transition Commission

14th July 2022

The second Just Transition Commission (JTC) has published its initial report which sets out priorities to ensure that decarbonisation of Scotland's economy is delivered fairly and at pace. The JTC convened in early 2022 with a remit to provide scrutiny and advice on the Scottish Government's forthcoming sectoral and regional just transition plans. The report focuses on four economic sectors which are due to be addressed by Just Transition Plan from the Scottish Government over the next 12-18 months. These are: energy, transport, buildings and construction, and land use and agriculture.

More information [here](#).

Wales

Green agenda announced as part of the government's legislative programme

Welsh Government

5th July 2022

As the Government completes its first year, First Minister Mark Drakeford outlined legislative approach going forward and announced that five new bills will be introduced to help support climate action in the second year. This will include a ban on single use plastics, clean air initiatives, processes to simplify agreeing on major infrastructure projects, management of disused coal tips and a bill on sustainable food production.

More information [here](#).

Chair Reappointment to the Welsh Industrial Development Advisory Board

Welsh Government

8th July 2022

Minister for Economy Vaughan Gething has reappointed Michael Macphail as the Chair of the Welsh Industrial Development Advisory Board (WIDAB) for a further 3-year term beginning 1 July 2022 and ending 30 June 2025.

More information [here](#).

Other News

High Court Rules UK Government's Net Zero Strategy unlawful

19th July 2022

Following a legal challenge brought by Good Law Project, Client Earth and Friends of the Earth, the High Court has found the Government's Net Zero strategy to be in breach of the Climate Change Act (CCA) 2008, on the grounds that the strategy does not sufficiently demonstrate that Government policies will meet statutory emissions reduction targets. In particular, the ruling highlights a 5% shortfall towards Carbon Budget 6 and ordered that the Government provide a report to Parliament by April 2023, detailing how policies will achieve required emissions reductions.

More information [here](#).

Calls for evidence and consultations

- Review of electricity market arrangements (REMA) – closes 10th October 2022. [Link to consultation](#).
- Future policy framework for power with carbon capture, usage and storage (CCUS): call for evidence – closes at 11:45pm on 17th October 2022. [Link to consultation](#).
- Science and Technology (Commons) Committee open call for potential topics of inquiry – closes 9th September 2022. [Link to consultation](#).

If you have any suggestions for policy engagement or additions to our policy news section, please let us know by emailing us at policy@idric.org.

Best wishes,

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