



Hydrogen East



Only by working together can we meet the scale of the Net Zero challenge

On 24 June, the Committee on Climate Change (“CCC”) will deliver its annual assessment of the UK’s progress towards achieving Net Zero by 2050. For the UK to meet this goal, the CCC estimates spending on decarbonisation will need to average out at around £50bn per year, climbing from £40bn a year in 2025. It is envisaged that most of this spending will be private investment, unlocked by a clear Government-backed trajectory, guiding regulations and aligned public funding incentives and energy taxes.

With a Government goal of a 68% reduction in CO₂ by 2030 and legal target of a 78% cut by 2035, we need to unlock this investment quickly to build the infrastructure that our society will run on. Nowhere is this more apparent than hydrogen, where support is needed now if we are to be in a position to deploy hydrogen on a wide scale by 2030.

Hydrogen technology has many uses, brings air quality improvements and is here now. We have double decker hydrogen fueled buses in Aberdeen, hydrogen powered refuse vehicles in Cheshire and the first ever hydrogen heated village will come online later this year in Gateshead. There is a clear role for hydrogen in powering heavy industry, in the heating of buildings and in transportation like trucks, ships and even planes where electrification may not work. It can also help in buttressing the electrification of the power network. Estimates suggest that hydrogen produced from renewable sources alone could provide £320bn to the UK economy by 2050.

Given this backdrop, we find that many of the current debates surrounding hydrogen are unhelpful and risk distracting from the overall objective of achieving Net Zero. There is little public benefit in debating the merits of battery verses fuel cell-powered electric vehicles when we know that both are needed to achieve Net Zero, or in debating whether carbon capture is needed or not when the CCC, International Energy Agency and others have already affirmed its importance. It is critical that energy policy to support Net Zero is considered, iterative and affordable. But paralysis through analysis is deadlier to the UK’s efforts to decarbonise than

discovering we have invested more in one Net Zero technology than another once first projects have been delivered. Indeed, we will only learn how technologies can truly enable our transition by building and learning from them.

Crucially, over the new few months, the UK Government will outline in more detail how it intends to achieve its ambition of Net Zero carbon emissions by 2050. This will manifest itself primarily through a range of policy documents including the Treasury's Net Zero Review, the Transport Decarbonisation Strategy and the Heat and Buildings Strategy. Another such document we are awaiting is the Hydrogen Strategy.

While the Government has provided support and warm words for the hydrogen industry in recent years – most recently in the Prime Minister's 10 Point Plan for a Green Industrial Revolution late last year – the absence of a clear strategy has meant that the landscape and future for the industry remains uncertain. What will be the funding mechanism to support blue hydrogen and the emergence of green hydrogen so that they can compete with traditional forms of power and electricity generation? How will the current taxation of fossil fuels need to change? What support will there be to raise the UK production and export of fuel cells, so essential in the production of hydrogen?

We eagerly await the publication of the Hydrogen Strategy, as well as the accompanying plans around exactly how we will decarbonise. Globally, there is significant momentum building for the hydrogen economy. 30 countries already have hydrogen specific strategies in place. If the Government fails to provide answers to the questions industry needs answering, the UK hydrogen industry risks being left behind.

More widely, however, we call on all those backing Net Zero to focus on what the CCC has said is needed, and is likely to once again reiterate in its forthcoming annual progress report. £50bn of investment every single year up to 2050, targeted across a range of technologies to extinguish the UK's current emissions of 500 megatonnes of carbon and other greenhouse gases. Success depends on backing the mixed approach set out by the CCC, coalescing around an overall strategy and providing clarity about how each strand can contribute to this herculean task.

Signed,

UK Hydrogen and Fuel Cell Association, Energy UK, RenewableUK, the Decarbonised Gas Alliance, Hydrogen East, the Midlands Hydrogen and Fuel Cell Network and the British Compressed Gases Association