

YOUR NGN NEWS UPDATE

SEPTEMBER 2020

Ofgem's Draft Determination for RIIO-GD2



We're continuing our dialogue with Ofgem on our plans for 2021-2026; known as RIIO-2.

Earlier this month, alongside many of you, we responded to Ofgem's initial response to our business plan. Within that, the regulator awarded us £1.6 million for the quality of our plan and praised the close work we carried out with our stakeholder community in its development.

However, Ofgem's offer remains the most challenging price control we've faced to date. Given the UK's commitment to Net Zero, there are elements of the offer which put a pathway to 2050 significantly at risk. More broadly, Ofgem's proposals would result in lower levels of service for our customers, whilst risking our ability to maintain our network in line with best practise and statutory requirements.

As a network with a leading and proven track record of delivering long term value for our customers, we are disappointed that this has not been reflected in Ofgem's draft outcome. We have raised these concerns in our response to Ofgem's consultation, which you can read in full [here](#).

We will continue to work constructively with the regulator over the coming months to discuss our key issues of concern ahead of the final settlement in December 2020. On the 16th October, Ofgem will hold an Open Meeting to discuss our response to their consultation. This online meeting is open to all stakeholders and you can sign up to take part via Ofgem's website [here](#).

Hydrogen is ready to power Green Recovery

Last month, we welcomed a new Economic Impact Assessment published by the **Hydrogen Taskforce**, which aims to secure a step-change in investment for hydrogen in the UK to enable the UK to become a world leader in the applications and services of hydrogen.

The assessment examines the economic benefits hydrogen could generate throughout the value chain, including the economic impact of production, distribution and storage and in end uses ranging across transport, industry, heating and power generation. The key findings show:

- **Hydrogen could be worth up to £18bn to the UK by 2035**
- **Up to 75,000 jobs could be created across the UK economy, with hydrogen playing key roles in transport, industry and power**

As the UK looks to rebuild the economy in response to the coronavirus pandemic, this research highlights hydrogen as a real growth opportunity to power a green recovery. NGN have a shared vision for the role of hydrogen in the energy transition and a collective position on the next steps that must be taken to ensure that the UK capitalises on this opportunity to decarbonise the country.

[DOWNLOAD THE REPORT HERE](#)

GET INVOLVED

Join us at our online Environment workshop on Tuesday September 22.

During 2019, we consulted with many of our stakeholders to develop our Environmental Action Plan, and our Environment Strategy. Our plans reflect that we are actively championing the move to a cleaner, greener gas network and we recognise the delivery of an environmentally sustainable network is Stakeholder's top priority for us, after safety.

But we know the world has changed significantly since we last met in 2019, and as such, we'd like to invite you to engage with us on the following:

- Sharing our plans to understand whether we've missed anything and how the last 6 months have changed your priorities
- Focusing on single use plastics and their use in our operations
- Our first annual environmental report - what we should include and what format should it be in?

We would be delighted if you could attend a virtual workshop to discuss our plans and feed in your views on Tuesday September 22, 10.00am - 12.00pm.

SIGN UP HERE

Get in touch...

If you have any feedback about this e-bulletin or any questions about our work, we'd love to hear from you. Just email stakeholder@northerngas.co.uk

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Northern Gas Networks, 1100 Century Way Thorpe Business Park, Colton
Leeds, LS15 8TU

