

North West and North Wales industry welcome Government's £20bn investment commitment.

- Industrial leaders in the HyNet project from across the North West of England and North Wales welcome the Government's pledged investment in the decarbonisation of industry.
- Strong support from industry in the technology which captures carbon emissions and permanently locks them away underground.
- Investment will support the UK's position as a global leader in industrial decarbonisation whilst growing the industrial economy and creating and safeguarding jobs in the region.

The UK has secured its position as a world leader in carbon capture and storage (CCS) technology through projects such as HyNet after news of a £20bn Government investment.

HyNet, which is ready to start getting shovels in the ground in 2024, will enable the decarbonisation of vital industries such as cement, refining, chemicals, glass manufacturing and Energy from Waste, as well as attracting investment in new industries such as Sustainable Aviation Fuel.

With the US and EU having recently announced substantial investment in CCS projects, these pledged funds will maintain confidence in the UK's commitment to a net zero industrial future, demonstrating the UK is open to business. HyNet expects billions of pounds of private sector investment to be mobilised by this commitment.

Combined with the UK's excellent natural resources, advanced policies and regulatory framework, this announcement enables large CCS projects to move into construction quickly, positioning the country as a global leader in this emerging sector.

HyNet's carbon capture and storage infrastructure will lock up carbon dioxide emissions from the hard-to-decarbonise industrial sector across the North West of England and North Wales. In addition, it is poised to unlock over 1GW of low carbon hydrogen, enabling industry to switch away from high carbon fuels.

Committed to this switch are leading industrial partners including Pepsico, Heinz, Kellogg's, Encirc, Essar, Novelis, Tata Chemicals and Pilkington Glass. All are making investment plans to deliver first-of-a-kind low carbon plants in their sectors, creating the world's first low carbon hydrogen industrial region.

Locally-produced low carbon hydrogen will also supply flexible power generation, currently delivered by gas-fired power stations, such as ESB-Carrington. This is an essential element in the UK's transition to a net zero power system, as recently set out in the Committee on Climate Change's Power Systems report last week, and one which HyNet, with its well-advanced hydrogen system is ready to make happen.

Unlocking low carbon growth across the UK's traditional industrial heartlands is vital to maintain and attract regional investment as the world transitions to a net zero carbon economy. By the early 2030s, HyNet will reduce industrial carbon dioxide emissions by 10 million tonnes every year – the equivalent of taking four million cars off the road.

HyNet North West

David Parkin, Project Director for HyNet said:

“This announcement is very welcome. HyNet was selected as one of two ‘Track 1’ cluster projects in October 2021, and this announcement of financial support allows the project to move into construction in 2024. It has positioned the UK as a serious global player, and will allow a UK supply chain to be developed, creating new jobs across the country. This investment from Government is good for the UK’s fight against climate change, good for the North West and North Wales region, good for industry and good for the UK’s economy.

“The net zero transition provides the UK with a fantastic opportunity to protect and create highly skilled jobs, create a sustainable supply chain, and provide UK businesses with the ability to deliver the environmentally friendly products that consumers are increasingly demanding. The North West supports the most manufacturing jobs of any UK region. HyNet will enable the region to retain these high value manufacturing jobs, secure 6,000 new roles, attract inward investment and cultivate a supply chain across the region.

Simon Willis, CEO, Hanson UK said:

“We welcome the Government’s Green Energy Reset announcement and its ongoing commitment to carbon capture and storage (CCS), which is essential for the cement industry to decarbonise.

“Our proposed £400 million Padeswood CCS project, in north Wales, will enable the production of net zero cement for use in the UK construction sector. It will capture and store up to 800,000 tonnes of CO₂ a year, while safeguarding 222 jobs and creating a further 54 highly-skilled positions.”

Joe Seifert, CEO, Vertex Hydrogen said:

“We are delighted to see the UK Government announce a significant investment in domestic carbon capture that is vital to the low carbon hydrogen industry which in turn is a core pillar that UK industrial and power companies require to reduce emissions.

“Hydrogen needs enough large projects to be actioned in the short term to deliver industrial decarbonisation at pace, to deliver infrastructure that drives value for money and to capitalise on the UK’s global leadership in this sector to secure and grow high value UK jobs.”

Prashant Ruia, Director, Essar Capital said:

“We welcome the UK’s Government’s commitment to domestic carbon capture and low carbon energy. Through Essar Energy Transition, we stand ready to partner with Government, investing to create an integrated energy transition hub which will deliver low carbon hydrogen production and carbon capture to significantly lower the North West’s emissions and play a vital role in meeting the UK’s net zero ambitions.”

Darren Elsom, Director of Hydrogen Development & Operations at Cadent said:

“It’s fantastic news that the Government is providing significant funding to support industry in the transition to low carbon hydrogen for the North West region. This major investment further drives the message that hydrogen has a key role in the decarbonisation of the energy we use.

HyNet North West

“Our role in making this happen relies heavily on the development and delivery of new and existing pipeline infrastructure and our Cadent teams are busy preparing for the transition, so we can keep gas flowing for our consumers. Especially those who need large volumes of heat for manufacturing and industrial processes, and we take great pride in doing so for the communities we serve, whilst helping to protect the planet.”

Owen Michaelson, CEO, Encyclis said:

“Carbon capture is an important ambition for the Energy-from-Waste industry, supporting our progress towards net-zero. This first package of funding will help to stimulate the essential creation of a market and associated supply chain.

“We are extremely keen to play our part. Plans for a CCS plant at our Protos Energy Recovery Facility, which will capture upwards of 380,000 tonnes of CO₂ per year, are now well developed. This investment will stimulate further collaboration across the supply chain, ultimately enabling us all to get behind the UK carbon network, which will have a multiplier effect on economic growth and job creation.”

Professor Joe Howe, Chair of the North West Hydrogen Alliance said:

“There’s already a tremendous demand for skilled workers in the region and now this is only going to grow. The North West has a long industrial heritage, world leading academic institutions and a highly competent workforce. I passionately believe that we are in a fabulous position to lead the net zero skills agenda for the rest of the UK and beyond.”

Neil Syder, Managing Director of Pilkington United Kingdom Limited said:

“Pilkington UK, part of the NSG Group, are fully committed to our target of achieving carbon neutrality by 2050. Using low carbon hydrogen from HyNet, instead of natural gas, to fire our furnace is key to reduce the carbon emitted as we produce our glass products. We are therefore delighted with the announcement from Government.”

Adrian Curry, Managing Director of Encirc, said:

“Our partnership with HyNet will enable us to be well on our way to producing net zero glass bottles for use by consumers across the UK by 2030. Glass has been used in packaging since 1500BC and, by using low carbon hydrogen to decarbonise production, we believe we are securing its future for centuries to come.”

Richard Belfield, business development director of Viridor said:

“This announcement is a key welcome next step in the carbon capture journey. The waste and resources sector is the seventh largest source of greenhouse gasses in the UK and carbon capture on energy from waste is an essential tool to ensure the UK achieves net zero.

“Viridor’s Runcorn facility will provide over 800,000 tonnes of baseload CO₂ a year. Runcorn’s Carbon Capture project will not only decarbonise waste management across Manchester but will also help underpin investment in the CO₂ pipeline infrastructure essential to making it happen.”

Arkadiusz Galant, ESB Plant Manager at Carrington Power Station, said:

“At ESB, we believe hydrogen from HyNet is key to developing low carbon flexible power with our Carrington plant playing a pivotal role in this critical project.”

HyNet North West

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Notes to editors:

About HyNet

HyNet is a low carbon energy project at the forefront of the UK's journey to a net zero future, being developed by a consortium of world-leading organisations.

From the mid-2020's, HyNet's infrastructure will store and distribute locally-produced low carbon hydrogen, enabling industry to switch away from natural gas. It will also capture and store carbon dioxide emissions from industry.

This game-changing project has the potential to reduce carbon dioxide (CO₂) emissions by 10 million tonnes every year by 2030 – the equivalent of taking four million cars off the road.

HyNet will create and safeguard thousands of local jobs, as well as attract inward investment across the region.

The HyNet consortium includes Progressive Energy, Cadent, Essar, INOVYN, Eni, University of Chester, Vertex Hydrogen, Viridor and Hanson.

For more information, visit www.hynet.co.uk