

News

EMBARGOED UNTIL 00:01HRS FRIDAY 11TH MAY 2018

Thousands of jobs set for North West with plan for clean, green gas

- More than 5,000 jobs and a £0.9bn project, says report published today
- Low-carbon hydrogen will power industry and heat 2m homes, with longer term ambitions to provide fuel for trains, lorries and buses
- Plan set out by UK's biggest gas network, Cadent, is supported by the region's two metro mayors, Andy Burnham and Steve Rotheram

At least 5,000 jobs will flow from a £0.9 billion project to create a new 'green' source of gas to power local industry and heat homes in North West England.

Cadent, the UK's biggest gas distribution network, today publishes details of the potential economic windfall set for the region through its 'HyNet' project.

Its report explains how the North West will trailblaze a switch from a dependency on methane-rich natural gas to using more of low-carbon hydrogen.

First stages of a 30-year plan centre on a new hydrogen production facility planned for Cheshire, making gas for distribution locally and into Merseyside and Greater Manchester.

Central to HyNet is a promise to reduce carbon emissions by more than one million tonnes every year, or the equivalent of taking 600,000 cars off the road.

And a huge bonus of the project is repurposing gas fields in Liverpool Bay and elsewhere off the North West coast, which are due to be decommissioned soon. Cadent proposes using these sites instead to store the carbon captured during the process of extracting hydrogen from natural gas.

Cadent's report, published today, reveals more than 5,000 jobs would be created between now and 2025, with thousands more to follow as more plants and pipelines come online later.

Up-and-running by the mid-2020s, it would be a UK-first large-scale use of hydrogen in this way, helping to solve Britain's headache of how to decarbonise heat. At the same time, it could open the door for the use of hydrogen as a 'clean' fuel for buses, lorries and trains.

Led by Cadent, HyNet already has the backing of big players in industry, as well as the region's two metro mayors, Andy Burnham and Steve Rotherham, who will speak at a launch event to be held in Manchester today (11 May).

Cadent is exploring a range of options to fund HyNet and learning lessons from other large-scale infrastructure projects, such as Thames Tideway in London. Discussions will take place with UK Government, energy regulator Ofgem and potential partners as Cadent seeks the lowest cost pathway to move this first-of-its-kind decarbonisation project from paper to implementation.

How HyNet works – in brief

- At point of use, Hydrogen is a 'zero-carbon' gas – when it burns, it only creates two things: heat and water.
- Cadent's HyNet project is based on extracting hydrogen from natural gas at a new purpose-built production facility, most likely located in Cheshire (with various sites being considered).
- This will be delivered to big industrial users via a new pipeline connected directly to up to 10 sites, including oil refineries and manufacturing plants.
- Over a million tonnes of carbon dioxide – which would be created during the process to extract hydrogen from natural gas – will be transported and stored in the repurposed Liverpool Bay Complex gas fields.
- Hydrogen would also be blended (at volumes up to 20%) with the natural gas currently used for domestic purposes, meaning **two million homes** in Cheshire, Merseyside and Greater Manchester would reduce their carbon footprint overnight.
- The proposals set out by Cadent explain how extra plants and infrastructure would emerge in the years following, enabling wider geographic use of hydrogen by industry and domestic users, as well as hydrogen as a fuel for transport.

Simon Fairman, Director of Safety and Network Strategy at Cadent, said: "This is unquestionably one of the most exciting energy projects for the North West in years. We chose the region because it is already home to 10% of the UK's biggest industrial users of gas, as well as it having an ideal site on the doorstep to store the carbon that's produced in making hydrogen.

“HyNet will create and secure thousands of jobs – up to 80% locally – through the design, installation, construction and operation of the new hydrogen and carbon storage infrastructure needed. We’re talking huge numbers, but we’re also talking about a huge impact in solving a problem facing us all in the UK, how to decarbonise heat.

“We’ll reduce the amount of carbon that enters the atmosphere by one million tonnes every year. What’s amazing is that domestic users will simply use gas tomorrow the way they use it today, through the same appliances and pipework they have in their homes now.

“This is Cadent showing leadership through innovation. But we need to work together and clear some hurdles yet if we are to make this clean growth for the UK happen. We need a favourable Government policy mechanism for CCUS [carbon capture, usage and storage].

“We will also work closely with Government and our regulator Ofgem to discuss the right funding mechanism. And we also need to prove to the Health and Safety Executive that hydrogen is safe to use at these volumes in homes, which we’re confident of doing through a project that’s already under way at Keele’s university campus.”

Mayor of Greater Manchester Andy Burnham said: “This has the potential to be a fantastic project, supporting Greater Manchester’s ambitions to be a UK and European leader in tackling climate change by reducing our carbon emissions.

“Taking a whole energy system approach means we will need to collaborate across the North West. At our inaugural Green Summit in March this year, we said investment in green technologies and policies would bring huge economic benefits – the report being launched today is a great example: thousands of jobs and a big step towards achieving a green future.”

Liverpool City Region Metro Mayor Steve Rotheram said: “The building blocks are rapidly falling into place to enable the Liverpool City Region and the North West to lead the way in finding cleaner, greener sources of energy. Using hydrogen to power industry and heat homes in phase one is very exciting, but this HyNet project also sets out a longer-term roadmap towards supplying hydrogen to fuel our trains and buses. It’s visionary, timely and just what we need.”

More information on HyNet is at www.hynet.co.uk

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Notes to Editors:

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Cadent manages the national gas emergency service free phone line on behalf of the gas industry - 0800 111 999*

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*All calls are recorded and may be monitored.

