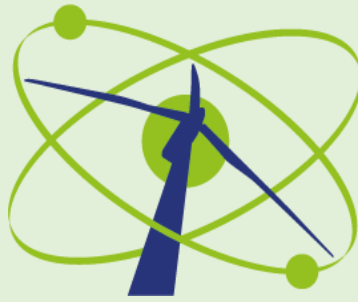
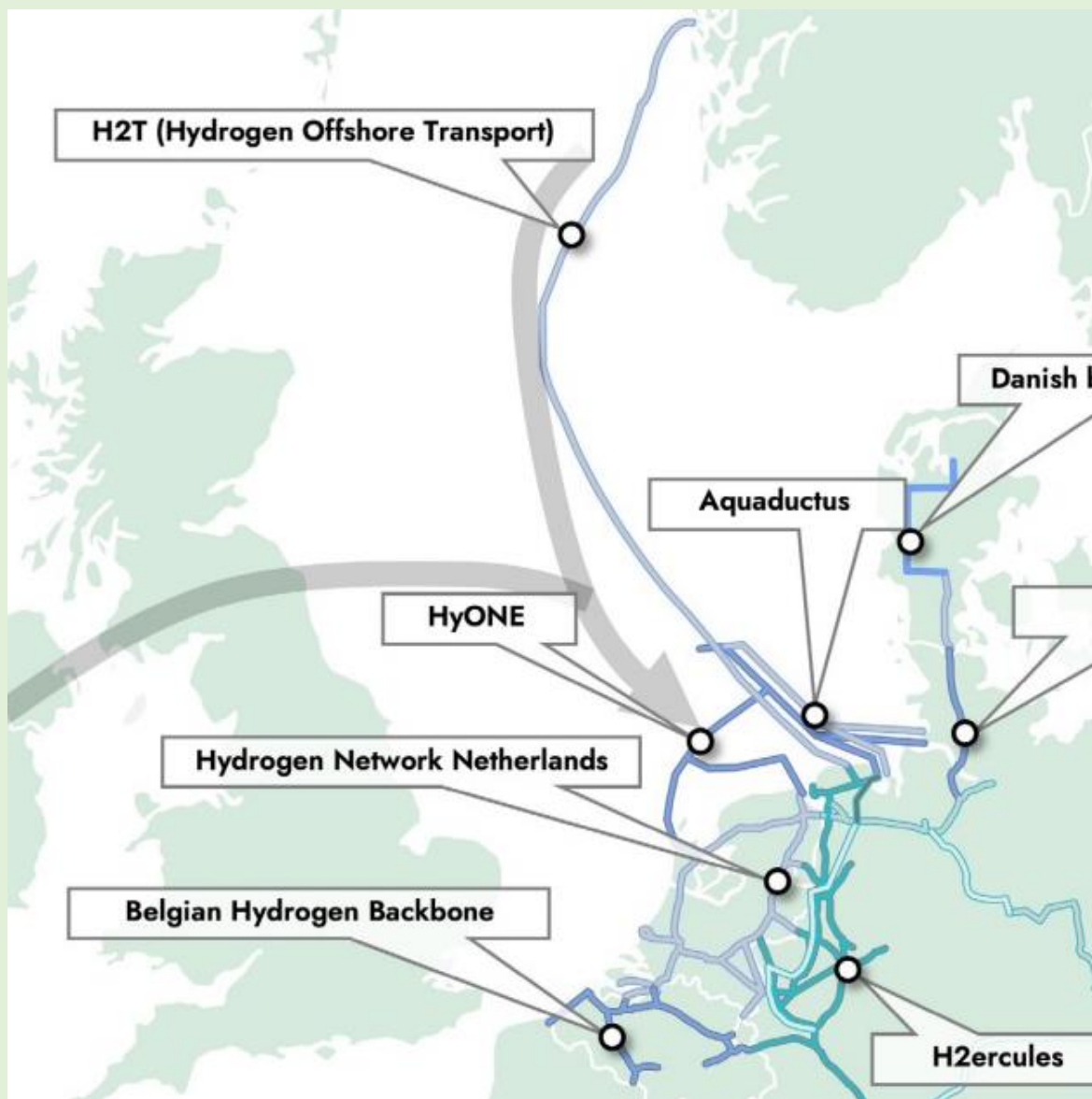




UK| EU, European Hydrogen Backbone



Some observations regarding the recent announcement of hydrogen link between Germany and the UK following Lord Callanan's recent appearance at the British Embassy in Berlin, which triggered the process.

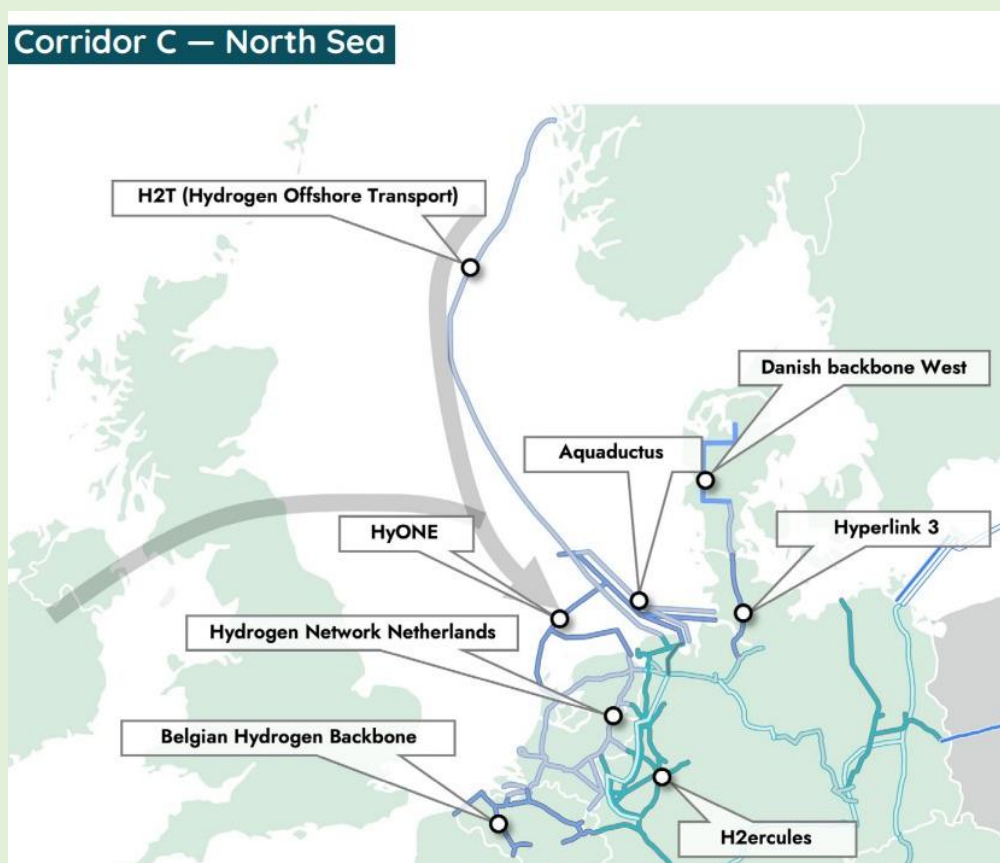


It makes good sense for Germany to ensure its supply of hydrogen and of course, pipelines tend to provide the hydrogen about a 10th of the transmission costs of using vessels.

The implication now for the UK is we've seen some modelling around with the Scottish netzero aspirations to link up Orkney with Germany, but much more likely is that the east coast of England which is obviously considerably nearer to Germany would provide the key perhaps from Yorkshire perhaps further south, with big aspirations around Bacton and so what does that mean?

Prospecting around the six key transmission points on the UK gas grid network is underway, ranging from Bacton in East Anglia to Easington in the East of England and the St. Fergus terminal in Scotland.

Easington, potentially Teesside, and certainly Bacton are much closer to Germany, so pipeline and compressor costs will be smaller, evenly for every constituted transmission. gas pipelines, there have been studies already carried out 20 years ago, for example, in East Anglia indicating the readiness of the pipelines for any future hydrogen utilisation.



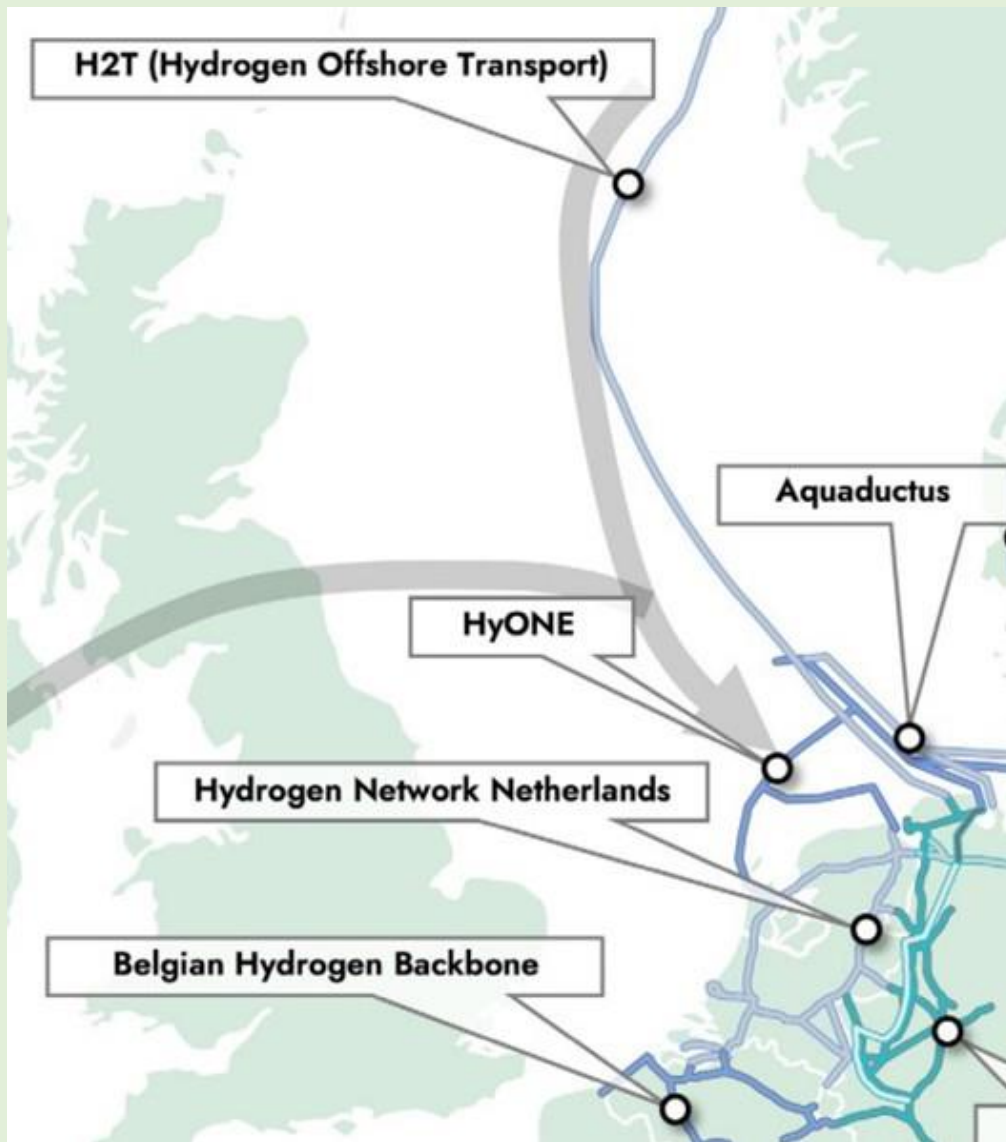
Doubtless there will be jockeying for position as to which parts of the UK might be best, but it might be a tough one for the Scots who keen to get their product to market with the Scotland leasing round of carbon capture

and storage as an aspiration in Scotland, but the fact remains that it's much further to the major European markets from northern Scotland.

Allied with this the East of England with Project Union developments which are shared with the public already possibly showing the preliminary stages of development early project spend will occur.

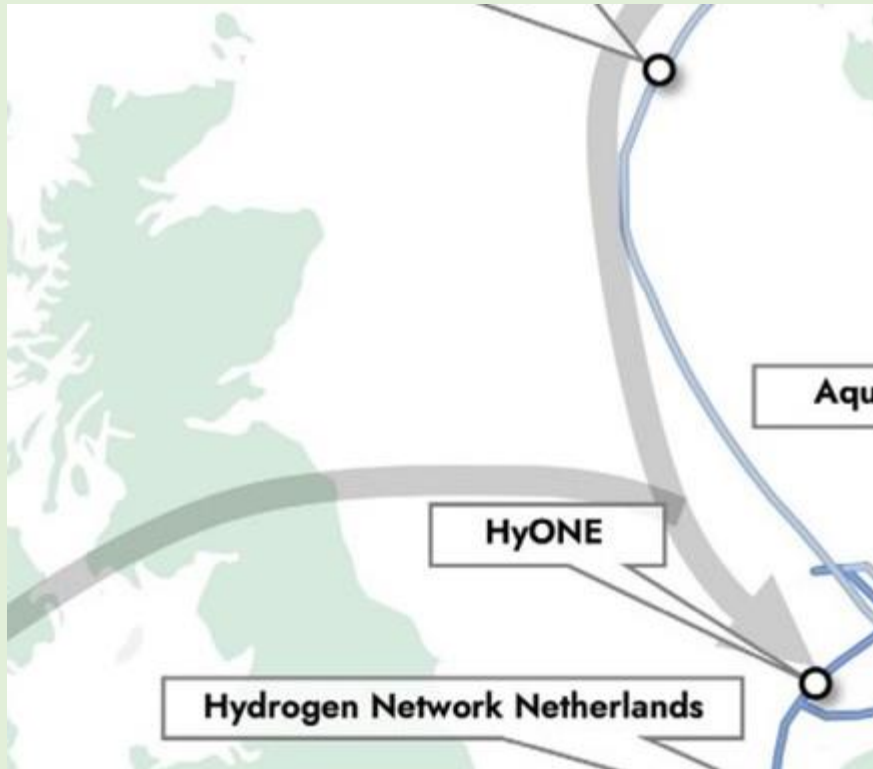


According to the updated EHB models published this week, to be based around an energy Islands off the north coast of Holland and Germany. Surveyors know it is wise to start with the northeast corner and this is exactly where the European hydrogen background is gaining tangible progress.



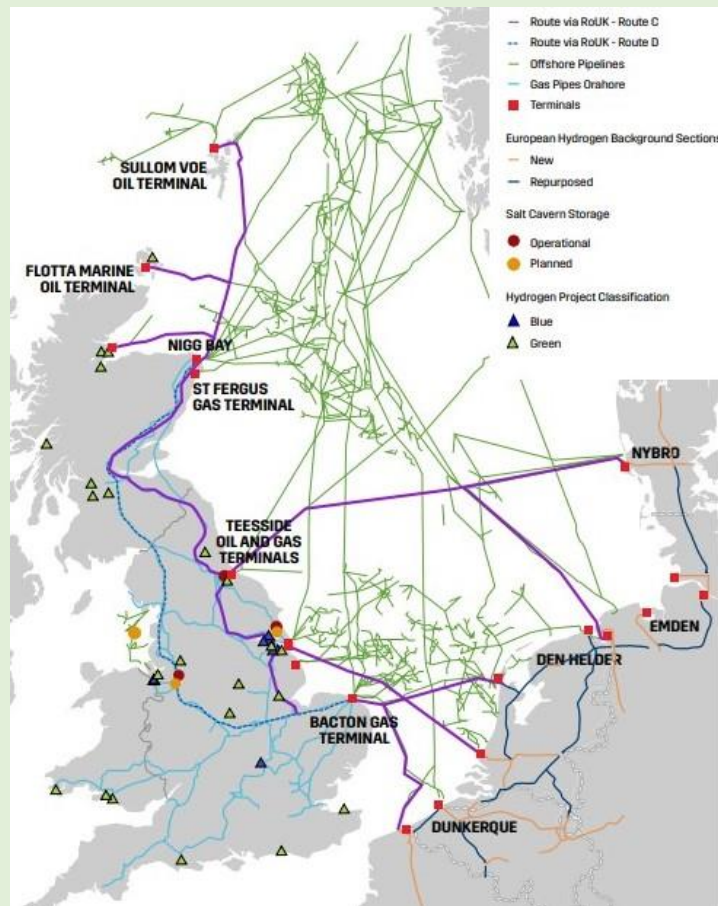
From a UK perspective is not just one energy Island. There are, in fact, two with the other, of especial interest to Scotland, much further north off Norway.

Looking at the UK the update EGH model shows a generic connection line sweeping across northern England and across to Ireland.



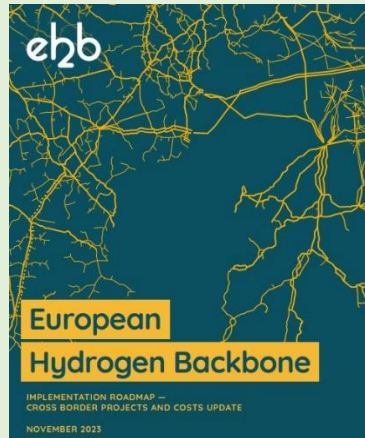
The Aberdeen based net zero Technology Centre produced scenarios around St Fergus and Flotta to Germany. Some Scottish oil and gas oil fields are approaching decommissioning, and potential re=usage involving Carbon Capture at Project Acorn and a mix of technologies for Orkney and further north still project Orion for Shetland and headed towards Norway.





It's all very well to connect to Norway but and always quite sparsely populated and it's not the real prize, which has to be Germany, and Europe. And of course, it leads to the question of who pays?

It is true that the Norwegians have a certain model, but Norway, unlike Scotland, is an independent country state and with a strong sovereign fund as well.



Indeed, I wonder whether that might be a part of the future financing options as the hydrogen economy may look to sovereign wealth funds. If addressing climate change is not saving for a 'rainy day' then what is.

Prospecting is already happening regarding necessary land rights as strategic plans are put into effect. We are preparing members' only deep-dive seminars for 2024. If your company would like to take part contact us on admin@charleyrattan.com. Stay informed; <https://bit.ly/3HAV0uN>

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