

# Future of Gas: How gas can support a low carbon future

## Launch Event Summary

### Introduction

On 9 March 2018 we (National Grid) published the [Future of Gas: How gas can support a low carbon future](#). We welcomed over 100 stakeholders to Altitude London to hear our conclusions from our Future of Gas programme including speeches from Nicola Shaw, Executive Director UK, National Grid and Scott Foster, Director Sustainable Energy Division, UN Economic Commission for Europe. The speeches were followed by a lively panel discussion involving Scott, Stew Horne from Citizens Advice, Fintan Slye, National Grid's UK System Operator Director and Phil Sheppard, National Grid's Gas Transmission Owner Director.

This article provides a summary of the speeches and presentations. We have also published the slides presented at the event and biographies of the speakers.

### Introduction to the Future of Gas programme: Nicola Shaw – Executive Director UK, National Grid

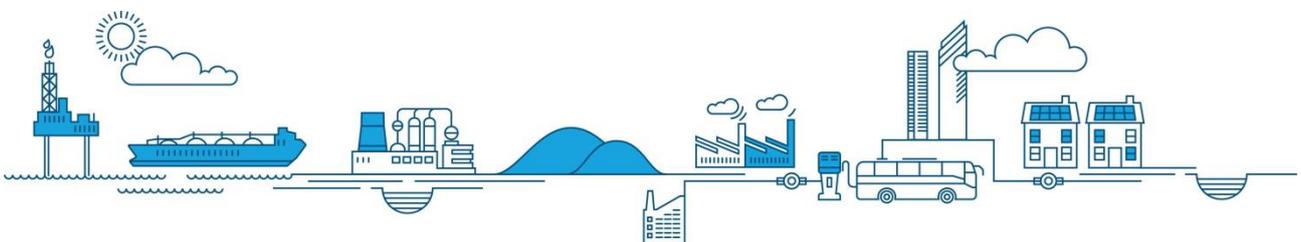
Nicola introduced the event and explored why National Grid started a Future of Gas programme. She explained that National Grid's purpose is to bring energy to life by getting the heat, light and power to customers as well as supporting the communities that we are part of and live amongst, to support the economic growth and sustainability of wider society. This purpose forms the foundations of the Future of Gas programme. She also highlighted the importance of gas today and in the future of the UK energy landscape and how important it is to continue work in this space.



Nicola highlighted the vital role that gas plays in the energy mix, with 8 out of 10 homes reliant on gas for heating and around 40% of our electricity coming from gas. As well as emphasising the vast amount of energy transported by the gas transmission infrastructure.

Since launching the programme in November 2016 we have engaged with over 150 stakeholders and developed divergent pathways of the future to meet the 2050 carbon targets, to test our thinking about the capabilities of the gas network.

Nicola provided an overview of the key findings published in the report, which Nicola Pitts explored in more detail later in the event. The speech closed by highlighting why this work is important: the UK has an opportunity to lead the world in climate action by decarbonising gas and we look forward to continuing to work with policy makers, regulators, industry and stakeholders to unlock the opportunities decarbonising gas creates for the UK economy and clean growth ambitions.



**Overview of the Future of Gas: How gas can support a low carbon future: Nicola Pitts, Head of Market Change – Gas, National Grid**

Nicola Pitts' presentation discussed the publication and introduced the three questions that the programme and report answer;

1. *Can gas have a role in helping the UK to decarbonise?*
2. *Can we look at gas(es) in isolation?*
3. *How do networks and markets evolve to support the low carbon future?*

**1. Can Gas have a role in helping the UK to decarbonise?**

Nicola explained how the sensitivities developed and published in the report allowed us to look at meeting the carbon targets in different ways and with different levels of gas demand. Nicola also discussed the role of gas in decarbonising heat, industry and transport and highlighted the actions we are taking and recommendations we are making to achieve decarbonisation in these sectors.



**2. Can we look at gas in isolation?**

Nicola described the connections we are already seeing between different energy systems and that it will be impossible to achieve the 2050 targets without whole system thinking. Consumers need heat, light, power and transport; the complexity of optimising the delivery of these, including identifying the most cost effective solutions and meeting the carbon targets. Industry, policy makers and regulators need to come together to understand and deliver cost-effective solutions that meet the needs of consumers now and into the future.

**3. How do networks and markets evolve to support a low carbon future?**

Nicola stated that customers already want to use the gas transmission network in different ways and operation is becoming more challenging with more dynamic gas supply and demand patterns. At National Grid we need to ensure that the assets are available and ready, to allow greater flexibility and accommodate the changing supply patterns. From a markets perspective we need to consider whether the current gas balancing regime is still the right answer given the increasing interactions with electricity markets. We also need to look at market attractiveness and maintain this in a post Brexit world. We intend to look across a range of potential network and market solutions to ensure that the right investments are made in the right places and that market interactions are smooth.

Nicola concluded that gas can support a low carbon future with great opportunities to decarbonise.

**The 2030 Agenda for Sustainable Development, Role of Energy and Progress to date: Scott Foster, Director Sustainable Energy Division UN Economic Commission for Europe.**

Scott discussed the work of his division of the United Nations to deliver sustainable energy and views of energy decarbonisation. He highlighted that globally there are a



number of influences on decarbonisation, the major ones being technology and politics. He also highlighted that there is a difference in definitions of sustainable energy.

Scott highlighted that the UNs view of natural gas' role in decarbonisation is consistent with National Grid's and that CCUS with gas has the potential to significantly reduce CO2. Gas is being used to provide access to energy in remote areas so it is still a fuel of choice in many countries.

Scott explored the importance of energy efficiency in all decarbonisation scenarios and the importance of frameworks to drive that, such as the UNECE's framework guidelines for energy efficiency standards in buildings. In an overview of the UNs 17 Sustainable Development Goals (SDG), Scott focused on SDG 7 which centres on sustainable energy, including energy access, renewables and energy efficiency.

Scott concluded by citing that the decarbonisation challenge has to be addressed collaboratively and invited people to join the UNECE activities.

## **Panel Session**

The event concluded with a panel discussion between Scott Foster, Fintan Slye, Phil Sheppard and Stew Horne chaired by Nicola Pitts. Nicola invited Fintan, Phil and Stew to give a short intervention before opening the session to questions for the floor.

Fintan Slye, Director UK System Operator, National Grid, discussed the theme of whole system. He highlighted that detailed, holistic thinking is needed across all of the parts of the energy system to solve the decarbonisation challenge.



Stew Horne, Head of Energy Regulation, Citizens Advice, discussed the challenge of decarbonising heat, the affordability of the transition to low carbon and the role of consumers, specifically how to understand what they want.

Phil Sheppard, Gas Transmission Owner Director, National Grid, discussed the importance of industrial and commercial energy users, noting that decarbonising this area is not straight forward and gas has many different uses. Biomethane, hydrogen, carbon capture use and storage are all going to be important techniques in this sector going forwards.

Nicola then opened the session to questions from the audience, which led to a lively discussion on topics including next steps for the project, carbon capture, international influences and learning and future uncertainty. Should you wish to discuss this in more detail please [contact](#) the team.

## **Conclusion**

Nicola Pitts concluded the event by thanking everyone who has stayed with us during the Future of Gas programme and those who have joined us on the first phase of this journey, reiterating that this is not the end of the conversation. In the report we have made a series of policy recommendations and detailed the next steps we will take, we would like to continue to engage in these areas and encourage interested parties to sign up to our mailing list or contact the team to get involved.

