

Cheshire West & Chester Council

Graham Stuart MP
Minister for Energy Security and Net Zero
Sent via email –
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Leader's Office

Cllr Louise Gittins

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Dear Minister,

Thank you for your recent response, dated 6 March, to our earlier letter. I am writing to you with an update on the Whitby Hydrogen Village Trial. As you will be aware, this is an area within Cheshire West and Chester of 2000 homes within the village of Whitby, in Ellesmere Port.

As a Council, we are acutely aware of the need to tackle climate change, and so engaged positively with Cadent when we were informed about the opportunity for our area to be involved in addressing one of the most urgent and significant climate challenges; how to decarbonise domestic heat. From the start, we have been clear that residents' views should be central to the decision on whether the pilot should proceed. We therefore welcome your commitment that government "will not go ahead with a trial in an area where there is not strong local support".

As the proposal has been consulted on, since May 2022, it has become clear that there are a significant number of residents with sincerely held concerns.

In response to a request from residents, we recently held a public engagement session on 28 February. This attracted 439 attendees. It was excellent to see so many residents participating in civic debate, with the balance of views amongst those who attended strongly in opposition to the proposal.

I promised residents that I would write back to you, reflecting on the event and the concerns raised by residents, in the hope that these will be taken into account in your decision-making process. The minutes of the event are included as a separate attachment.

We believe that there is an opportunity to fundamentally reset this process for the benefit of all involved, but most critically, for the benefit of residents.



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The project's footing was uncertain from the start. The development of a competitive process to seek village trials, following the open letter to Gas Distribution Networks (GDNs) in 2021 involved expectations of confidentiality from Government and Ofgem, until a decision was made to progress to the next stage in May 2022. This may not seem an unusual process in a commercial environment, but, when it affects people's homes, this led to a feeling that residents had been subject to a *fait accompli* by Cadent, British Gas and the Council. This resulted in a loss of trust that has permeated the discourse about the trial, something we deeply regret and want to make good.

It was fundamentally and self-evidently the wrong decision to make GDNs the lead organisations proposing the Hydrogen Village trials. Let me be clear that our experience of working with Cadent staff has been positive. Their staff are working professionally on the ground, and their advice has been welcomed by many residents.

As a company they have, however, been hamstrung by Government and Ofgem's decision to make them the lead organisation in a competitive process, and by the wider positioning of the trial.

Gas Networks are seen as conflicted organisations in this process. It is hard to disagree that the end of natural gas poses an existential threat to the current configuration of gas networks in the UK, and therefore they have a perceived conflict of interest in providing neutral advice. Had this process been designed as a partnership between communities, Councils, Government, Gas Networks, Electricity Networks, Independent scientific advisors, and technology providers, it would have been on far surer footing. And there is still an opportunity to reflect on whether the current process is the right one.

It has been apparent to a range of partners involved with or observing the trial process that these should not have been pitched as hydrogen village trials. They are in truth "no natural gas" trials, as it has been a fundamental and inviolable expectation throughout that people should have access to a fully funded electric alternative. It would therefore have been better to be explicit about this from the start and designate the opportunity to be a "Net Zero Carbon neighbourhood" rather than a Hydrogen village trial.

We recognise the reality that heat pumps are going to be the primary form of heating in future. They are fantastically efficient appliances, and we whole-heartedly support them. There are, however, reasonable questions about the cost of full-scale grid transitions with heat pumps that are not being trialled in the same way as is being proposed via the Village trials. If there were a series of technology-agnostic trials throughout the UK, or trials focusing on specific technologies in localities most suited to them, we believe the reception would be much more positive. Our residents are generally very positive about tackling climate change but are sceptical about being expected or incentivised to take one specific solution.

Cadent have also been put in the difficult position of being expected to provide clear answers to questions that are dependent on Government, and which Government has not yet answered. The most obvious of these issues is that of long-term guarantees on hydrogen pricing, beyond the end of the trial.

Even though the current expectation is that there will be a reversion to natural gas, residents are not confident that there would not be a shift in approach if the trial were seen to be successful, and if so, would there be a full guarantee on the ongoing costs of hydrogen for consumers. This type of guarantee is not within Cadent's gift; but it is possible for Government. While it may be a novel step, this is a novel project and deserves imaginative thinking on behalf of all parties.

There are many other issues where Government must recognise that it is the ultimate driver for this project, and therefore accountability lies rightly with Government. These include issues such as house prices, home insurance, and the disruption that the requires changes would cause in homes. People's homes are their most valuable and valued possession. Cadent cannot give assurance that there will be no impacts on house prices or home insurance. Government could guarantee that any impact would be measured and made good to residents.

We have seen a charged debate emerge around hydrogen in our local area over the last year. Residents have sought their own advice, and we applaud them for doing so. They have spoken to experts in the economics of hydrogen, and hydrogen safety. There has been a clear desire from residents for independent advice to be provided.

What this returns to is the total absence from Government in the debate on the ground, on the web and in the press. I was particularly disappointed at the late withdrawal of a senior government official from our Civic Hall event.

As a council, we do not have the resource or expertise to make a compelling case about why Government believes that the hydrogen trial is the right thing to do, nor is it our responsibility to do so.

Experts who believe hydrogen is not a viable part of the home heating mix have been highly visible, they have made their case well, and they present a strong weight of academic evidence supporting their perspective. If Government feels there are reasons to believe this academic evidence does not relate to the UK context, or has been interpreted incorrectly, it should be committed to making that case, to bringing together partnerships to explore the UK-specific costs in an objective way, not expecting other organisations to take the lead.

Safety is another concern that we have heard loud and clear from our residents. Residents need surety, not only about the safety of hydrogen boilers, but about cookers, fires and the ventilation requirements associated with these. Once again, while Cadent have provided responses to safety questions, their perceived lack of independence has hindered trust and belief in the answers provided. Residents need to hear clear assurance from the Health and Safety Executive.

Cadent committed that they do not intend to use the provisions for entry included as part of the Energy bill as part of this trial. The need for powers to ensure safety are understood, but the way they have been presented conjures images of forced entry which, given the trial does not include the option to remain on natural gas, are understandably concerning to those who do not want either hydrogen or heat pumps.

Government should urgently consider how to introduce safeguards relating to this trial to ensure all steps are taken to avoid any person being forced to accept a heating system they do not consent to.

Attempts by Cadent to gather information are another element of the trial that has been undermined by a lack of trust in their independence. Though there are safeguards in place, such as the use of independent, Market Research Society Accredited bodies, and an audit by PWC of the data gathering processes used, these have not resulted in full acceptance of the legitimacy of the data gathering.

One factor that has amplified all of the challenges above has been a wide-spread perception that says that this is a technological and economic problem to solve, and not one that is based on hearts and minds. Even light-touch changes to people's homes, such as smart meters, have been divisive. This is a substantially more complicated, invasive, and challenging intervention. So, the views and consent of residents should have been prioritised from the beginning.

If we were designing this from scratch, certain fundamentals would need to be different:

- The process would need to be transparent, open and accountable from day one;
- It would need to be designed in partnership, with Government playing an active role;
- Involving active citizen participation through methods such as Citizens Juries/Assemblies as a baseline expectation, with sufficient time for these processes to be undertaken;
- Technology agnostic;
- The process would need fundamental, long-term guarantees on price, house prices, insurance, the availability of alternatives, consumer choice, safety, and the provision of independent advice.

Following the event, I have set five tests that I believe Government and Cadent must address.

1. Public support:

We will ensure there is a proper vote later this year. It will be run by the council, like an election, and the outcome will be fed back to government to influence their decision.

2. Price guarantee:

We need confirmation from Cadent that the unit costs of energy from hydrogen will be matched to natural gas (or less) for the duration of the trial (and beyond the trial if it is a success), and residents who take the electric only option must not end up with higher energy costs

3. Safety framework:

We want a new regulatory framework from the Health and Safety Executive for the use of hydrogen in homes and businesses, and this must mirror the existing safety framework for natural gas. A low carbon electrical heating alternative must be made available for those who want it.

4. Green hydrogen commitment:

We want a commitment from Cadent that only hydrogen made from renewable energy will be supplied to properties in the hydrogen village.

5. Local jobs for local people:

We want a commitment from Cadent that local businesses will be part of an installation programme, and that any skilled jobs will be recruited from the local area, wherever possible, to grow our local economy.

As a contribution to meeting test 1, and following a request from residents, the Council will hold a vote later this summer to further understand resident opinions on the proposal. The form of this vote, including the question, will be consulted on publicly, to ensure it delivers a clear and unambiguous statement of local views.

While the result of this will be provided to you after the initial deadline for Cadent to submit their next proposal, on 31 March, I trust you will take the outputs of the local vote into account and give it due significance in your deliberations.

There is still the opportunity to take a different approach to decarbonising heating. One which prioritises resident views and engagement from the start, and brings together a coalition of partners, supplemented by independent advice, to understand how local areas can transition to net zero heating. This is the frontline of an effort to tackle climate change, and one of the most challenging issues that Government will face over the next two decades. It needs to be given an unprecedented level of focus and commitment. I would welcome the opportunity to discuss this with you directly, and to arrange for you to meet with the residents directly affected by the proposal in in Ellesmere Port.

I look forward to your response.

Yours sincerely



Councillor Louise Gittins
Leader - Cheshire West and Chester Council