

UK energy giants pivot towards cleaner fuels

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Britain's energy sector pivoted further towards cleaner fuels on Thursday, as the nation targets net zero carbon emissions to help tackle climate change.

National Grid, which distributes energy to British homes and businesses, announced a multi-billion-pound overhaul to focus more on electricity.

And oil giant BP revealed plans to build the nation's largest clean hydrogen plant as it also seeks to curb carbon intensive activities.

National Grid has agreed to buy Britain's largest electricity distribution business—Western Power Distribution—from US energy giant PPL Corporation for £7.8 billion (\$10.9 billion, 9.1 billion euros).

In a separate transaction, National Grid will sell its Rhode Island utility business—The Narragansett Electric Company—to PPL for \$3.8 billion (3.2 billion euros).

The group also plans to sell a majority stake in National Grid Gas.

"Together these transactions will strategically pivot National Grid's UK portfolio towards electricity," it said in a statement.

The proportion of the group's assets in electricity will increase to around 70 percent from 60 percent.

"Our vision for National Grid remains unchanged, to be at the heart of a clean, fair and affordable energy future," the company's chief executive John Pettigrew said in the statement.

"With increased exposure to the UK's [electricity](#) sector, these transactions enhance our role in the progress towards net zero, underpinning our core ambition which is to enable the energy transition for all."

Both BP and National Grid have previously pledged to achieve [net zero carbon emissions](#) by 2050, mirroring the UK government's target.

BP said in a separate statement that its hydrogen project in Teeside, northeastern England, "would capture and send for storage up to two million tonnes of carbon dioxide per year".

That would be the equivalent to capturing the emissions from the heating of one million UK households, it said.

"Clean hydrogen is an essential complement to electrification on the path to net zero," said Dev Sanyal, BP's executive vice president of gas and low carbon [energy](#).

BP added it is carrying out a feasibility study and will make an investment decision in 2024, with operations potentially starting in 2027.

Hydrogen is a clean fuel, emitting only steam, but whether it is green depends on the [carbon](#) footprint of the fuels used to produce it.

France and other European countries are also investing billions of euros in the development of green [hydrogen](#), with the highly polluting transport industry a prime area for its intended use.

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