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Response to: Hydrogen policy

16 May, 2025

About Uniper

Düsseldorf-based Uniper is a European energy company with global reach and activities in more than 40 countries. With approximately 8,000 employees, the company makes an important contribution to security of supply in Europe, particularly in its core markets of Germany, the UK, Sweden and the Netherlands.

Uniper's operations encompass power generation in Europe, global energy trading, and a broad gas portfolio. Uniper procures gas—including liquefied natural gas (LNG)—and other energy sources on global markets. The company owns and operates gas storage facilities with a total capacity of more than 7 billion cubic meters.

Uniper intends to be completely carbon-neutral by 2040. Uniper aims for its installed power generating capacity to be more than 80% zero-carbon by the early 2030s. To achieve this, the company is transforming its power plants and facilities and investing in flexible, dispatchable power generating units. Uniper is already one of Europe's largest operators of hydropower plants and is helping further expand solar and wind power, which are essential for a more sustainable and secure future. The company is progressively expanding its gas portfolio to include green gases like hydrogen and biomethane and aims to convert to these gases over the long term.

Uniper is a reliable partner for communities, municipal utilities, and industrial enterprises for planning and implementing innovative, lower-carbon solutions on their decarbonisation journey. Uniper is a hydrogen pioneer, is active worldwide along the entire hydrogen value chain, and is conducting projects to make hydrogen a mainstay of the energy supply.

In the UK, Uniper owns and operates a flexible generation portfolio of power stations and a fast-cycle gas storage facility. Our Humber H₂ub[®] (Green) project is one of just 27 hydrogen projects shortlisted for the next phase of the UK Government's Hydrogen Allocation Round 2 (HAR2) programme. In Wales, Uniper owns and operates Connah's Quay power station in Flintshire and is exploring the potential development of a new gas-fired power station with carbon capture technology at its Connah's Quay site, the Connah's Quay Low Carbon Power project.

Consultation Response

We have set out below our answers to the consultation questions. Our views in summary:

- To maximise the effectiveness of the Welsh Government's hydrogen policy and attract private investment, overarching principles should closely align with wider UK energy strategy.
- As proposed, the draft criteria would delay projects and impose additional administrative burdens on developers due to unclarity and duplication.
- The draft policy position is likely to deter low carbon investment in Wales as it presents a presumption against CCUS-enabled hydrogen.

Our views in full:

1. Do you agree with the proposed policy position set out in this document? If not, please indicate where you disagree and your reasons for disagreeing.

Uniper supports the principle of the proposed policy position and agrees that hydrogen produced and used in Wales should be genuinely low carbon and subject to the LCHS. However, we cannot fully endorse the current policy due to concerns about clarity, duplication, and misalignment with broader UK energy policy.

The intent behind the proposed requirements is already addressed by the HPBM and existing environmental planning and permitting processes, which set stringent environmental standards. These processes mandate compliance with UK BAT¹ and require various assessments, including Environmental Impact, Social Impact, and Welsh Language Impact Assessments. In parallel, the UK ETS continues to monitor actual emissions from fuel use and applies charges accordingly, incentivising emitters to reduce carbon emissions over time.

Additional administrative and regulatory burdens on developers could lead to increased costs and delays, discouraging investment in hydrogen projects in Wales due to higher perceived risks and uncertainties. To boost investor confidence and drive low carbon investment in Wales, the Welsh Government should adopt a policy that aligns with wider UK energy policy and recognises the system benefits of hydrogen production using CCUS.

To boost investor confidence and drive low-carbon investment in Wales, the Welsh Government should adopt a policy that aligns with wider UK energy policy and recognises the system benefits of hydrogen production using CCUS.

2. Do you think the energy hierarchy within PPW is sufficient to inform planning officials in the development and employment of hydrogen within Wales? If not, do you think it needs to be reflected in further detail within PPW.

No.

In its current form, the energy hierarchy within PPW presents a presumption against low carbon hydrogen produced using fossil fuels. This is inconsistent with the Welsh Government's November 2022 statement, UK-wide energy policy and the CCC's

¹ Defra (2022) [Best Available Techniques](#)

Seventh Carbon Budget², which recognise CCUS-enabled hydrogen as a key contributor to reducing emissions for carbon budgets and achieving net zero by 2050.

In a mature hydrogen market, in which a mix of low carbon hydrogen molecules is traded, end users cannot be encouraged to use fossil fuel-based energy only as a last resort. This approach will fragment and hinder the liquidity of the hydrogen market. To increase investor certainty and stimulate low carbon investment in Wales, it is critical that the overarching principles of UK and Welsh policies are closely aligned.

3. What type of appropriate additional information or guidance would help give effect to this policy, for developers, investors and decision makers?

To give effect to this policy, clear definition of the subjective terminology (e.g. 'inadvertently prolong our dependence on fossil fuels', 'sustainably manufactured' or 'low zero-carbon hydrogen') would be essential, along with clear guidance and a precise description of the evidence required to demonstrate compliance with the policy positions and how to submit it. It is also unclear how the proposed criteria would interact with the current policy framework. However, even with improved clarity and guidance, this policy will increase the administrative burden and create investment barriers for project developers.

4. What type of organisation are you answering on behalf of e.g power generation, large industry user, SME, transport, academic, consultancy, individual? Please provide the name of the organisation, where appropriate.

We are a European energy company with flexible power plants and a gas storage facility in the UK. Uniper a hydrogen pioneer, actively engaged across the entire value chain and advancing projects to establish hydrogen as a core component of the future energy system. Our Humber H₂ub® (Green) project, a proposed low carbon hydrogen production facility at Uniper's Killingholme site, has been shortlisted in the UK Government's Hydrogen Allocation Round 2 (HAR2) programme. This project would include electrolytic (green) hydrogen production capability with an initial capacity of up to 120MW and potential future expansion of a further 200MW+.

In Wales, our proposed Connah's Quay Low Carbon Power project, if consented and developed, would be able to flexibly and reliably generate around 1.1GW of low carbon power to help meet the growing need for electricity, whenever it is required. The project includes plans to develop a new combined-cycle gas turbine (CCGT) power station on Uniper's land at its Connah's Quay site.

5. We would like to know your views on the effects that 'Hydrogen production, storage, transportation and use' would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

A supportive and technology-neutral hydrogen policy could significantly contribute to economic growth in the region by stimulating investment in hydrogen projects. This would provide skilled technical jobs and create new opportunities during construction in both Welsh and English-speaking communities.

² CCC (2025) [The Seventh Carbon Budget](#)

- 6. Please also explain how you believe the proposed policy could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

The Welsh Government's policy position should align with the technology-neutral approach of the UK Government and the CCC and aim to prevent additional administrative burdens being placed on project developers. This alignment would help ensure a level playing field, increase investor certainty, and stimulate low carbon investment in Wales.

- 7. We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

No response.