



Department for
Energy Security
& Net Zero



Department for
Business & Trade

Bill Esterson MP
Chair of the Energy Security and Net Zero Committee
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Sarah Jones MP
Minister of State for Industry
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7th April 2025

Dear Bill,

Publication of the Second Hydrogen Allocation Round Project Shortlist

I am writing to you to inform you that the Department for Energy Security and Net Zero has today published the Second Hydrogen Allocation Round (HAR2) project shortlist.

Low carbon hydrogen is essential to achieving the Government's Clean Energy Superpower and Growth Missions. It will be a crucial enabler of a low carbon and renewables-based energy system and will help to deliver new clean energy industries that can support good jobs in our industrial heartlands and coastal communities.

The Hydrogen Allocation Rounds are the flagship delivery programme for delivering low carbon hydrogen in the UK. Revenue support is delivered through the Hydrogen Production Business Model and aims to overcome the operating cost gap between low carbon hydrogen and high carbon fuels. The Gas Shipper Obligation is intended to be the long-term funding mechanism for hydrogen production projects funded through this Business Model and is currently subject to open consultation.

Building on the success of HAR1, HAR2 was launched in December 2023 with the aim of awarding contracts of up to 875MW, subject to affordability and value for money. The HAR2 application window closed on 19 April with a significant increase in interest since HAR1, both in number and total capacity of projects. We received 87 initial applications, totaling over 2.8GW of potential production capacity, providing a strong signal that the UK's policy and regulatory framework for hydrogen presents an attractive investment opportunity.

A comprehensive internal assessment process has produced a HAR2 project shortlist, and the Government has now invited 27 projects across England, Scotland and Wales to participate in the next stage of the HAR2 process. Please see the table of projects at the end of this letter.

The HAR2 shortlist is a positive sign of the Government's commitment to the hydrogen sector. Shortlisted project developers should continue to develop and further mature their projects, whilst aiming to drive down costs in accordance with the Cost Challenge Document that we

have published which sets out a cost-reduction challenge to projects, underscoring our commitment to driving down hydrogen production costs. A project's inclusion on the shortlist does not guarantee government support; all shortlisted projects will need to pass a rigorous due diligence stage in order to progress to the next stage of the allocation process. Our decisions on which projects will be successful will be based on value for money and affordability. The shortlist does not imply availability of funding for any of the shortlisted projects, but will allow companies across the UK to continue investing in their innovative low carbon hydrogen production projects.

We will continue to assess whether projects are deliverable and represent value-for-money throughout the due diligence process, alongside stakeholders across Government.

Following the due diligence process, we will provide further updates to the committee on the selection of projects to be invited to the next stage of the process.

Project name	Lead developer	Location
Aldbrough Hydrogen Pathfinder	Aldbrough Pathfinder Ltd	North East
Bardon Hill Hydrogen	Hygen Energy Holdings Ltd	East Midlands
Binn Ecopark Hydrogen Facility	Binn Ecopark Hydrogen Ltd	Scotland
Creca Hydrogen Facility	Green Cat Hydrogen	Scotland
Fawley Green Hydrogen	Hynamics Limited UK	South East
Grangemouth Green Hydrogen	RWE Generation UK Plc	Scotland
Green Hydrogen 5	Green Hydrogen 5 Ltd	Wales
Grenian Hydrogen St Helens	Grenian Hydrogen Ltd	North West
Harper Lane Hydrogen	Hygen Energy Holdings Ltd	Greater London
Hartlebury Green Hydrogen	Carlton Power Ltd	West Midlands
Humber H2ub®	Uniper Hydrogen UK	East Midlands
Irvine Green Hydrogen Project	ScottishPower	Scotland
Lhyfe Kemsley	Lhyfe SA	South East
Lhyfe Wallsend	Lhyfe SA	North East
Magor Net Zero	Magor Net Zero Ltd	Wales
Pembroke Green Hydrogen 1	RWE Generation UK Plc	Wales
Selms Muir Hydrogen	European Energy UK Ltd	Scotland
Shetland Hydrogen Project 1	Statkraft Hydrogen UK Holding	Scotland
Singleton Birch Kilns	Centrica Energy Storage Ltd	East Midlands
South Tees Net Zero	South Tees Net Zero Ltd	North East
St Austell Green Hydrogen	Four Zeros Energy	South West
Strathallan Hydrogen Facility	Strathallan Hydrogen Ltd	Scotland

Tees Green Hydrogen Phase 2	EDF Renewables Hydrogen Ltd	North East
Teesside Green Hydrogen	H2 Energy Ecosystem UK	North East
Tyseley 10MW	Motive Fuels Ltd	West Midlands
Walsall Green Hydrogen	Carlton Power Ltd	West Midlands
Whitelee Green Hydrogen Phase 2	ScottishPower	Scotland

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'S. Jones', with a long horizontal flourish extending to the right.

SARAH JONES MP
Minister of State for Industry
Department for Energy Security & Net Zero and
Department for Business and Trade