

## Written evidence submitted by HydraB (IND0022)

HydraB Power Limited, owned by Jo Bamford, is headquartered in the United Kingdom with majority interests in trading companies accelerating the transition to net zero, principally in the production and repowering of low emission buses and in the production, storage and distribution of hydrogen for power.

Our strategy is to grow businesses and create jobs in this specialised industry and take our innovative solutions to the global market.

Examples of our success include:

- Growing Wrightbus from a workforce of 50 when it was acquired by Mr Bamford in late 2019, to now over 2200 and transforming the business into the fastest growing manufacturer in the UK.
  - 95% of the buses made by Wrightbus in 2024 will be zero emission (battery or hydrogen), with an increasing number being exported to Europe, and beyond.
  - Wrightbus sources parts for its buses across 47 counties, generating millions of pounds in revenue for UK businesses.
- Establishing Hygen, a green hydrogen producer, which has secured the biggest project in DESNZ's HAR1 hydrogen subsidy scheme located in Bradford, and has also recently agreed funding support with HSBC to expand green hydrogen production capacity at the Tyseley Energy Park in Birmingham.
- Developing the Hyspeed Project, a green hydrogen megaproject that, at its core, is focused on delivering cheaper hydrogen and scaling-up UK hydrogen technology manufacturers. National Gas, Tarmac, Johnson Matthey and ITM Power are members of the Hyspeed consortium. **By 2030, we estimate the Project can deliver:**
  - **23,500 new skilled jobs**, spread across UK's industrial heartlands
  - **£7bn** of UK investment
  - **1-Mtonne/year** of CO2 emissions reductions

### **Key recommendations**

We agree with the Government's view that "the net zero economy is the economic growth opportunity of the 21st century" and recommend to the ESNZ Select Committee the following policy interventions:

- **Accelerate development of the UK hydrogen market** in order to help domestic companies scale-up and better position themselves to export globally.
- Reform future government funding programmes, such as the Zero Emission Bus Regional Area (ZEBRA) led by DfT and Hydrogen Allocation Rounds (HARs) led by DESNZ, to **place a greater scoring and strategic value on domestic content and manufacturing**.
- **Commit to introducing 10,000 hydrogen buses**, rather than battery buses (where the battery supply chain is dominated by China), onto UK streets over the next five years; this scale of demand will lead to the establishment of UK leadership in all aspects of hydrogen bus and refuelling supply chains – e.g. fuel cells, storage tanks, refuelling stations.

- The Government should also progress its commitment, published in the 2023 Hydrogen Update to Market, to **work with developers of green hydrogen projects with production capacity over 1GW**. Strategic projects of this scale, such as Hyspeed, will:
  - Deliver low-carbon hydrogen at substantially reduced costs for the UK taxpayer.
  - Speed up the delivery of private investment in hydrogen production.
  - Scale-up UK hydrogen technology manufacturers and create thousands of jobs in industrial heartlands.

HydraB would be delighted to provide oral evidence to the Committee. We also invite the ESNZ Committee to visit a HydraB company site, such as the Wrightbus manufacturing factory in Ballymena, Northern Ireland.

### **Responses to inquiry questions**

- *How can UK plc capture its fair share of the economic potential of emerging or less developed energy technologies?*
- *What more can the Government do to encourage greater domestic supply chain investment in the energy industry by 2035, including through the Contracts for Difference scheme?*

This answer covers the two questions above.

Hydrogen is a fast-growing global market, and the UK is well-positioned to be a leading nation across all aspects of the industry – production, transport, usage and technology.

It is commonly agreed that the UK failed to maximise the economic and job creation opportunities of battery and wind technology, and we are now reliant on importing technology from overseas.

**Hydrogen must be accepted across Westminster (Government and Parliament) as the ‘next big’ clean energy technology that the UK has a strategic advantage in.**

The Hydrogen Innovation Initiative states that the global hydrogen technology market could be worth \$1 trillion annually by 2050 and argues that the UK should target a 10% share of this market, delivering an annual revenue of £46 billion by 2050.

Key to growing our global market share to this scale is having a strong, fast-moving hydrogen economy at home. This is why the ESNZ committee should **recommend the Government accelerate development of the UK hydrogen market**, such as by:

- **Progressing the second Hydrogen Allocation Round, and opening the third Hydrogen Allocation Round, by the end of Q2 2025** – in order to stimulate investment in green hydrogen production projects. This would also provide certainty in terms of price and supply to OEMs and end-users, supporting further market growth and investment.
- **Allowing hydrogen blending into the gas network as an eligible offtaker in Hydrogen Allocation Round projects (a DESNZ policy area) and enable 24 hour temporal power matching under the Renewable Transport Fuel Obligation (a DfT policy area)** – in order to provide more flexibility in the market, and help more projects to reach FID quicker.
- **Enabling the use of hydrogen combustion engines in construction vehicles, as well as buses, trucks and coaches** – as this technology is ready for mass deployment, is 99.9% zero emission, and will provide high-levels of demand for hydrogen. The UK also manufacturers

2.5m engines a year, with the majority export, meaning hydrogen engines provide a critical opportunity to transition a workforce to clean technology, and grow export potential.

- **Stronger policy alignment between government departments, particularly in energy and transport** – in order to reduce administrative friction and uncertainty. Energy and transport are more reliant than ever on the same production sources, and competing or mismatched policy requirements can impact on business cases and investment decisions: particularly for hydrogen and derivatives such as Sustainable Aviation Fuel (SAF).
- *Does the UK have the supply chain capacity to deliver the required energy infrastructure by 2035, including an expanded electricity network?*

The UK already has a strong hydrogen technology supply chain, evidenced by the Hydrogen Innovation Initiative and its report. For example, **a Wrightbus hydrogen double decker uses parts from 47 UK companies – meaning there is a strategic value in Government backing hydrogen buses due to the jobs created across the supply chain.**

Government policy certainty will enable these hydrogen technology supply chains to make long-term decisions on employment and skills, whilst also scaling-up manufacturing lines, bringing down costs and helping to set up these UK companies to export across the world.

*February 2025*