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Award

## Lined Rock Caverns

Wales & West Utilities Limited

UK5: Transparency notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2025/S 000-086493

Procurement identifier (OCID): ocds-h6vhtk-05fe56

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## Scope

## Reference

WWU1542

## Description

Overview

The UK has an extensive network for the Transmission and Distribution of natural gas, delivering around 600TWh of gaseous fuel to Domestic, Commercial, and Industrial consumers, and almost 300TWh to generate power. In energy terms, the UK uses around three times more gas than electricity. Around 85% of households use gas as their primary source of heating.

The UK has challenging and legally binding targets to reach Net Zero by 2050. In response to this the UK Government issued "The Ten Point Plan for a Green Industrial Revolution" at the end of 2020 to demonstrate its commitment to tackling greenhouse gas emissions. This set the UK's ambition to be amongst the leading countries investigating the use of hydrogen for industry and heating. This was followed by a dedicated Hydrogen Strategy in 2021 which set firm commitments around low carbon hydrogen production and

trials.

Wales & West Utilities is undertaking a major programme of change to support decarbonisation and deliver a Net Zero gas network.

### General Description of the Works (Project Summary)

This project forms Phase 2 of an ongoing programme of works exploring the potential application of a novel lined rock cavern (LRC) hydrogen storage concept within WWU's network. Building on Phase 1 work, the project will provide early-stage, exploratory support to further understanding on the concept and to test its potential suitability within the network context. The work is developmental in nature and is intended to inform internal strategic understanding, rather than to progress delivery, implementation or commercial deployment.

The scope requires the integration of specialist technical and regulatory expertise under the direction of a single consultant, with continuity of knowledge from previous phases being critical. Activities are focused on refining assumptions, and improving understanding of key constraints and uncertainties associated with the concept.

The project is not intended to deliver investment-ready outputs, detailed design, or commercially deployable solutions. Any investigative activities are very limited in scale and undertaken solely to support early-stage concept testing and development.

### Scope of Contractors Work

The Supplier will deliver Phase 2 of an ongoing programme of early-stage development work relating to a novel lined rock cavern hydrogen storage concept.

The Supplier will provide technical and strategic support, drawing on specialist expertise where required, to further understanding of the concept and to test its potential suitability within WWU's network area.

In particular, the supplier will:

- Develop and refine regional subsurface understanding within previously identified areas of interest, using existing information and specialist interpretation of results
- Support progressive narrowing of potential locations to inform conceptual understanding of where the lined rock cavern concept may be technically applicable
- Provide high-level advisory input on surface, planning, and permitting context relevant to early-stage concept development

- Test and refine key technical assumptions of the lined rock cavern concept through specialist analysis and interpretation
- Undertake limited and targeted investigative activities, where necessary, solely to support early stage understanding of subsurface conditions in relation to the concept
- Provide qualitative consideration of commercial and strategic factors relevant to the early-stage development of the concept
- Integrate and synthesise specialist inputs into internal-facing briefing materials and reports

All services will be delivered to support early-stage design and development, and to test suitability of the concept, rather than to progress delivery, implementation, or commercial deployment.

Anticipated Total Cost of the Contract is £600,000.

Contract Term is two (2) years.

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## **Contract 1**

### **Supplier**

- Environmental Resources Management Limited

### **Contract value**

- £600,000 excluding VAT
- £720,000 including VAT

Above the relevant threshold

### **Earliest date the contract will be signed**

26 February 2026

### **Contract dates (estimated)**

- 26 February 2026 to 25 February 2028
- 2 years

### **Main procurement category**

Services

### **CPV classifications**

- 71313000 - Environmental engineering consultancy services

### **Contract locations**

- UKK - South West (England)
- UKL - Wales

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### **Other information**

### **Conflicts assessment prepared/revised**

Yes

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## **Procedure**

### **Procedure type**

Direct award

### **Special regime**

Utilities

### **Direct award justification**

Prototypes and development

Other research, experiment, study or development.

Building on Phase 1 work, the project will provide early-stage, exploratory support to further our understanding of the lined rock caverns concept and to test its potential suitability within the network context. The work is developmental in nature and is intended to inform internal strategic understanding, rather than to progress delivery, implementation or commercial deployment.

The scope requires the integration of specialist technical and regulatory expertise under the direction of ERM, with continuity of knowledge from previous phases being critical. Activities are focused on refining assumptions, and improving understanding of key constraints and uncertainties associated with the concept.

The project is not intended to deliver investment-ready outputs, detailed design, or commercially deployable solutions. Any investigative activities are very limited in scale and undertaken solely to support early-stage concept testing and development.

Environment Resource Management Ltd is the only supplier can deliver the complete

range of specialist work required for this project, and this includes but is not limited to:

- Taking energy innovation from low Technology Readiness Level (TRL) to high TRL, including scale-up strategies and demonstration.
  - Comprehensive contractor safety management across all lifecycle stages (qualification, induction, execution, close out) and leadership engagement for safety culture.
  - Subsurface clearance procedures, including critical zones, excavation buffers, and authorisation protocols before ground disturbance.
  - Permit-to-work systems, daily site access controls, health & safety plans, RAMS and method statement requirements.
  - Tender documentation standards, including warranties, commissioning consultant lists, parking arrangements, and waste/recycling plans.
  - Underground civil engineering methods (bolting, shotcrete, concrete reinforcement), drilling, venting, and dewatering techniques.
  - Multidisciplinary engineering for injection and storage projects, including reservoir modelling, geophysical evaluation, drilling/completion programs.
  - EPC/EPCM roles, contracting strategies, procurement processes, and construction controls for time, cost, and performance.
  - Project lifecycle management from feasibility through commissioning, start-up, and operations, including O&M procedure development.
  - Commercial governance requirements, subcontractor qualification, and integration of safe practices into supplier management decisions.
  - Sustainability and inclusive design guidelines for new projects, including environmental performance and accessibility standards.
  - Monitoring systems, closure management, and long-term environmental protection measures for subsurface projects.
  - Regulatory compliance strategies and HSE protocols for energy storage facilities.
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## Supplier

### **Environmental Resources Management Limited**

- Companies House: 1014622
- Public Procurement Organisation Number: PGDZ-8278-DQXN

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London

EC3A 8AA

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Website: <http://www.erm.com>

Region: UKI31 - Camden and City of London

Small or medium-sized enterprise (SME): No

Voluntary, community or social enterprise (VCSE): No

Contract 1

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## **Contracting authority**

**Wales & West Utilities Limited**

- Companies House: 05046791
- Public Procurement Organisation Number: PMVL-3238-DQDX

Wales & West House

Newport

NP10 8FZ

United Kingdom

Contact name: Peter Tune

Email: [wwuprocurement@wwutilities.co.uk](mailto:wwuprocurement@wwutilities.co.uk)

Website: <https://www.wwutilities.co.uk/>

Region: UKL21 - Monmouthshire and Newport

Organisation type: Private utility