



Triple Point
HEAT NETWORKS
INVESTMENT MANAGEMENT

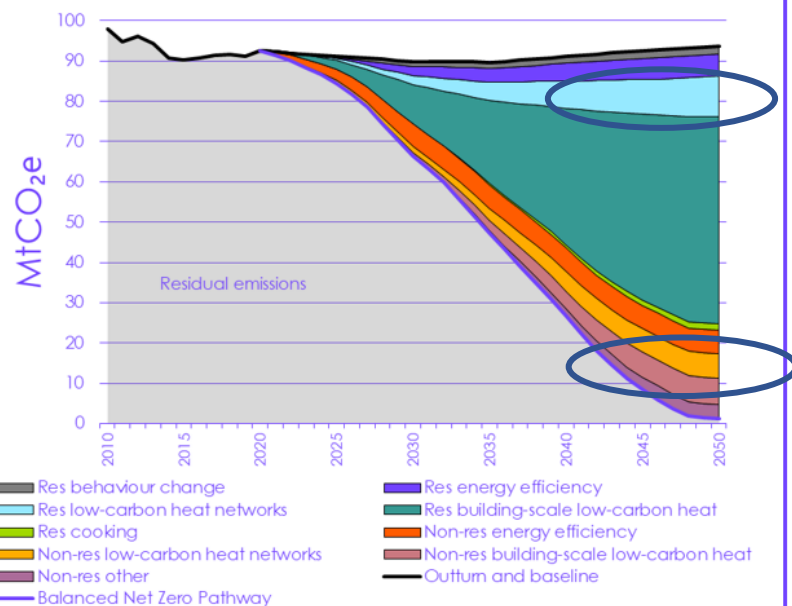
Funding support for heat networks

Dr Andrew Cripps

- Context and BEIS programmes for DH
- GHNf
- Other support

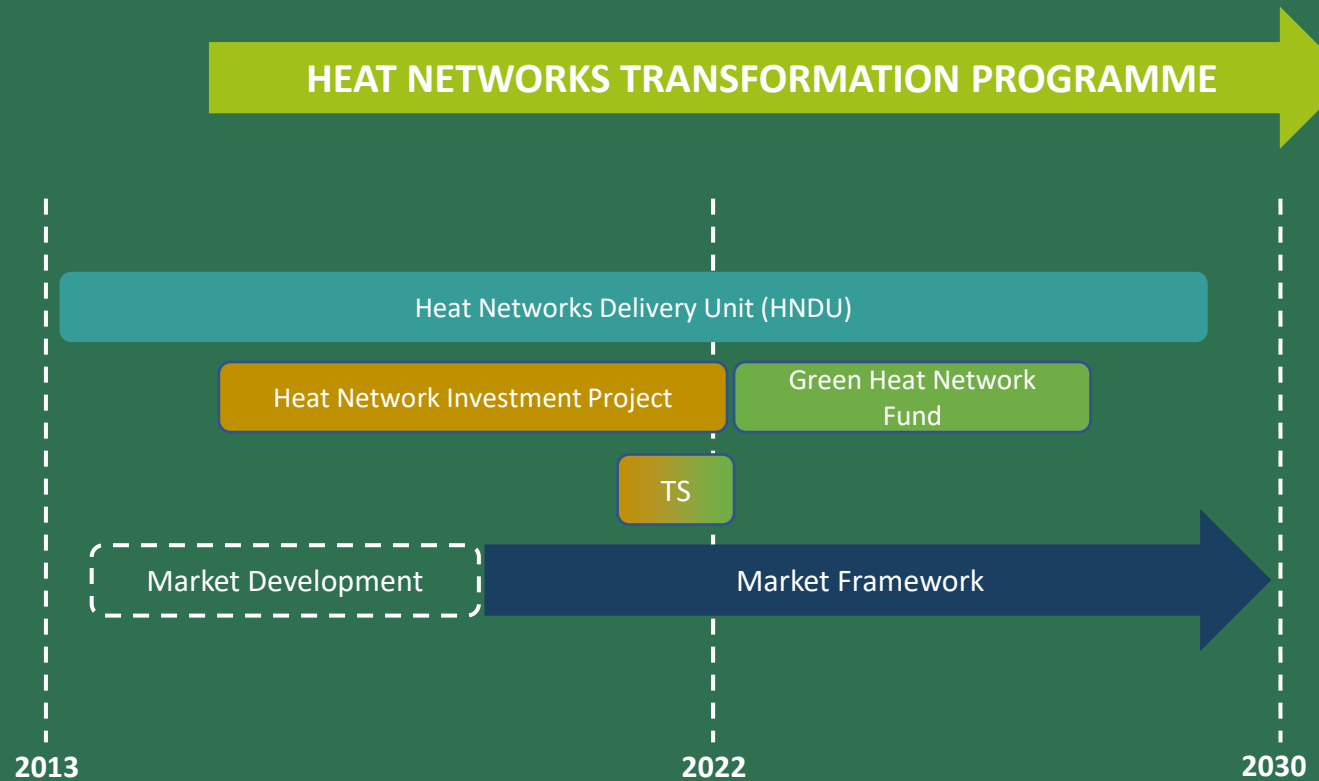
- UK zero carbon plan needs lots of heat networks by 2050
- Pathways show range 15-20% of all heat
- Potential investment ~ £60 Billion

Figure 3.2.a Sources of abatement in the Balanced Net Zero Pathway for buildings



Source: BEIS (2020) Provisional UK greenhouse gas statistics 2019; Element Energy for the CCC (2020) Development of trajectories for residential heat decarbonisation to inform the sixth carbon budget; CCC analysis.
Notes: Residential low-carbon heat includes some efficiency associated with new homes. Non-residential energy efficiency also includes some behavioural measures. Non-residential other includes catering and other non-heat fossil fuel uses.

- HNDU supports early stages of project development
- GHNF three-year programme to 2025
- Market Framework includes Regulation and Zoning



- Heat Network Development Unit
- Provided ~£30 million support to many Councils for feasibility studies and project development
- Now supporting other public bodies too

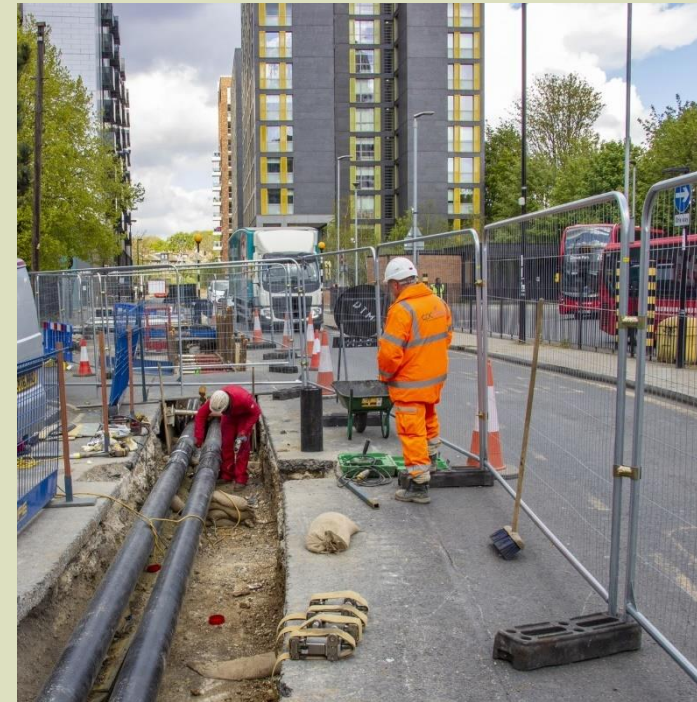
From Round 12, HNDU will further expand the organisations it supports to additionally fund:

- registered social landlords
- NHS Trusts
- universities
- other government departments
- property developers

<https://www.gov.uk/guidance/heat-networks-delivery-unit>

- Heat Network Efficiency Scheme
- To help improve performance of existing networks
- Focus on controls, pumping, temperatures
- A good thing in itself
- Can help prepare for GHNF
- Announcements ‘soon’, funding from April 2023

- Green Heat Network Fund
- Providing capital grant funding to eligible heat network projects
- New and Existing networks
- Commercialisation and construction
- England only
- The scheme is open to public, private and third sector organisations





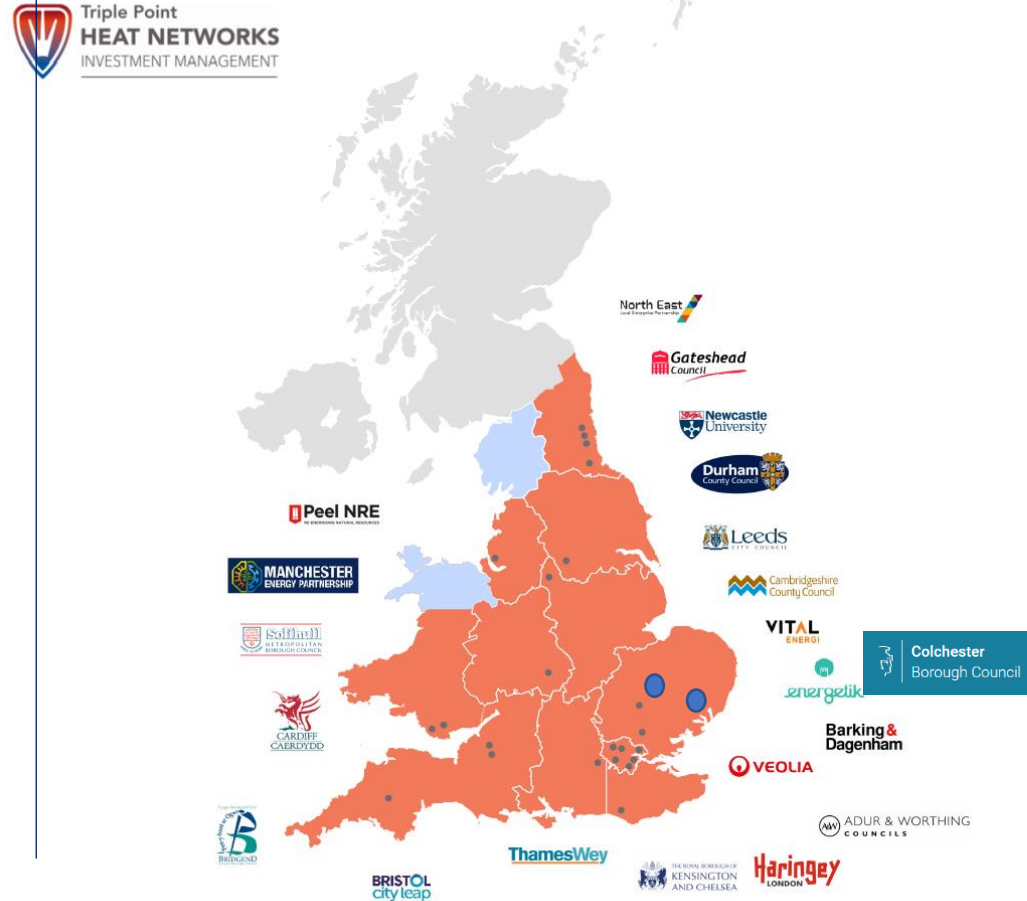
Strong Foundations to Build On

A Blend of Complementary Specialisms

Triple Point Heat Networks Investment Management - through the GHNF - will not only seek to decarbonise heat networks, but also build on the progress made by the HNIP in developing a resilient market.

- The aim of HNIP was to create the conditions for a self-sustaining heat network market
- The sector has continued to move forward despite major barriers including Covid and Brexit
- HNIP was launched prior to the UK's commitment to net zero.
- GHNF responds to the change in political imperative and the ambition to decarbonise is even greater

Some of the schemes that have been awarded funding





Annual heat delivered
735GWh



Network trench length
150km



85,000 Homes to be
connected



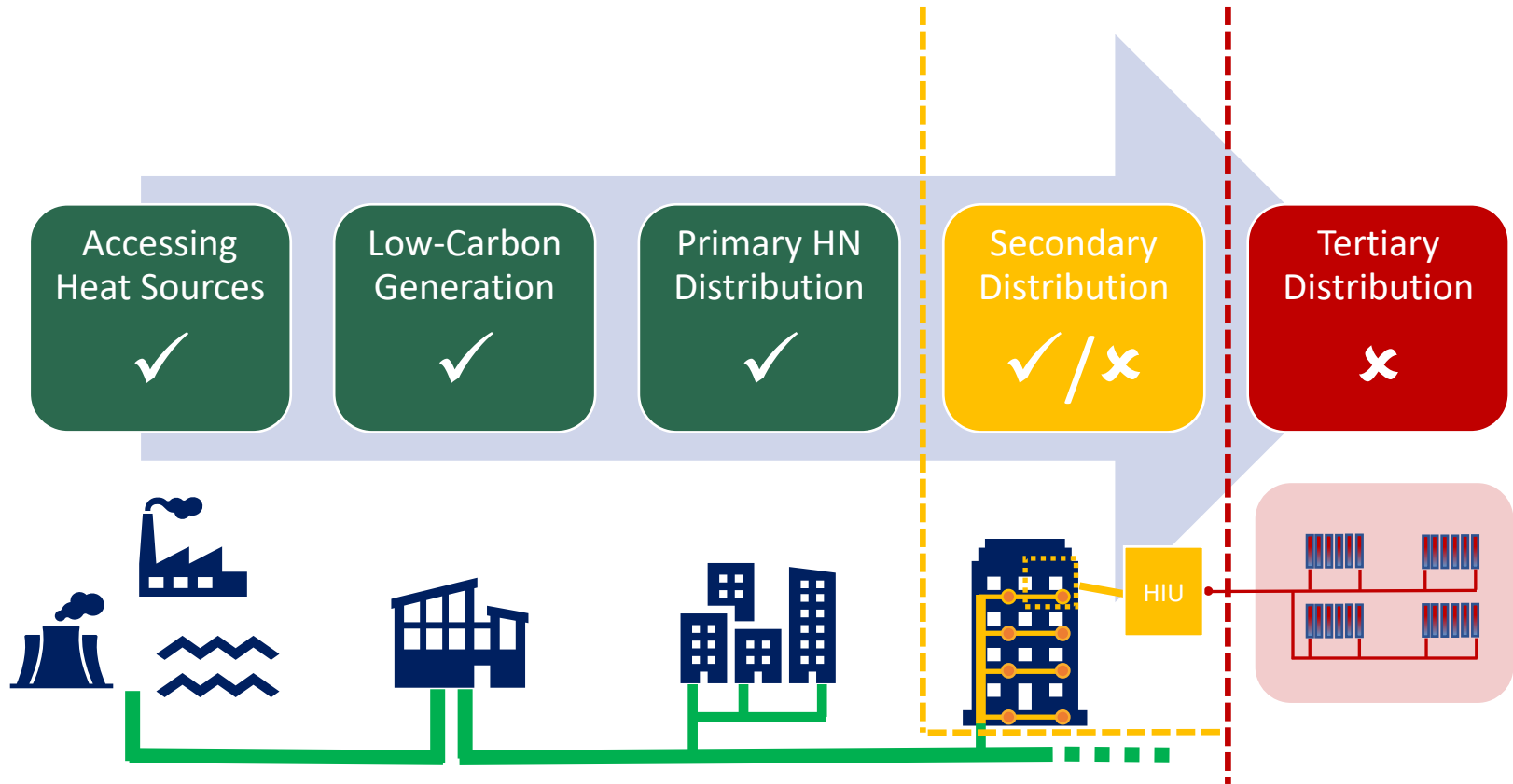
Total CAPEX of active projects
£877m



Total offers made to the value
of
£303m



More than **80,000**
tonnes carbon saved per
year

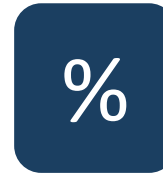


Activities such as:

- Final contract negotiation for Energy Supply Agreements
- Legal, technical, commercial and financial support during the procurement process
- Planning and licencing requirements
- Agreeing utility connections
- Environmental Impact Assessments
- Geological surveys and exploratory investigations
- Etc.



Capped Award
Up to **£1m** for
commercialisation



Maximum CAPEX
Up to, but not including, **50%** of
CAPEX + Commercialisation
costs

- Applicants are able to self-assess their project against **four** initial pass/fail gated metrics
- Simplified and more transparent application process



Carbon Intensity

100gCO₂e/kWh thermal energy delivered



Customer Detriment

Protecting domestic and micro-business end users



Social IRR

3.5% or greater over 40-year period



Minimum Thermal Demand

2GWh/year (100 dwellings if rural)

- All of the metrics are calculated and appraised within the application form itself once the applicant has entered all required inputs



Capped Award

4.5 pence/kWh of grant per kWh delivered over 15 years*



Maximum Award

Up to, but not including, 50% of CAPEX + Commercialisation costs

*Subject to review

Award Range (pp/kWh)	
<1.5	Projects are likely to be among the highest scoring applications in any given round and are most likely to be funded
1.5-3.5	Projects that are typical of the core range of support levels expected
3.5-4.5	Projects with significant financial challenges to overcome and which are less likely to be funded.
>4.5	Not eligible



Applicants must commit to the GHN Market Transformation Commitments

Projects commitments will enable growth within the supply chain, help to address the heat network sector skills gap and allow the sector to share in learnings and innovation across a portfolio of projects

Infrastructure

Fair and open procurements

Engaging local communities and supply chains

Adding to a reliable and resilient energy system

Skills

Identify opportunities to address the sector skills gap

Fair and open recruitment

Stimulating new jobs in the UK and training opportunities

Innovation

Identify ways for projects to enable investments in research and development

Sharing of learnings and innovations with the wider market



Triple Point
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INVESTMENT MANAGEMENT



Round 11
November 2024

11

Round 10
August 2024

10

Round 9
May 2024

9

Round 8
February 2024

8

Round 7
November 2023

7

Round 6
August 2023

6

Round 5
May 2023

5

Round 4
February 2023

4

Round 3
November 2022

3

- Read the Application Guidance
- Engage with Relationship Managers early. Email enquiries@tp-heatnetworks.org to request a call
- Attend our events and Webinars



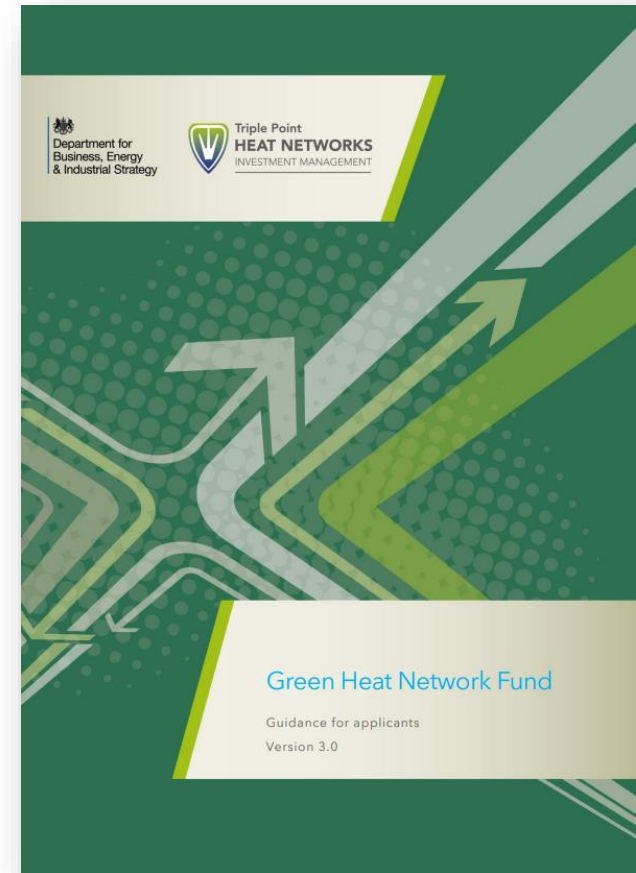
Lauren Bright



Amy Fry



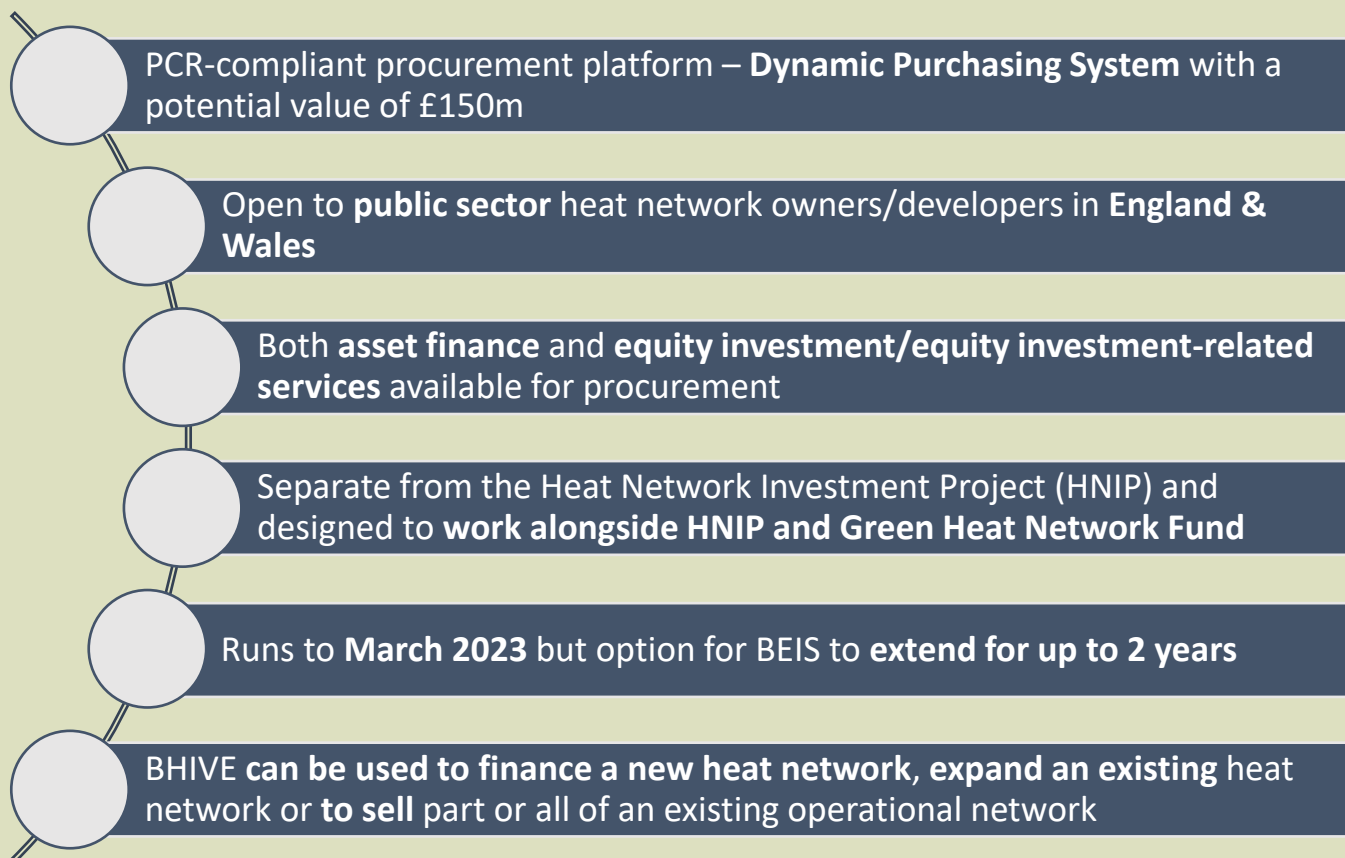
Libby Carr



- PSDS
- BHIVE
- UKIB

Its acronyms everywhere

- Public Sector Decarbonisation Scheme
- Run by Salix for BEIS
- Can fund ‘any’ measure that meets cost of carbon
- Could be good for heat networks
 - Spend allowed to prepare buildings to connect
- Could be bad for heat networks
 - Spend allowed to install heat pumps in a potential anchor load



- UK Infrastructure Bank
- Seeking to invest in a range of infrastructure projects
- Low cost loans
- Local authority applications to GSNF can request this alongside Grant



**UK INFRASTRUCTURE
BANK**



Our team are available to you now through all existing channels and at:

enquiries@tp-heatnetworks.org



www.tp-heatnetworks.org



Guidance and fund materials can be downloaded from gov.uk website

<https://www.gov.uk/government/publications/green-heat-network-fund-ghnf>