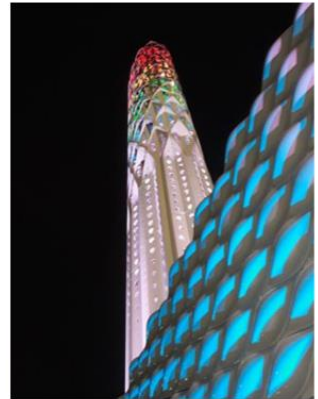


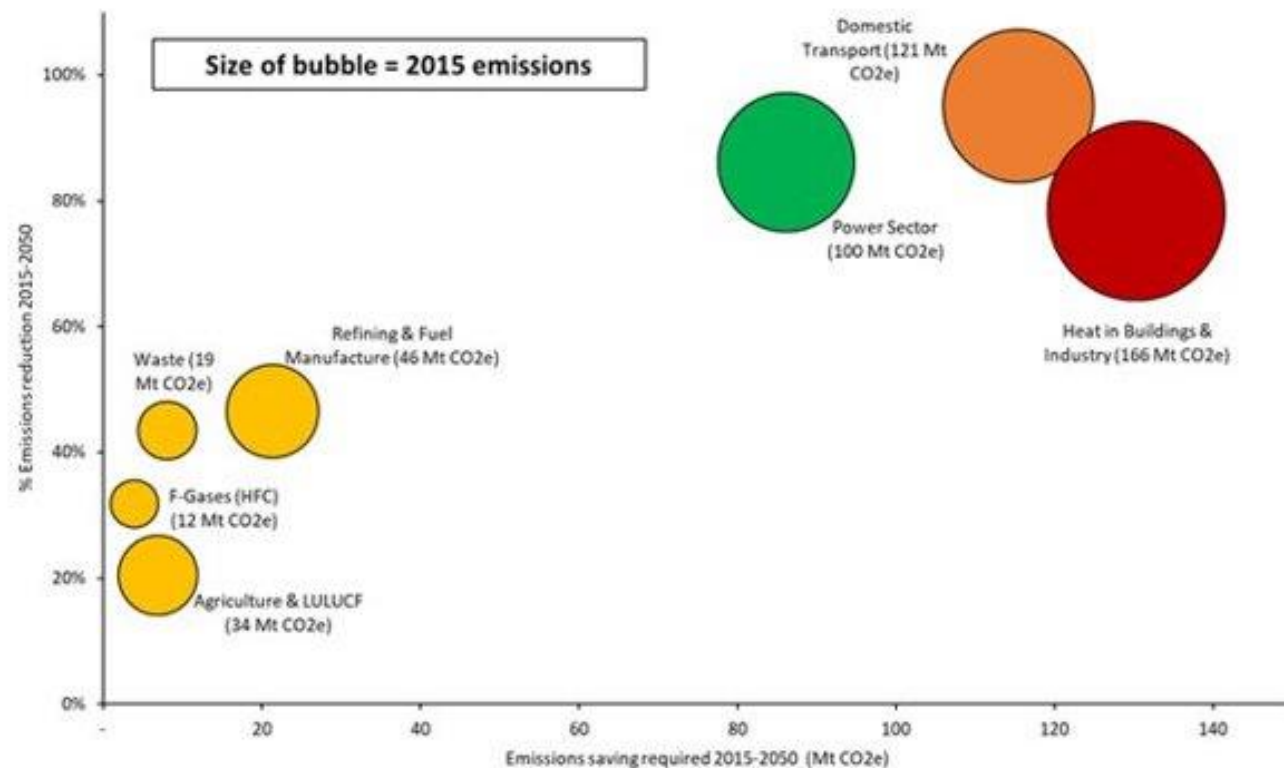
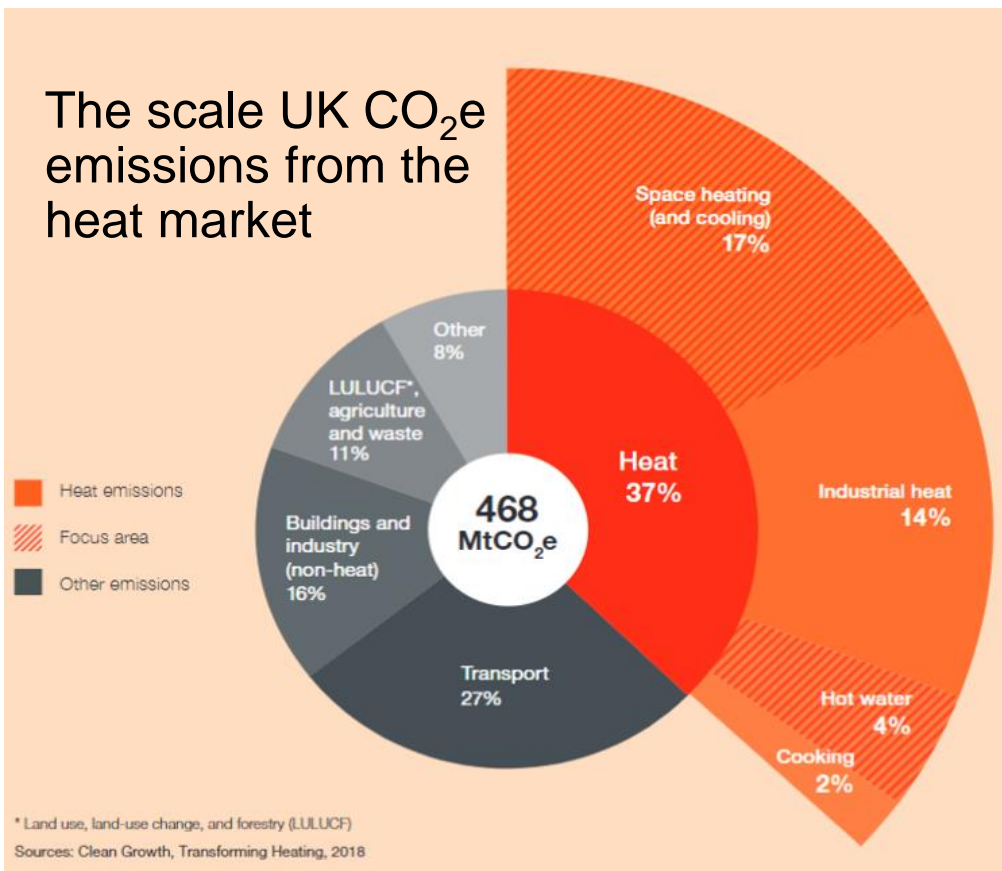
# Heat Networks

Cantor Mocke, Head of Heat Networks Market Growth  
Tharina Conradie, Heat Networks Delivery Unit  
BEIS

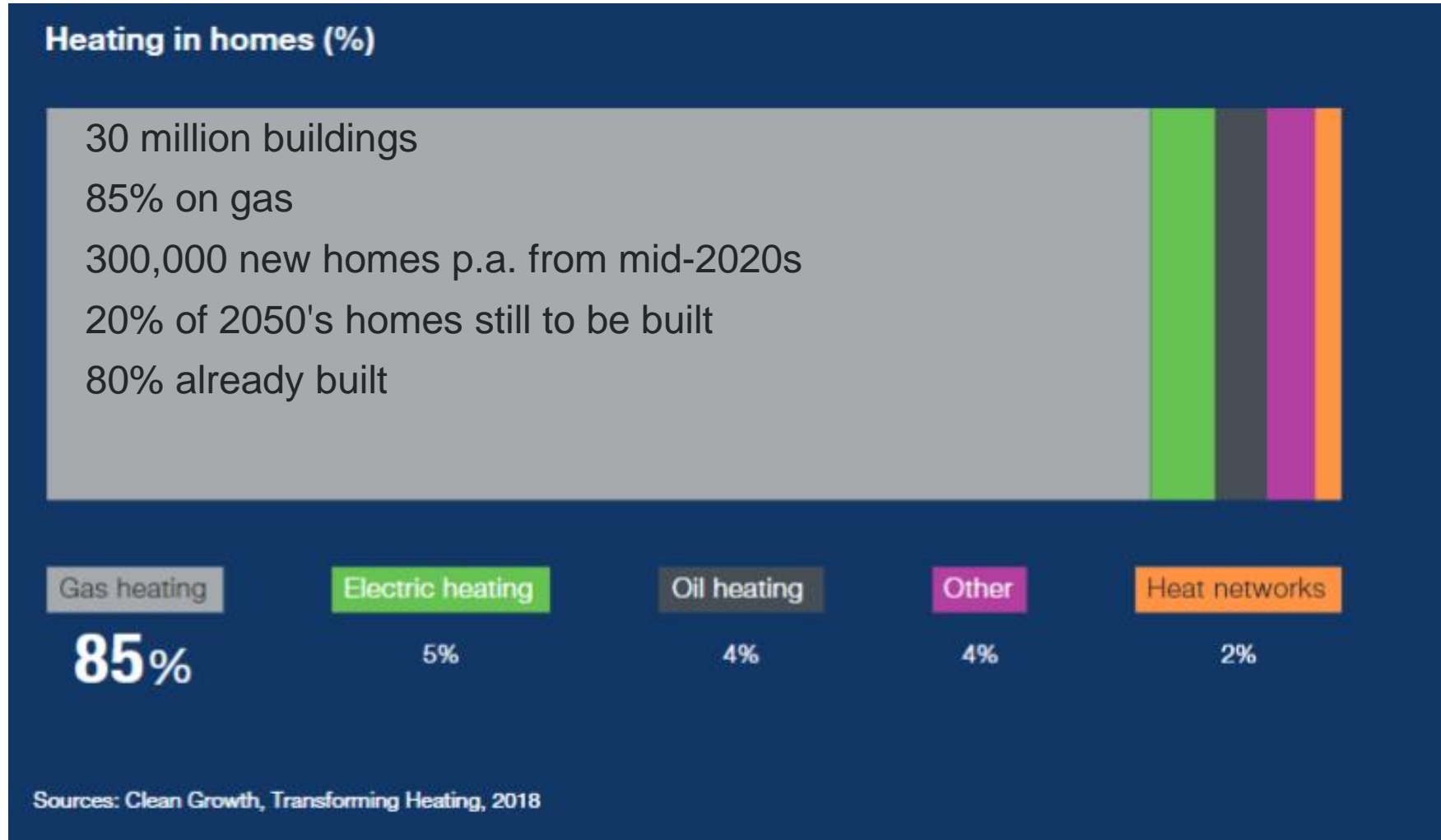


# Heat - the bigger picture

The scale UK CO<sub>2</sub>e emissions from the heat market



# Heat - the bigger picture



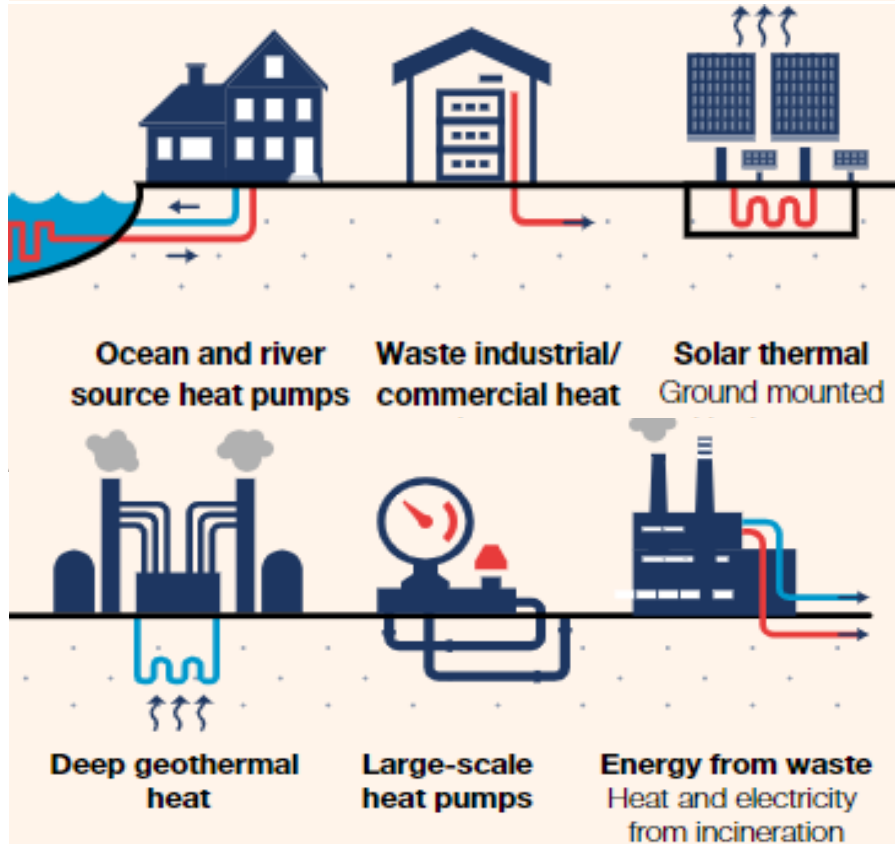
# Our Choices – a transport analogy





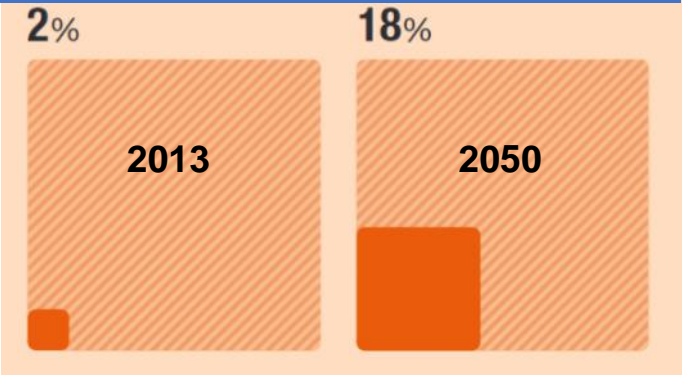
# Why heat networks?

Taking advantage of natural and waste heat sources that individual solutions can not.



## The role for Heat Networks

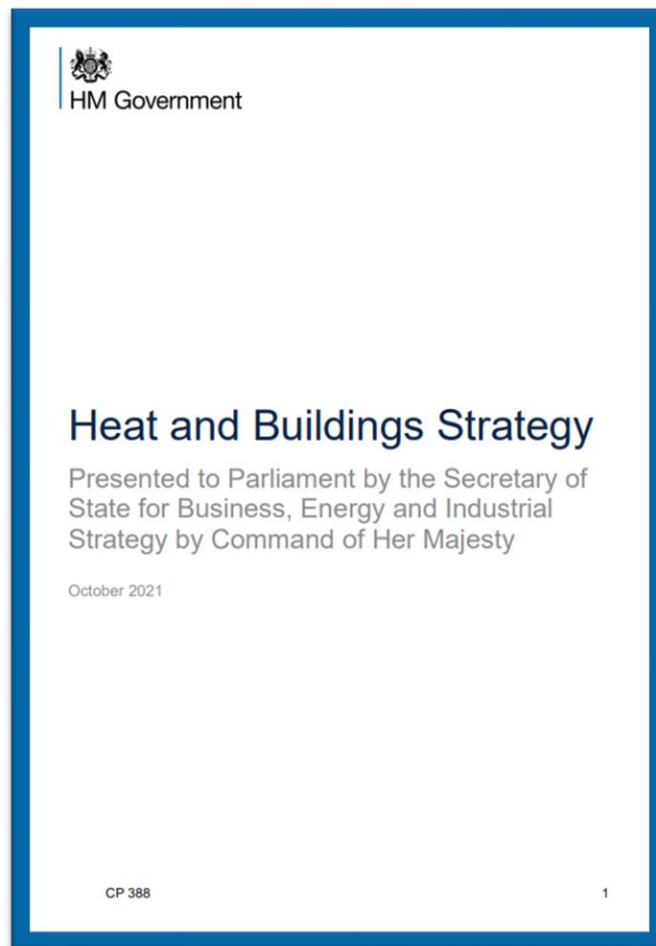
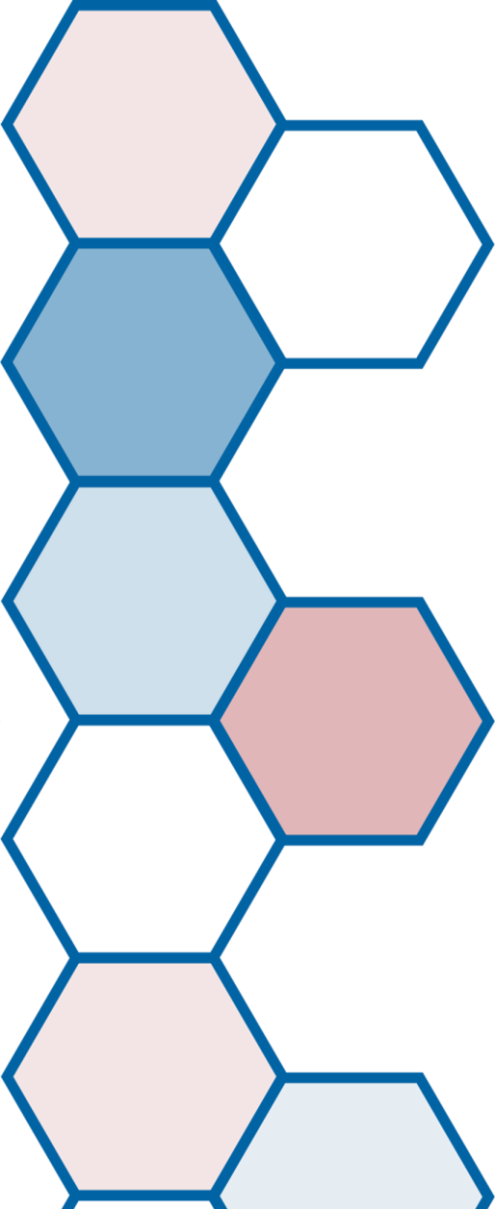
- Enabling lower costs for heat network customers
  - Accessing cheaper heat sources
  - Enabling a whole building energy approach
- Providing system benefits and lower costs for all consumers
- Adaptable to different future energy pathways
- Decarbonisation at scale



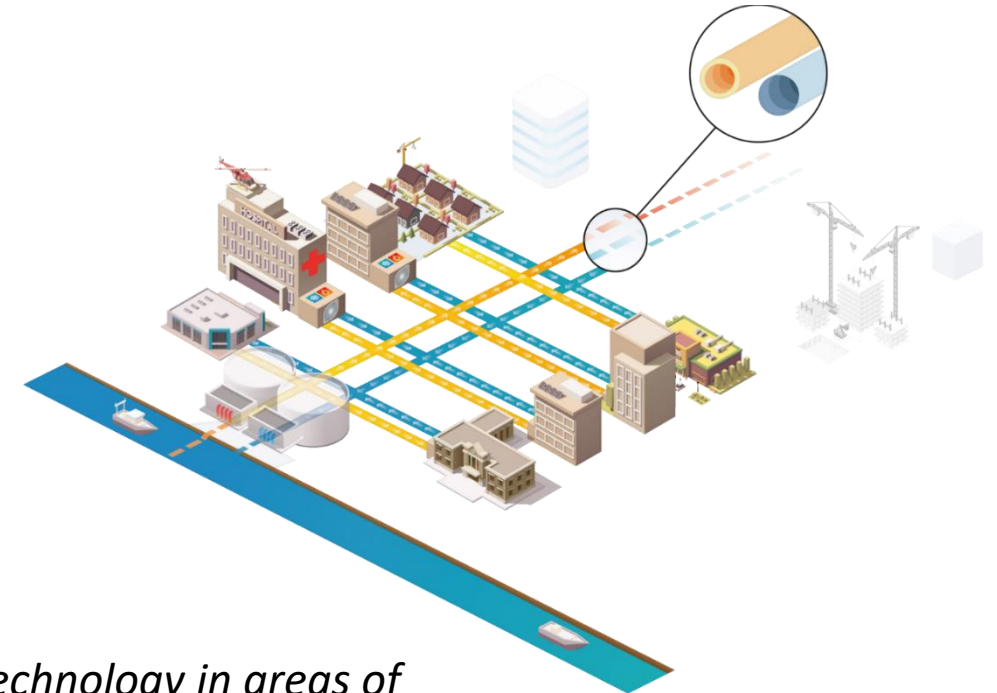
## Potential investment



£60-£80 billion investment opportunity to 2050.



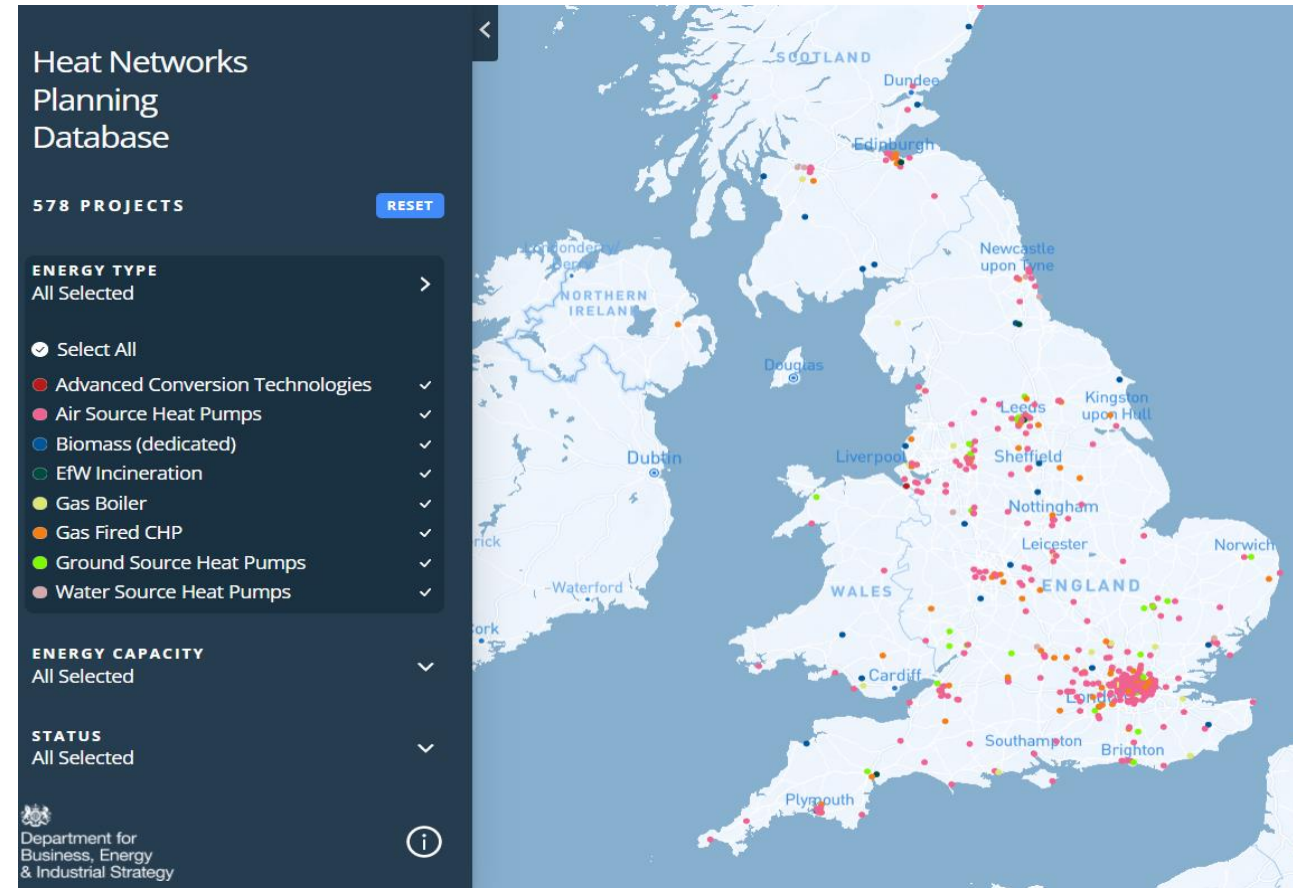
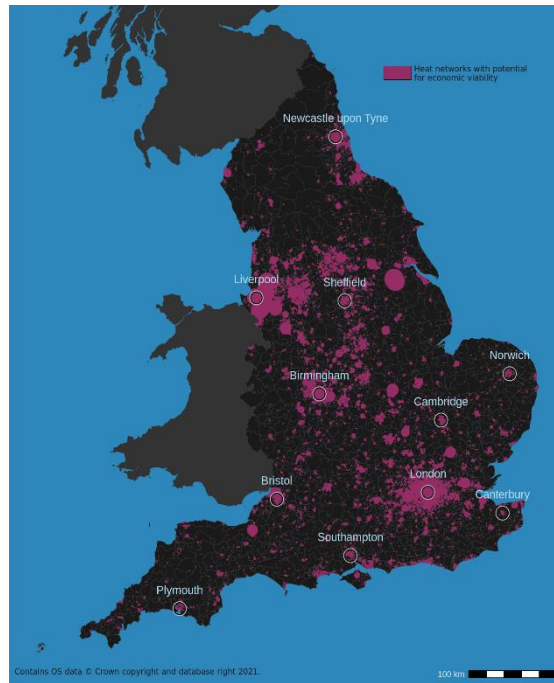
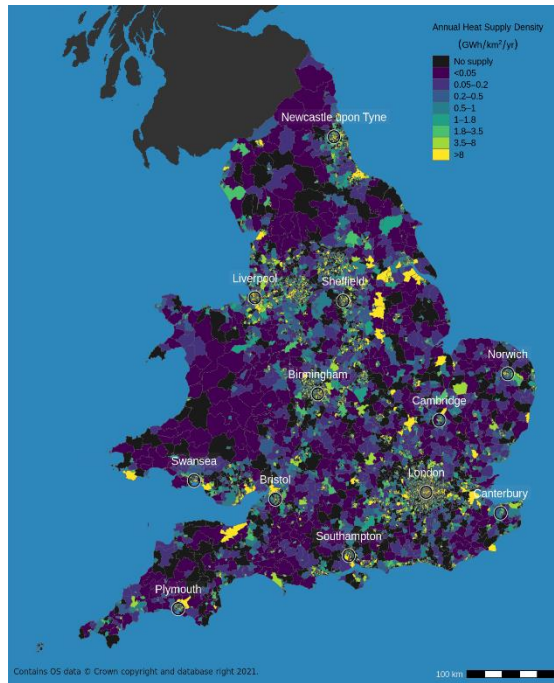
*“Heat Networks are proven scalable options for decarbonising heat and will play substantial roles in any Net Zero scenario, so we need to build the market for them now.”*



*“Heat networks will be a key technology in areas of high-density heat demand and where there are large low carbon heat sources.”*

# The Heat Networks Opportunity

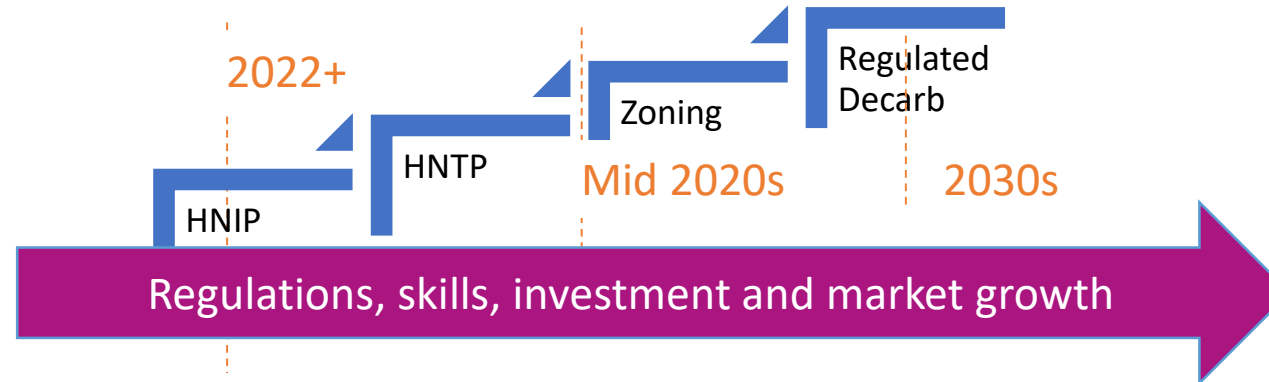
## Shaping your decarbonisation strategies



# Heat Network Transformation Programme 2022 - 2025

**Current situation:** supplies around 2-3% of the UK's heat supply.

**Future situation:** 18% share as part of a lowest cost pathway.

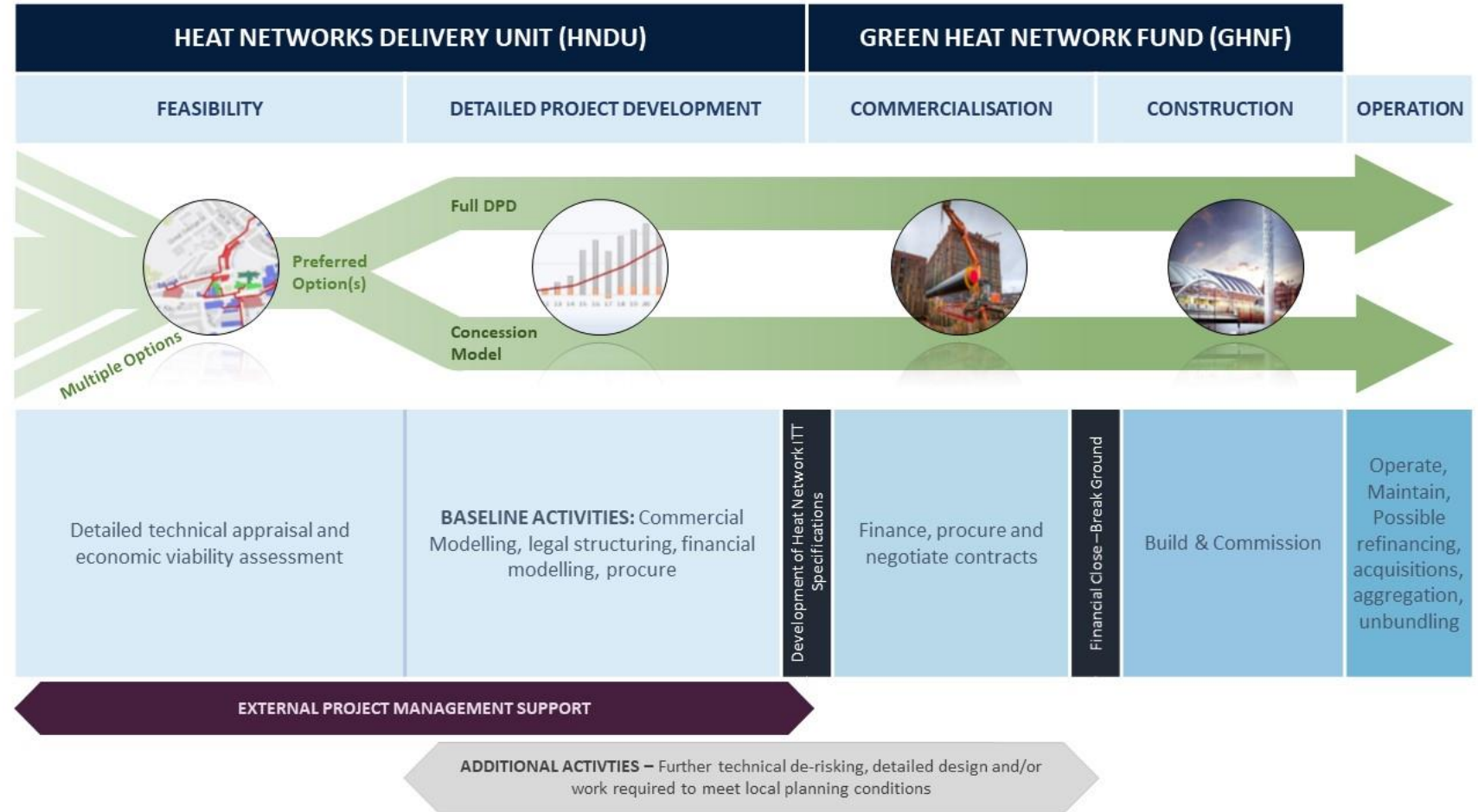


- increase volumes of low carbon heat - Green Heat Network Fund
- Improve performance of existing systems – Heat Networks Efficiency Scheme
- Implement Regulatory framework for the Heat Network Market
  - Ofgem as regulator
  - Minimum standards
- Put in place Heat Network Zoning – direct activity & reduce risk
- Investment and jobs growth in the heat network manufacturing and technology



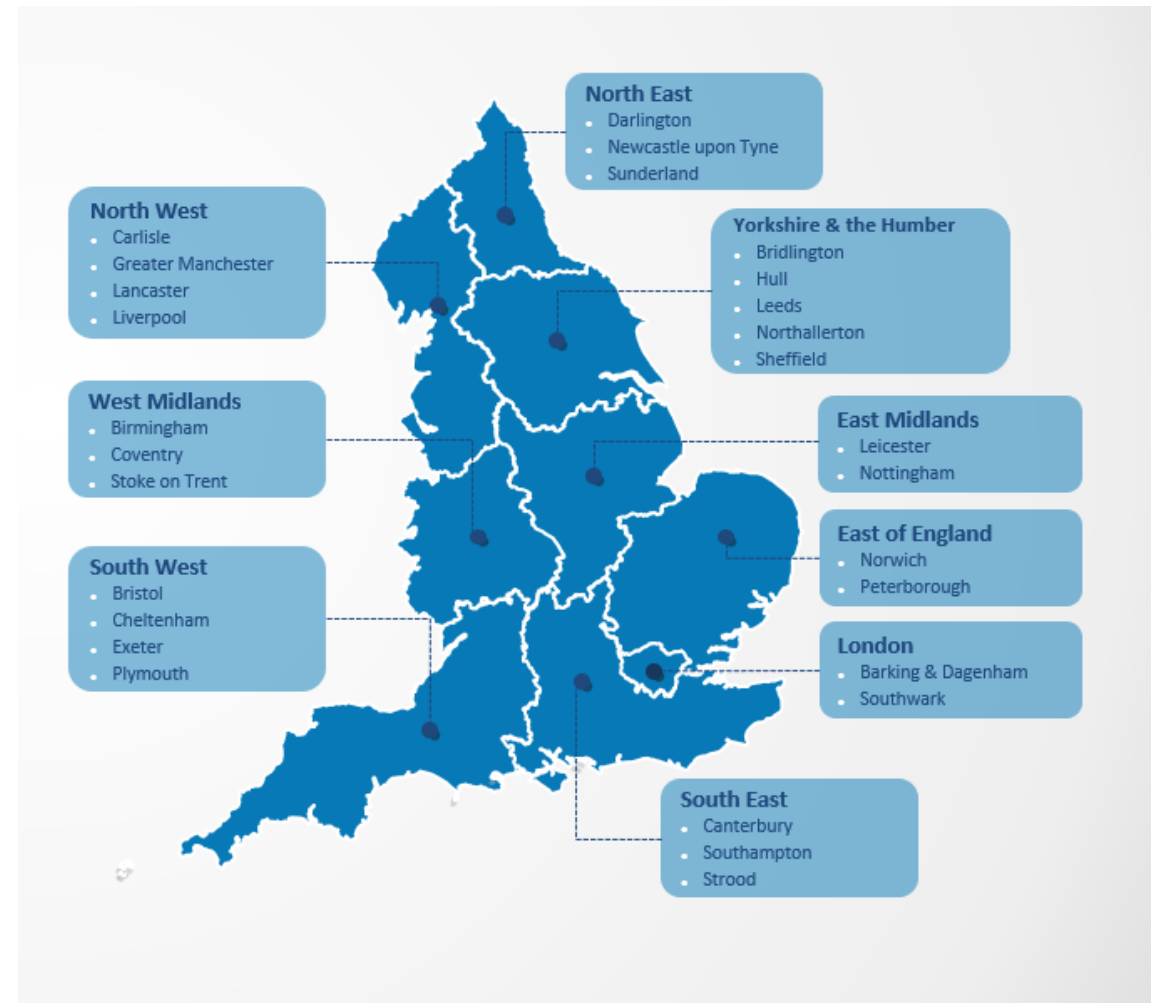
# Heat Networks Delivery Unit – Support Stages

- Completed **11 Rounds** of funding since 2013
- Supported over **280 schemes**
- Over **£25mil** of grant funding
- Round 12 soon to be launched, continuing in supporting schemes through the HNDU stages
- Providing access to **investment** pathways via BHIVE



# Heat Network Zoning Pilot Programme

- Commitment in **Energy White Paper**
- Following the **Heat Networking Zoning Consultation** in October 2021
- Rolled out across 28 cities and towns across England
- Working with local government, industry and local stakeholders
- Developing and testing the **methodology** to be used for identifying heat network zones



# Heat Network Zoning Pilot Programme

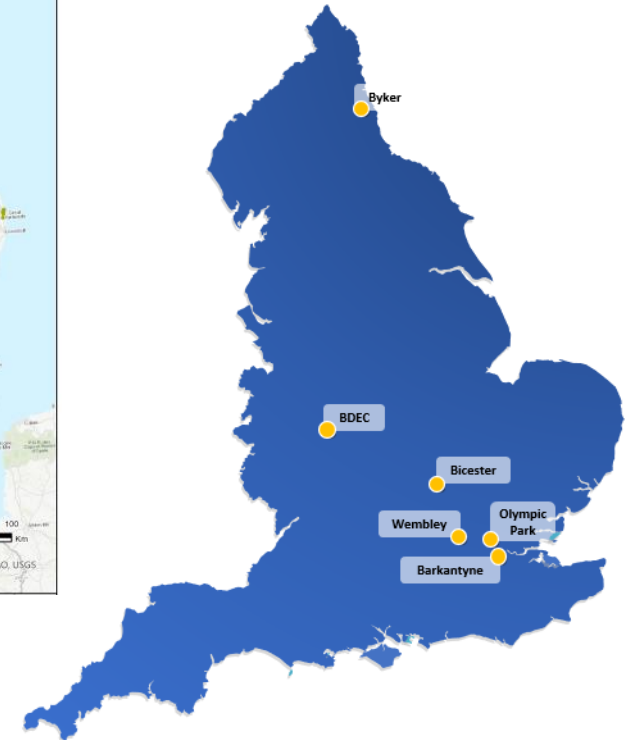
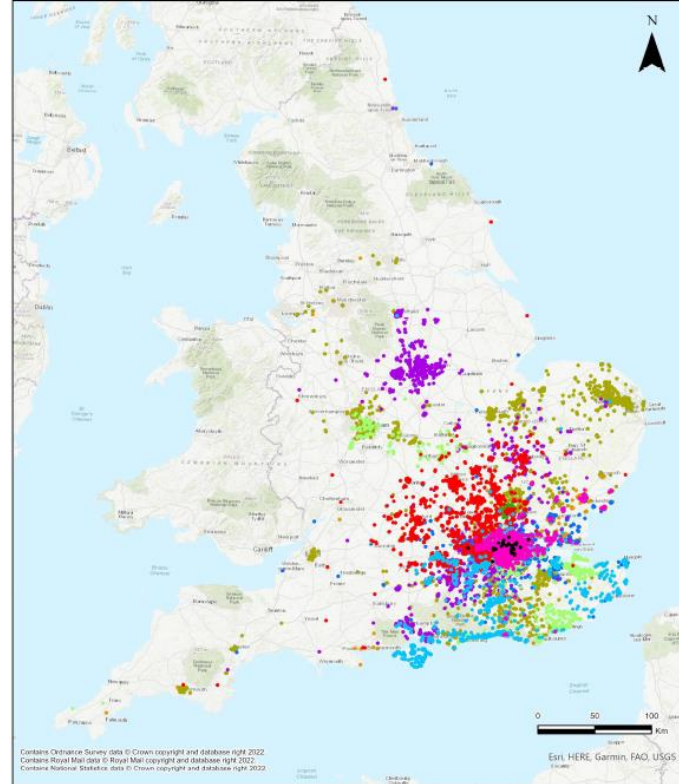
BEIS has committed to introduce zoning by no later than 2025. Current estimate is that zoning will be implemented in 2023/24 subject to parliamentary time



Outputs from pilot study used to inform both policy development and implementation methodology

# Heat Networks Delivery Unit – Non LA Sponsors

- **G15 Housing Associations Mapping Study**
- **Greening Existing Networks**
  - Olympic Park
  - Byker
  - Barkentine
  - Wembley
  - Bicester
  - Birmingham





# GHNF Objectives

## GHNF Project Vision

*“To incentivise heat network market transition to low carbon heat sources via targeted financial support, that will help stimulate the increased deployment of low carbon technologies at scale”.*

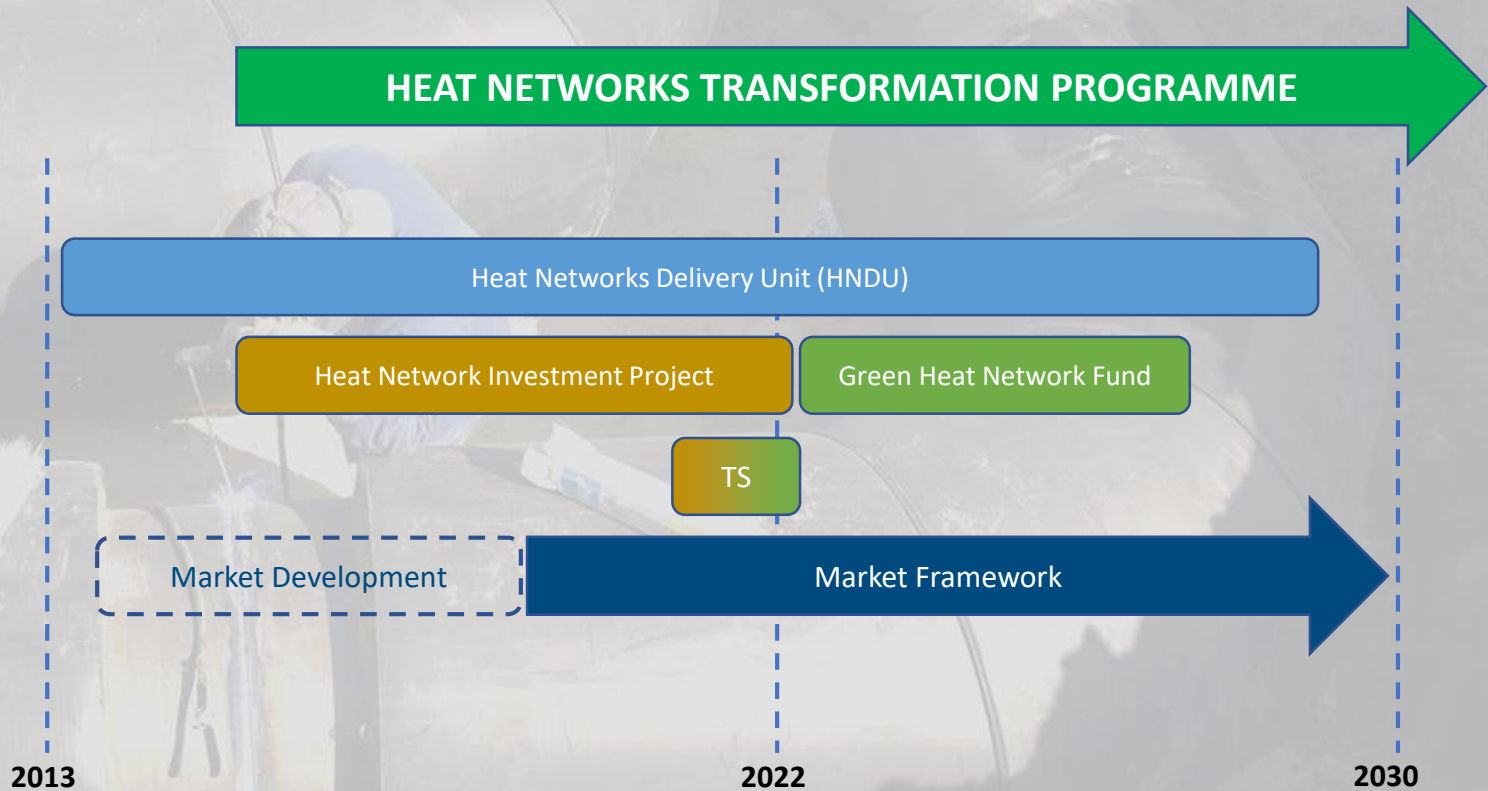
Achieve carbon savings and decreases in carbon intensity of heat supplied

Increase the total amount of low-carbon heat utilisation in heat networks

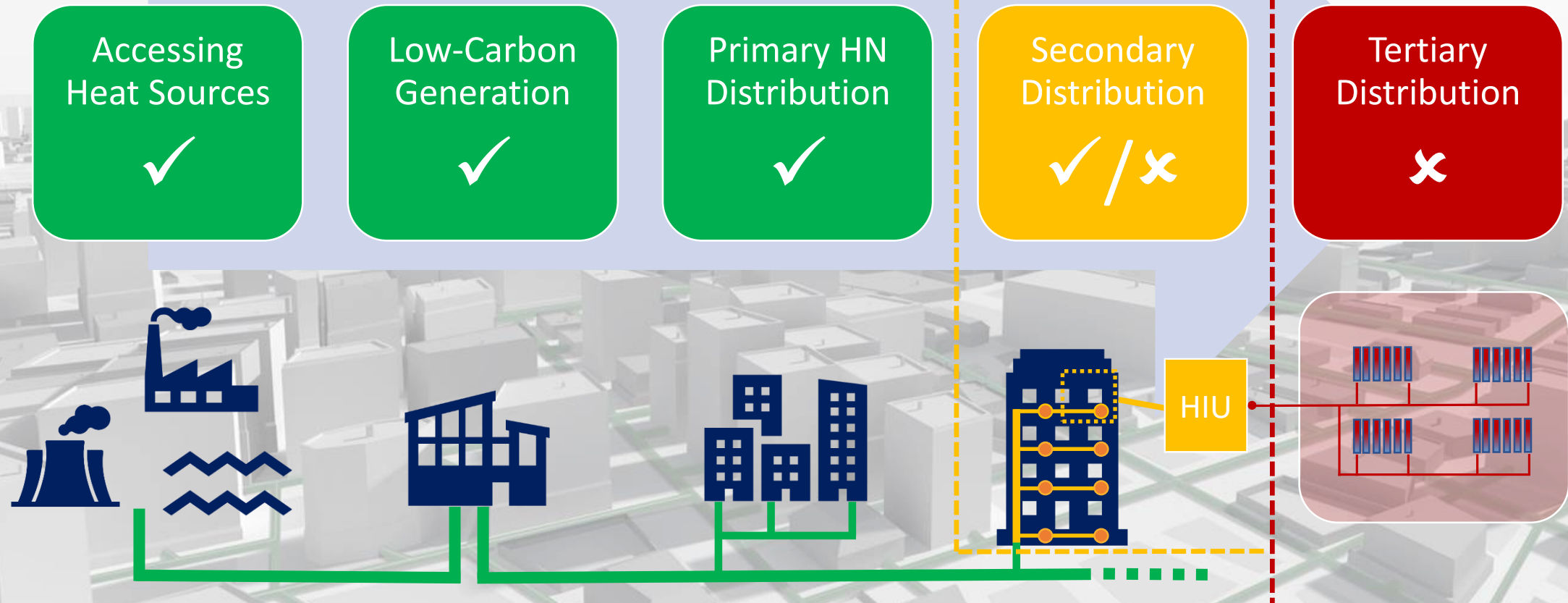
Contribute towards market transformations across the investment landscape and supply chain that will better prepare the heat network sector for further decarbonisation

# The Timeline

- The GHNF opened for applications 14/03/22
- Three-year programme to 2025
- Transition Scheme (TS) for commercialisation (2021)
- Main scheme guidance was published March 2022



# Scope of Support



# BEIS Heat Investment Vehicle BHIVE

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## ACCESSIBILITY

BHIVE will provide an efficient route for Contracting Authorities to access funding and funding-related services for their heat network projects



## FLEXIBILITY

BHIVE will provide a range of skills and experience alongside funding, and will potentially facilitate the creation of a secondary investment market



## STANDARDISATION

BHIVE will help to reduce the timescales and costs of funder due diligence and approvals and make for a more efficient fund raising process



## VALUE FOR MONEY

BHIVE will provide the means for Contracting Authorities to access the most economically advantageous terms for their project