



Department
of Energy &
Climate Change



CHP Outreach Workshops

Programme: Reducing Energy Costs with Combined Heat & Power

London 10th March 2015



Department
of Energy &
Climate Change

Heat Networks Delivery Unit

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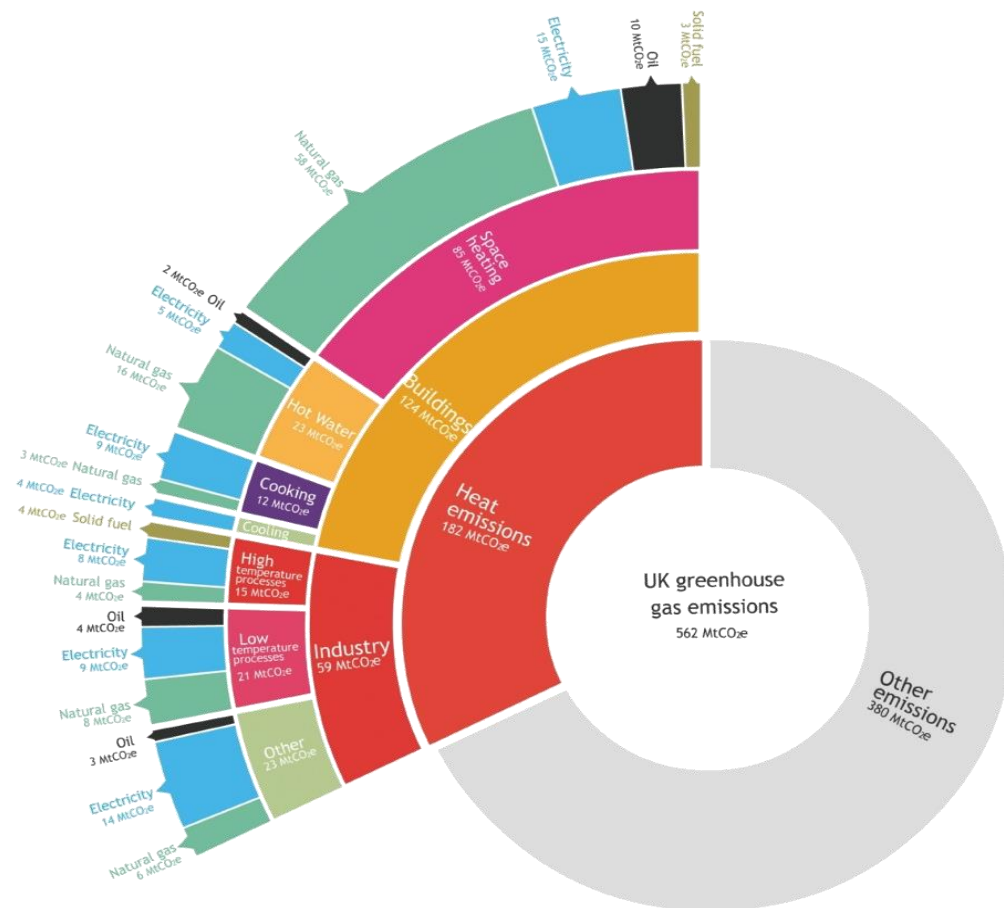
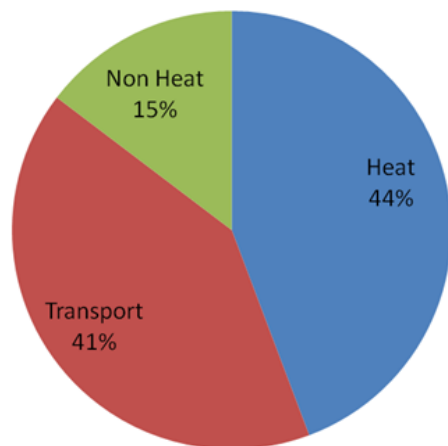
March 2015



*More energy is used for heating than for electricity generation
....and it causes around a third of UK greenhouse gas emissions*

The heat challenge from a Government perspective....

Energy Usage for Heat, Non Heat and Transport, 2011



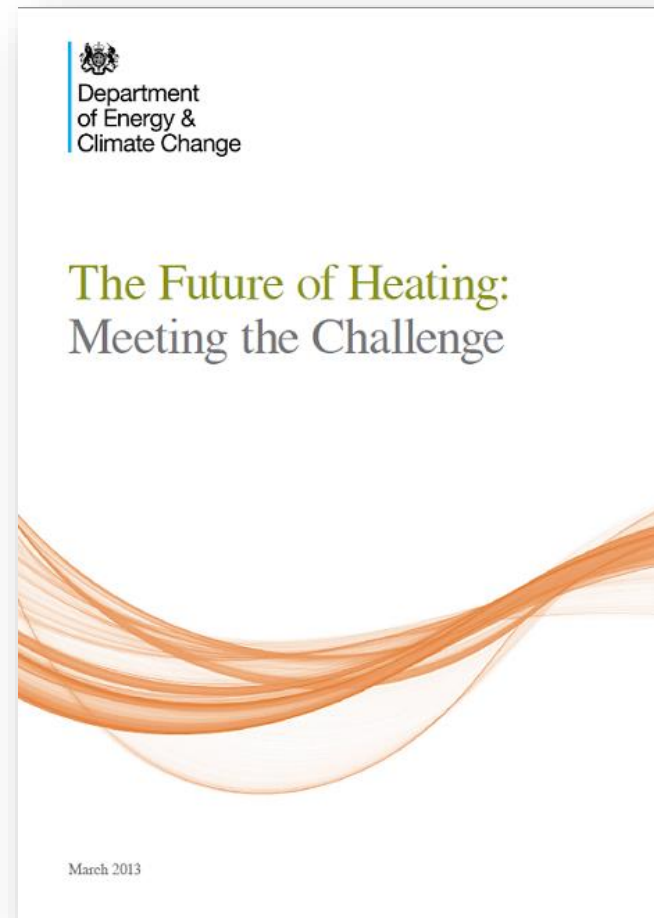


HNDU creation 2013

‘Future of Heating Meeting the Challenge’, published in March 2013, established Heat Networks Delivery Unit (HNDU) to;

“encourage and enable Local Authorities in England and Wales to undertake the development stages of heat networks”.

HNDU support = grant funding + guidance





Heat network development stages

1. Heat mapping

2. Energy masterplanning

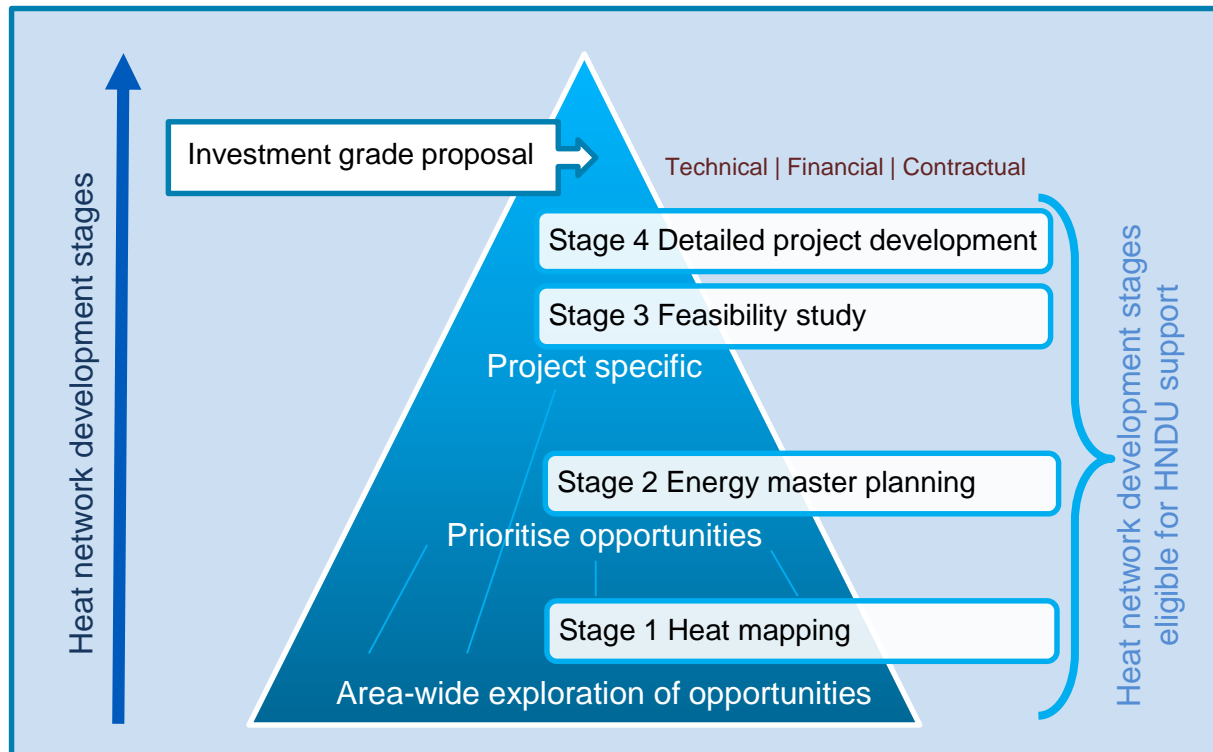
Area-wide exploration, identification and prioritisation of heat network project opportunities

3. Feasibility studies

4. Detailed project development

Project specific - An increasingly detailed investigation of the technical feasibility, design, financial modelling, business modelling, customer contractual arrangements and delivery approach, leading to investment grade project proposal(s)

HNDU support for Local authorities

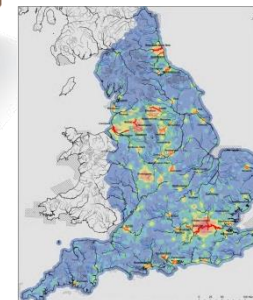
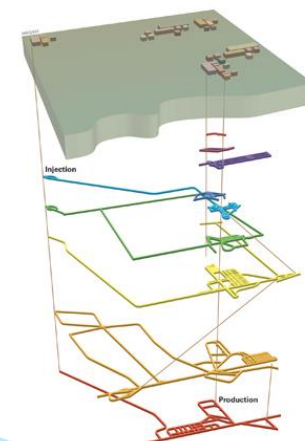
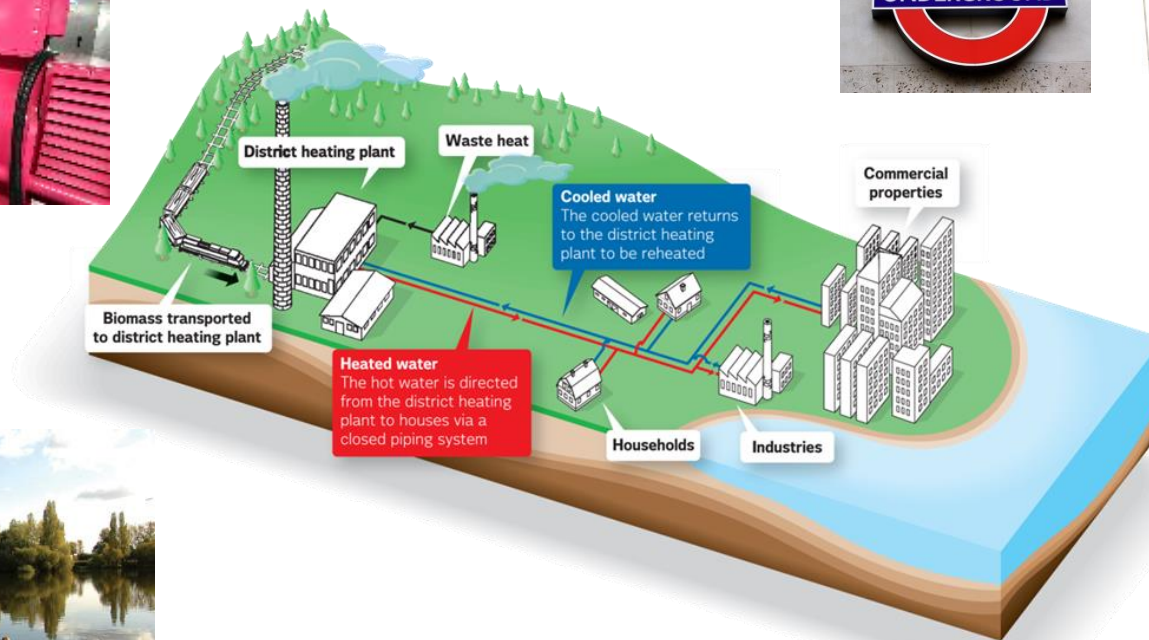


How and who can HNDU help?

- **Local Authorities** in England or Wales
- Grant funding up to **67%** of total eligible external costs provided under Section 31 of Local Government Act and confirmation that 33% (or greater) funding is secured
- **Single or multiple development stages:**
 - Heat mapping + masterplanning + feasibility
 - Feasibility + detailed project development



Project types





Guidance from HNDU Project Leads

Guidance provides points for consideration (as opposed to advice which advocates a course of action)

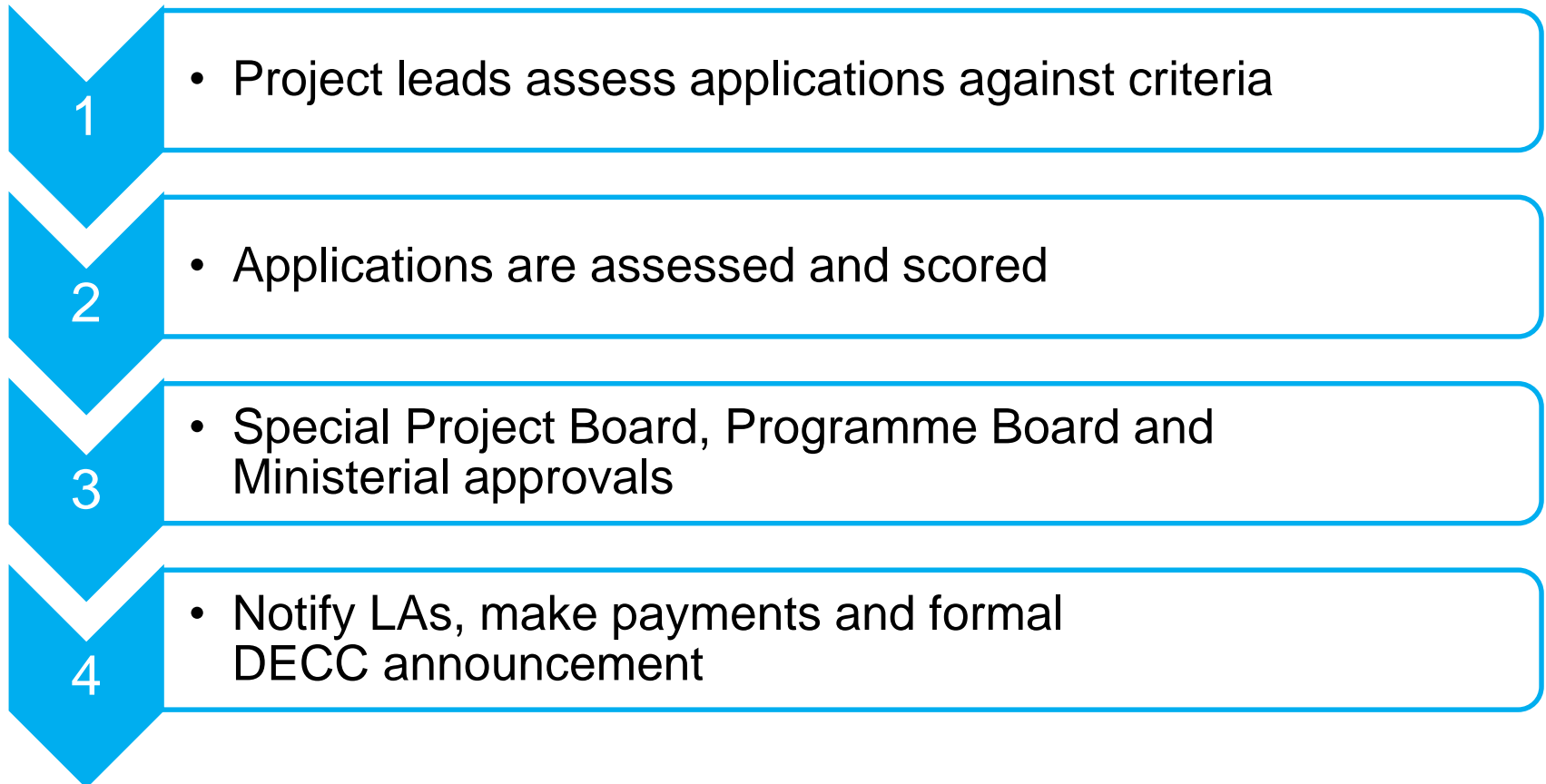
- **Initial contact** recommendations from application assessment, identify support needs
- **Inception meeting** and site visit
- Review and provide points for consideration on:
 - draft **specifications and tender documents** (inc example tender specs)
 - to **tender responses**
 - **key project outputs** (consultancy report drafts)
- Possibility to attend initial and subsequent **key meetings with appointed consultants**
- Regular contact including to discuss monthly **progress reports**



Assessment criteria

- **Quality of previously completed heat network development stages**
- Local authority commitment, letter of support from the relevant **Project Sponsor and Councillor** holding the relevant portfolio, and officer capacity
- How strongly does the project link with DECC's **decarbonisation** objectives
- Is the project (or is it likely to become) a **credible prospect** for commercial / financial development

Application assessment process





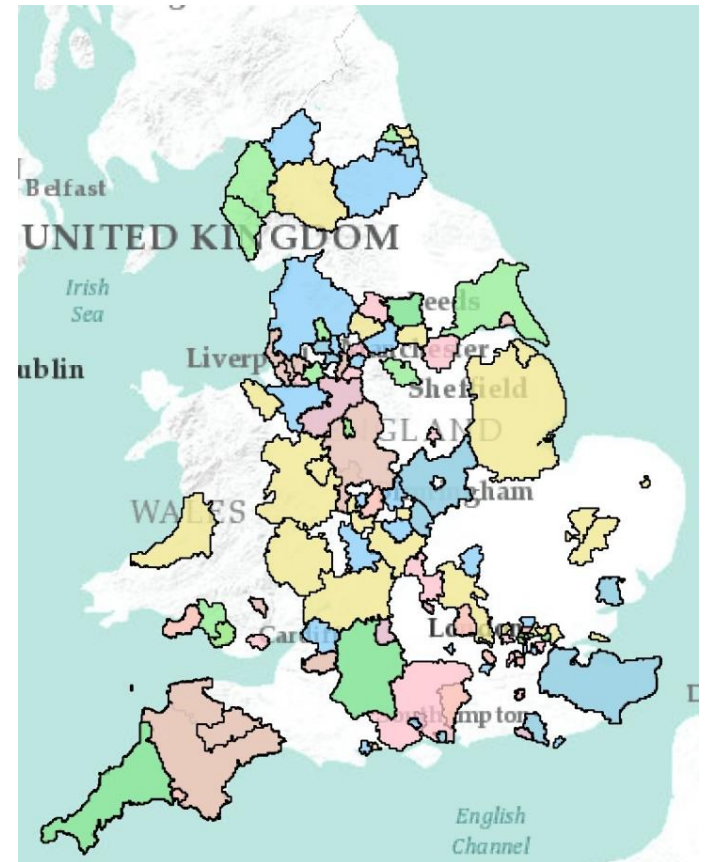
HNDU portfolio

£6.9 MILLION grant funding (c£10 million with match funding) has been given to...

91 LOCAL AUTHORITIES across...

122 HEAT NETWORK PROJECTS with...

301 DEVELOPMENT STAGES





For further information please contact:

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Or visit: <https://www.gov.uk/government/publications/heat-networks-funding-stream-application-and-guidance-pack>