

South West Net Zero Hub

5i Heat Network Project -Implementing







The 5i Heat Network Project

Sam Moore Project Manager SW Net Zero Hub









- 1. Today's 2 hour session will be recorded for sharing
- 2. There will be three dedicated sessions for questions
- 3. Q&A is allowed during speaker presentations in the chat function
- 4. Any unanswered questions please raise your <u>virtual hand</u> in the Q&A session at the end of all of the presentations and I will come to you in turn
- 5. All presentations will be shared with all attendees as a pack
- 6. Follow up support is available from the Net Zero hubs

Agenda



1500: Welcome, Introductions, Setting the Scene

- Liz Warren, SE2
- Channa Karunaratne, AECOM
- Q&A session

1600: Restart

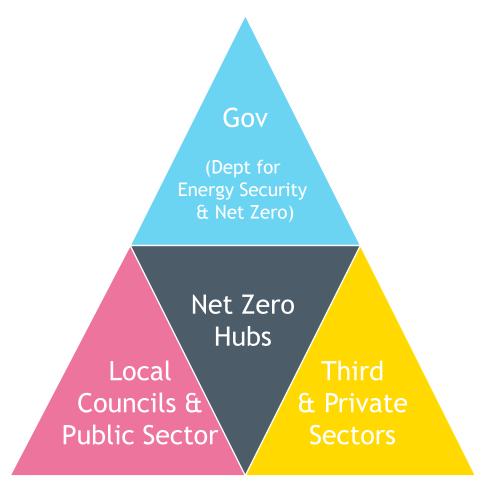
- Matt Caville, Energy Systems Catapult
- Jim Lott, Net Zero Go
- Q&A
- Wrap up discussion

1700: Finish

South West Net Zero Hub



The South West Net Zero Hub provides impartial advice, technical support and funding to public and not-for-profit organisations, to develop projects that accelerate emission reductions and enable the transition to a more sustainable future.



South West Net Zero Hub



Government Net Zero Strategy established 5 regional hubs with core objectives:

- 1. Attract commercial investment and help LAs and other local public sector bodies to develop investment models which accelerate progress to net zero
- 2. Continue to increase the number, quality, and scale of local Net Zero projects being delivered across the region in line with national targets and strategies, including supporting the early-stage development and delivery of projects.
- 3. Collaborate with the Department of Energy Security & Net Zero to develop & support Net Zero elements to wider programmes & initiatives including Levelling Up
- 4. Support a national **knowledge transfer programme** to improve information sharing, training & evaluation
- 5. Raise local awareness of opportunities & benefits of local Net Zero investment



SE2 Ltd The Seven C's of Implementation

Liz Warren Director







Implementing heat networks

Liz Warren, SE² Ltd

19 November 2024



1. Commitment

 i. the state or quality of being dedicated to a cause or activity

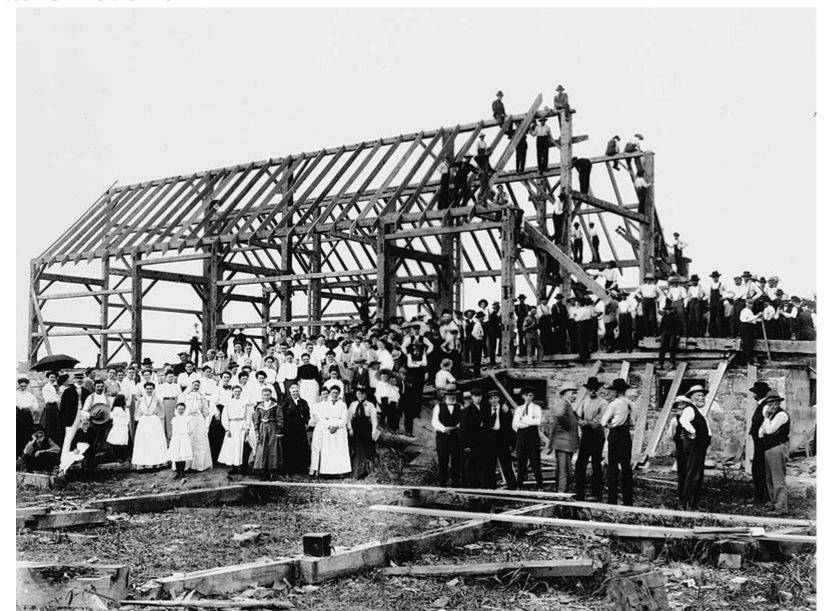
ii. an engagement or obligation that restricts freedom of action

Source: Oxford Languages



2. Collaboration





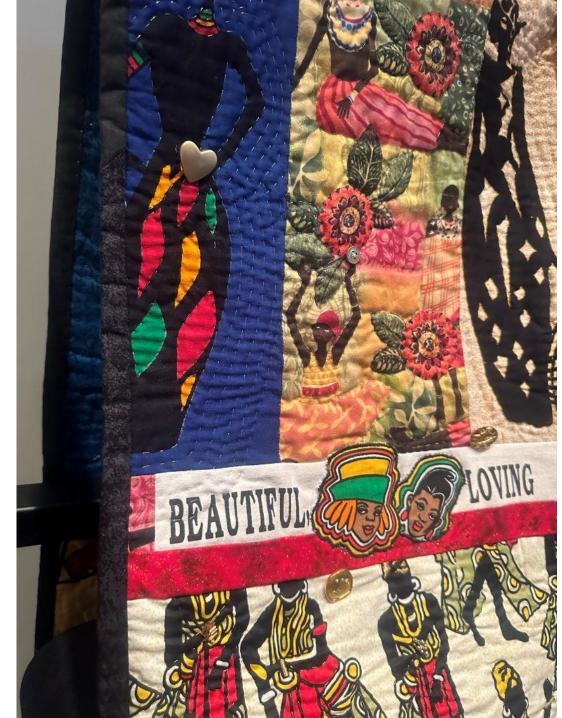
3. Continuity

• Time

• Fabric

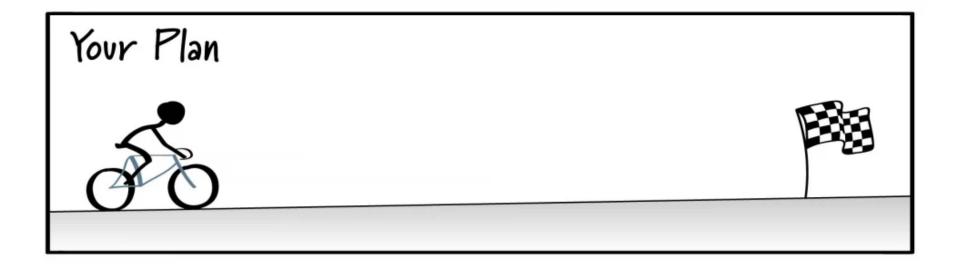
Memory

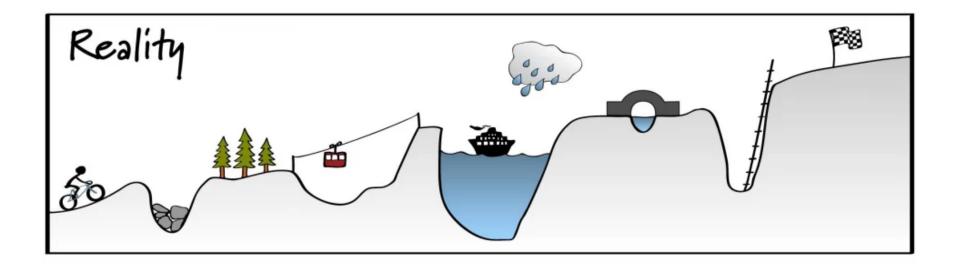




4. Contingency







5. Communication





- Good news and bad news
- Over a long time period
- Internal / external
- Keep telling your story



6. Community

se

 There will be a lot of "what" and "how"

Always remember"why" and "who"





7.





The 7 Cs



- 1. Commitment
- 2. Collaboration
- 3. Continuity
- 4. Contingency
- 5. Communication
- 6. Community
- 7. Coffee





Thank you!

Liz Warren, SE² Ltd liz.warren@se-2.co.uk





AECOM: Heat Networks in the UK

Channa Karunaratne
Market Sector Lead - District Energy
Europe and India
AECOM







Heat Networks

Heat Network in the UK – Policy, Regulation and Business Case Development

Channa Karu - CEng, FIMECHE Market Sector Lead – Europe



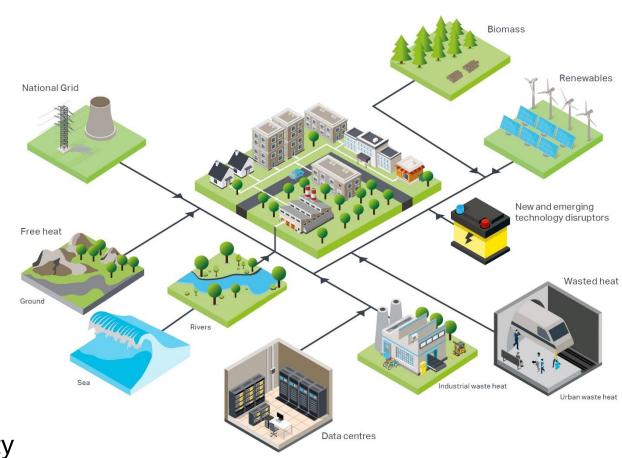
Agenda

- 1. Introduction to District Energy
- 2. Overview of the heat network market
- 3. Heat network zoning
- 4. Better Business Cases
- 5. Examples



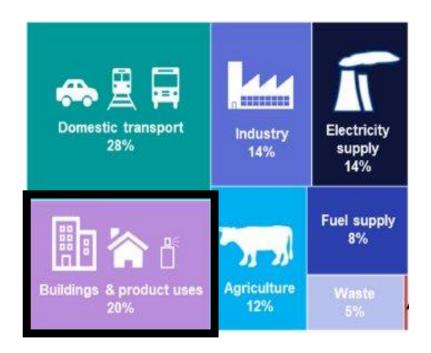
District Energy & Heat Networks

- Delivers otherwise wasted heat to buildings
- Can help decarbonise
- Can connect to any building
- Part of the Energy Transition
- Enables energy security and independence
- Increases resilience
- Access to low carbon heat sources otherwise cost prohibitive.
- Reduced electricity grid reinforcement costs
- Reduced impact on space take
- Improvement in noise considerations and air quality
- Can reduce long term OPEX and replacement costs for buildings





Heat Networks





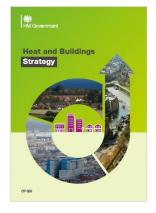
- 67% from residential buildings
- 15% in commercial buildings
- 10% in public sector buildings



2020: Committee on Climate Change (CCC) – balanced pathway envisages around 1/5th of heat distributed through heat networks



2021: Net zero strategy envisages up to 20% of UK heat demand by 2050 delivered by heat networks.



2021: Heat and Buildings Strategy supportive of CCC recommendations. "We also believe that developing the market for low-carbon heat networks will be a no-regrets action"



2023: Net Zero Growth plan. Maintains view that Heat Networks might provide up to 20% total UK heat demand by 2050



2023: Second National Infrastructure report states that to move away from gas boilers heat networks are the solution

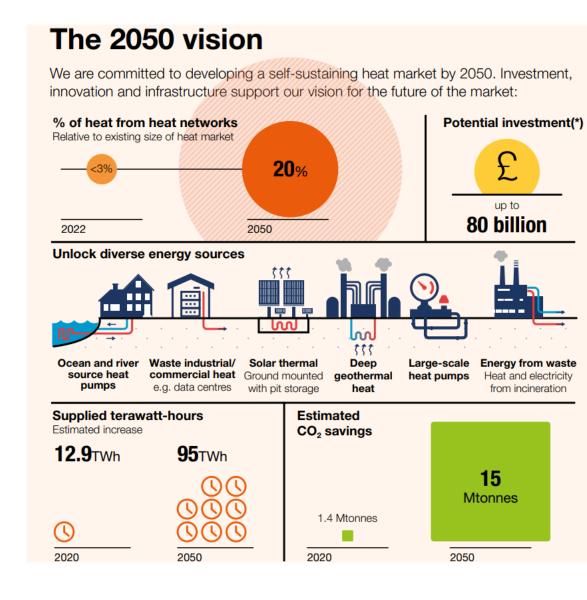


Overview of the heat network market

New Policy and Regulations:

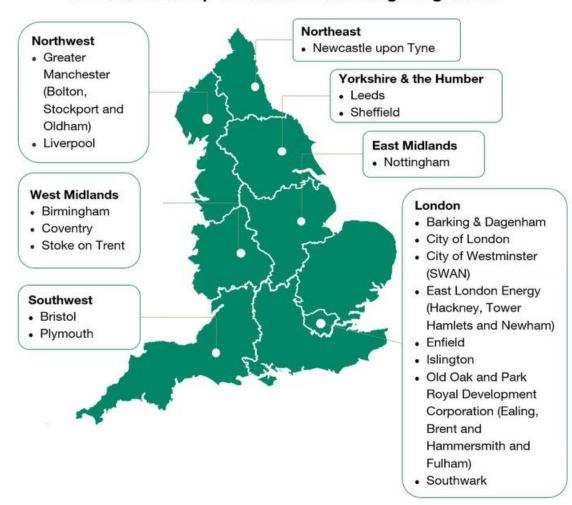
- Primary Legislation received Royal Ascent in Late 2023
- Zoning Policy in development to help identify and designate key areas suitable for heat networks across the UK. Aims to designate areas for heat networks within which local authorities and heat network developers would have greater powers
- OFGEM appointed as regulator for heat, bringing heat in line with natural gas and electricity, bringing them in line with other utilities.

Heat as a service will become a regulated market
Statutory Instrument on secondary legislation planned
for Spring/Summer 2025



Zoning

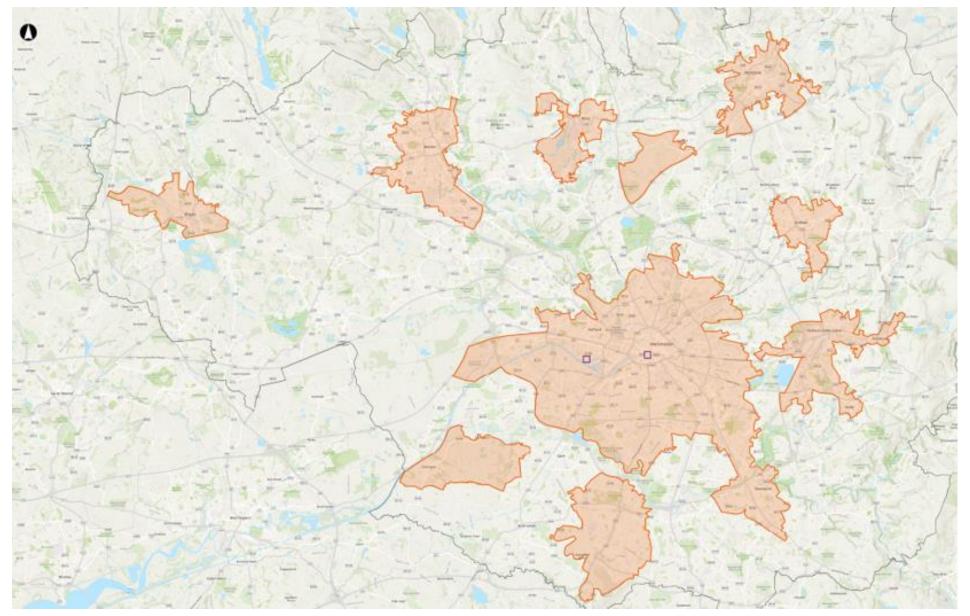
19 areas make up the Advanced Zoning Programme





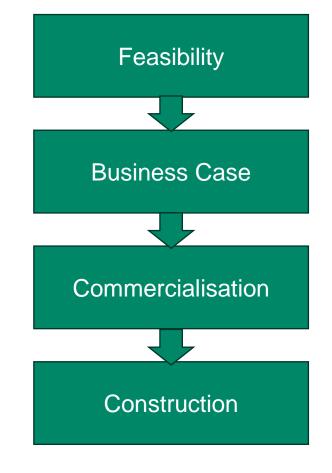
Future roll out across rest of country

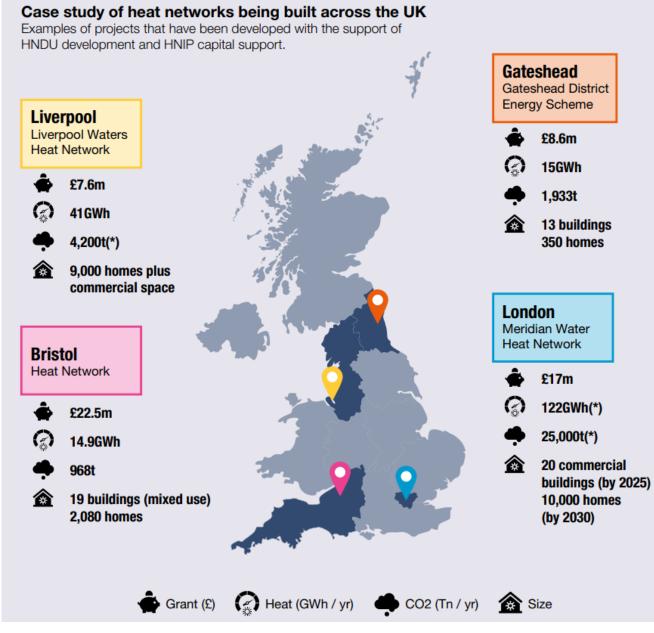
Example of Heat Zones from the Pilot Scheme





Better Business Case

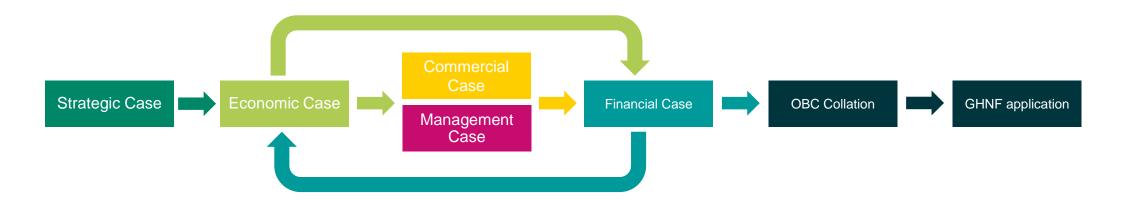






Typical Content of the OBC





Strategic Case



Scope & Objectives



Benefits & Purpose



Interdependencies, assumptions and constraints



High Level Risks and Mitigation

Economic Case



Objectives and CSFs



Longlist and Shortlist Options



Full TEM & Cash Flow



Benefits Appraisal of Options



Optimism Bias



Risks and Sensitivity



Preferred Way Forward

Commercial Case



Commercial Strategy Paper



Procurement Strategy Paper



Heat Price Paper



Delivery /ehicle Paper



Contractual Arrangement Paper



RISK Transfer



Governance Paper

Financial Case



Analysis of finance options



Analysis of Preferred Option and Cashflow



Analysis of Returns on Investment



Review of Exit Strategy



Contractual Arrangement Paper



Preferred solution for financing



Optimism Bias, Tax and Risk

Management Case



Governance Paper



Programme



Roles and Responsibility



High Level Risks and Mitigation



Design & Procurement Next steps



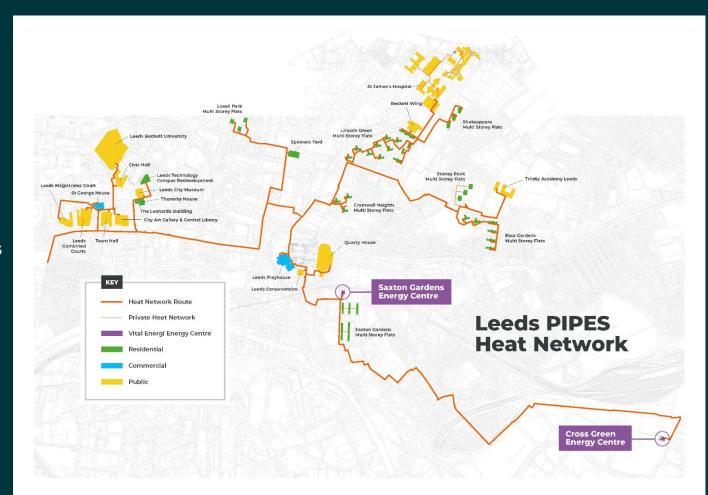
Construction & Operation Next steps

Example – Leeds PIPES

- The Leeds PIPES network went live in 2019
- Utilising low carbon heat from the city's Recycling and Energy Recovery Facility (RERF)
- The network is owned by the Council and supplies council flats and commercial businesses
- Phase 2 expansion completed in 2021 and Phase 3 began construction in autumn 2022.
- Creation of new job opportunities and skills growth
- Phase 3, will deliver long-term carbon savings of over 20,000 tonnes per annum, vital to reaching the local net-zero target.

26 GWh Annual Heat Demand
1800 Flats

1,905 tCO₂e Carbon Saving
c. £ 54m CAPEX
c. 18 km Pipework Length





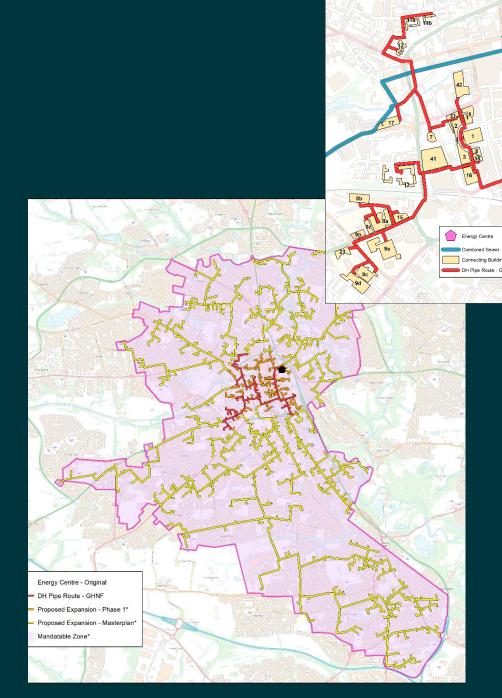
Example – Bolton Heat Network

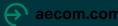
- 3 MW sewer source heat pump (SSHP)
- 5.6 km provisional network pipe route across the town centre
- Equivalent heat supplied to 2000 homes
- Delivered by Clear Futures
- Wider Zoning potential

33 GWh Annual Heat Demand

20 Buildings

1.9M T Carbon Saving over
40 years

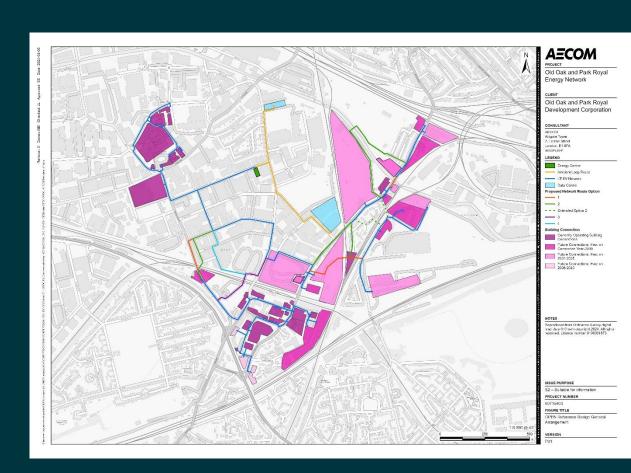




Example – Old Oak Common (OPEN) Heat Network

- Opportunity for low carbon heat to over 13,000 homes,
 a hospital and several major existing buildings.
- Network of 11km of Pipework
- Reduces the electrical impact on the grid from redevelopment.

90 GWh Annual Heat Demand
13,000 Homes





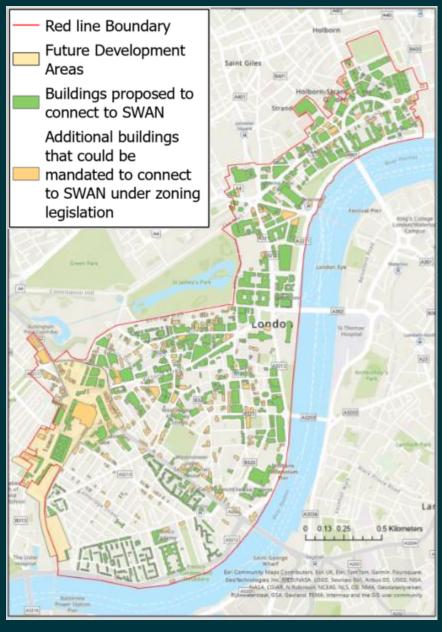
Example – Westminster Heat Network

- Significantly large demand underpinned by a strong public sector presence
- Four existing heat networks connected together
- Taking heat from the river, sewer and London Underground
- Approximately 23km of pipe at 80/60°C network operating temperatures
- 60% saving in grid capacity compared to each building putting in their own ASHP

400 GWh Annual Heat Demand

1,000 Buildings

75,000 T Carbon Saving









Q&A:

Liz Warren Channa Karunaratne







We are in the break - starts again soon

Host: Sam Moore, SWNZH

5i Heat Network Project Implementing







ES Catapult: Heat Networks Guide

Matt Caville Senior Advisor - Decarbonisation of Complex Sites



Heat Networks Guide and the



Accelerate Net Zero energy innovation

Public Sector Decarbonisation

Decarbonisation Guidance

Matt CavilleSenior Advisor



Decarbonisation of Complex Sites

19 November 2024



Covered today

- 1. Introduction to Energy Systems Catapult
- 2. Guidance for the public sector
- 3. Heat networks guide
- 4. Guidance in the pipeline



Energy Systems Catapult

Who we are

We help energy innovators to transform great ideas into valuable products and services



Independent Not for Profit



Established by Innovate UK

What we do



Technical capabilities, equipment, and other resources



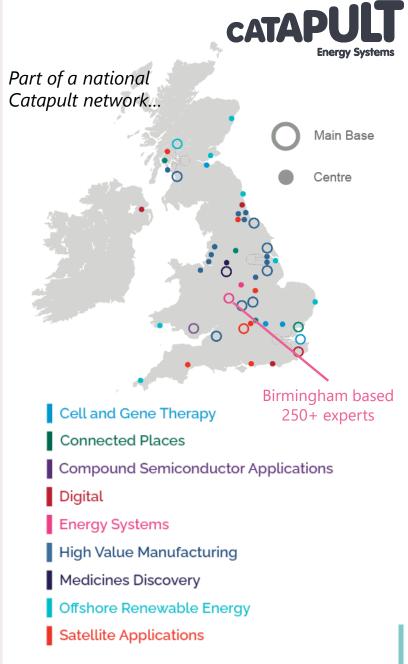
Open up opportunities for innovators, in the UK and globally



Solve key problems and develop new products and services



Bridge the gap between stakeholders in the sector



Public Sector Decarbonisation Guidance









Download the guides for free here:

- **Plan:** Step-by-step framework
- Government-backed: funded by DESNZ and supports Public Sector Decarbonisation Scheme and Low Carbon Skills Fund.
- **Deliver:** Practical tools, guides, calculators; free outputs
- Access: Open resource no login needed and free.
- **Scale:** Consistent, cost-effective, proven approaches
- **Tested:** Based on the award-winning Modern Energy Partners programme.
- **Upskill:** Ultimate resource hub for estates decarbonisation. All in one place.
- Developed with UK government and industry.





measures. Securing determining project framework designing contracts

Procurement Running a procurement process and

Securing external or internal funding for at scale ensuring value decarbonisation projects. Writing for money is robust business a competitive process. Accessing agreements and

Funding

Installation

Project management of installation and implementation of a decarbonisation project. Monitorina progress against of works and implementing quality assurance processes.

45+ free to templates

Commissioning and handover

Handing over a completed decarbonisation project including staff training.

Moni

evalu

Unders

the be

being o

by an

decart

meteri

analysi

reporte

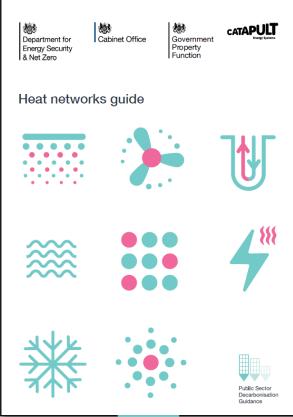
correct setup and of equipment and ensuring all handover documentation is in

place.

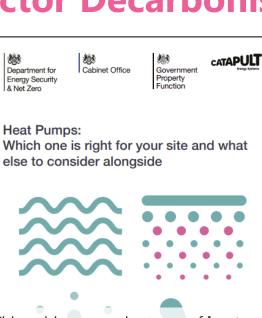
MacBook Pro

Helpful Public Sector Decarbonisation Guides









This guide covers the types of **heat pumps** suitable for **non-domestic applications**, feasibility considerations and complementary technologies to improve system efficiencies. Examples of alternative electric heating solutions are also provided.



Developing and delivering your strategy:
What could decarbonisation look like for you?

This guide supports public sector organisations to **develop their decarbonisation strategy** and programme with the aim of reducing energy demand and eliminating fossil fuels **across your estate**.

This document is marked as confidential



Funding: What do the numbers mean?

This guide provides a breakdown of the typical types of numbers that are considered best practice to generate as part of your decarbonisation programme and an easy guide on how to interpret them. This will help with getting business cases signed off and applying for Salix Public Sector Decarbonisation Scheme (PSDS) and Sector Decarbonisation Scheme (PSDS) and Sector funding.







Heat network guide for the public sector

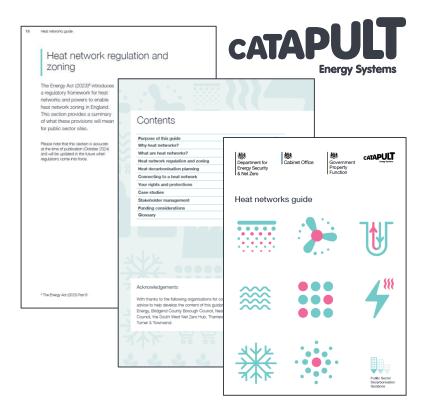
This is a non-technical guide on heat networks for public sector organisations looking to connect their buildings to existing or planned heat networks.

The guide covers:

- Benefits of connecting to heat networks.
- How heat networks work.
- Heat network zoning
- Heat decarbonisation planning with heat networks.
- Steps to connect to a heat network.
- Consumer rights and protections.
- Stakeholder management.
- Funding opportunities.

The guide complements and signposts to an extensive array of existing technical guides that provide detailed information on the planning, design, and technical considerations for heat networks.

We're always looking for feedback on existing material and ideas for new content.

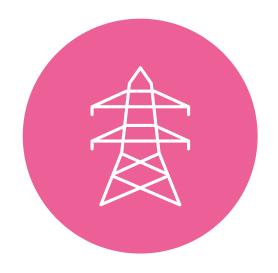




Visit our PSDG website and download the guide here.

Guidance in the pipeline





Energy flexibility and storage

Covering flexibility products and markets, and the types of storage technologies, how they apply to public sector sites.

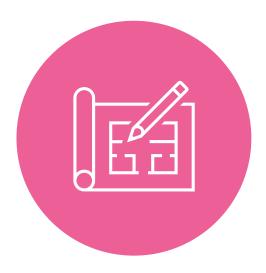
Coming December



How to treat technologies

Update of one of our existing guides helping you understand the technologies available and support you in evaluating technology options for site decarbonisation

Coming December



Detailed design

Guidance outlining the expected deliverables from a detailed design, why design is important, how to engage with a contractor, and procure support and services.

Coming December

Questions?





Download the heat networks guide today!

Matt Caville

Senior Advisor – Decarbonisation of Complex Sites matt.caville@es.catapult.org.uk

es.catapult.org.uk

Follow us on socials in







ES Catapult

Jim Lott Net Zero Go Content Manager







Net Zero Go

Jim Lott – Knowledge manager

19 Nov 2024



Net Zero Go – Free For Local Authorities





The "one stop shop" saving you time & effort in delivering local net zero projects.

Net Zero Go is a digital platform to help local authorities accelerate their net zero projects

It brings together the knowledge, the tools and the people needed to:

- Increase Capacity
- Increase Capability
- Increase Collaboration

......In order to deliver net zero projects faster

Accelerating the delivery of net zero projects



Net Zero Go will accelerate the delivery of local net zero projects by



Being the one stop shop for local net zero energy projects

- Working with, and signposting others' work;
- identifying gaps, reducing overlap & simplifying the landscape



Building **capability** of Local Authority officers & their support teams

- Providing targeted knowledge articles, case studies, guides in the Net Zero Library
- Providing support from experts & peers through Net Zero Support
- Building on knowledge from other programmes & alignment with other platforms



Building capacity of Local Authority officers & their support teams

- Provision of targeted templates, tools & step by step structure in Net Zero Projects
- Enabling Hubs to do more by sharing and aligning tools & templates



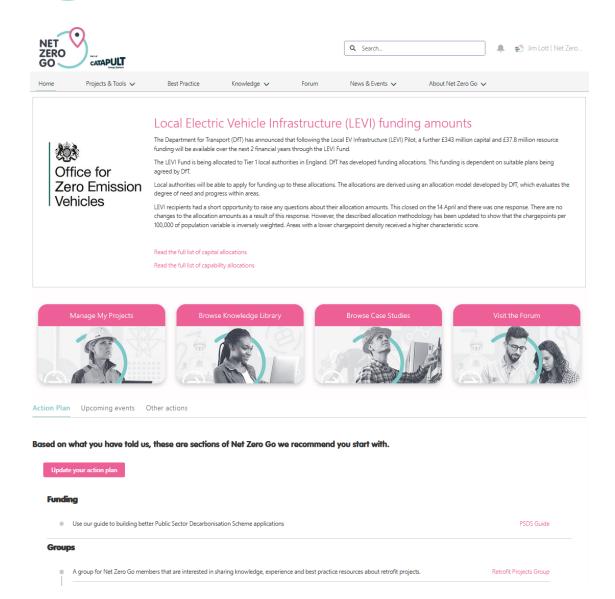
Foster an environment of **collaboration** by

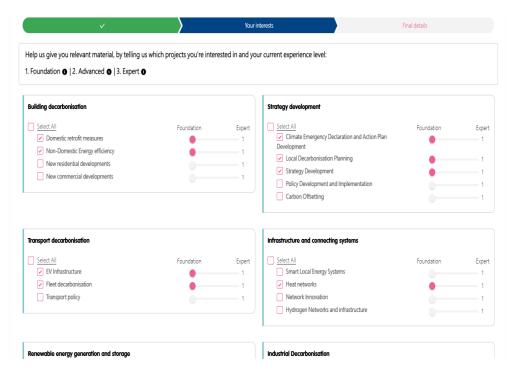
Supporting & encouraging peer to peer learning & sharing



Personalised Experience





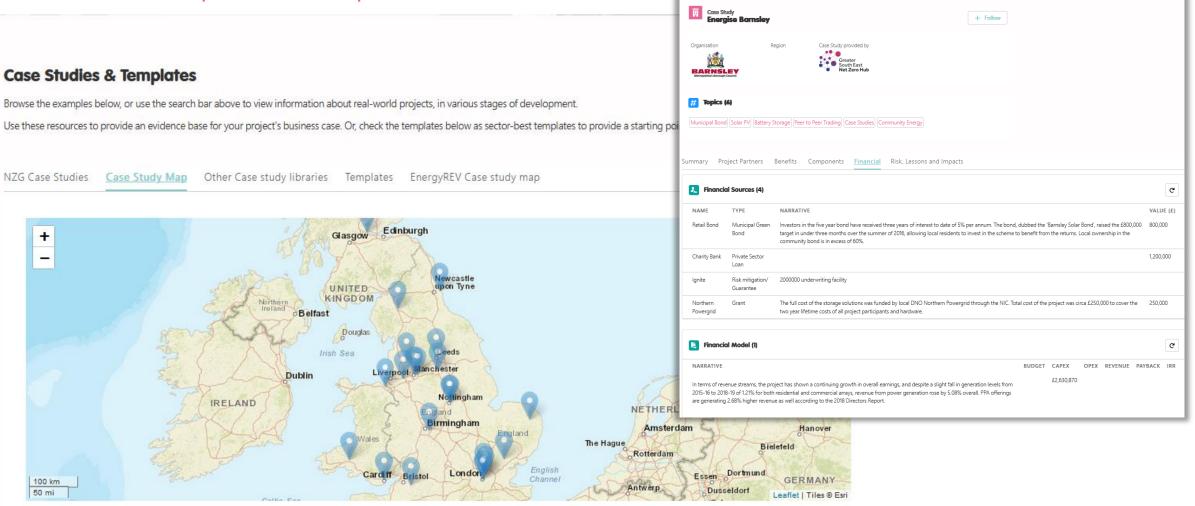




■ Net Zero Library – Case Studies



Real world examples with deep information





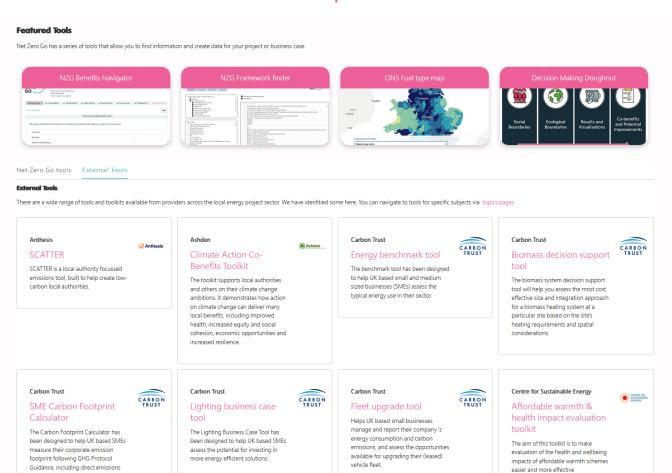
from fuel and processes (Scope 1

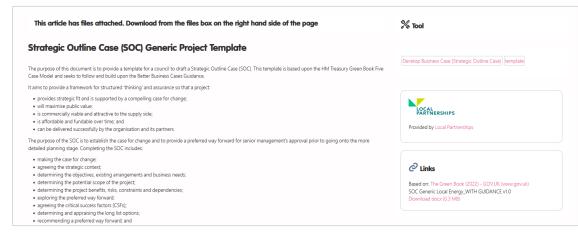
emissions) and those emissions from purchased electricity (or Scope 2 emissions) for the assets they operate

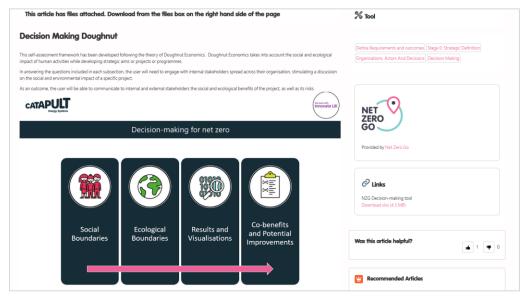
Net Zero Library – Tools and Templates



Best Practice Tools and templates from across the sector





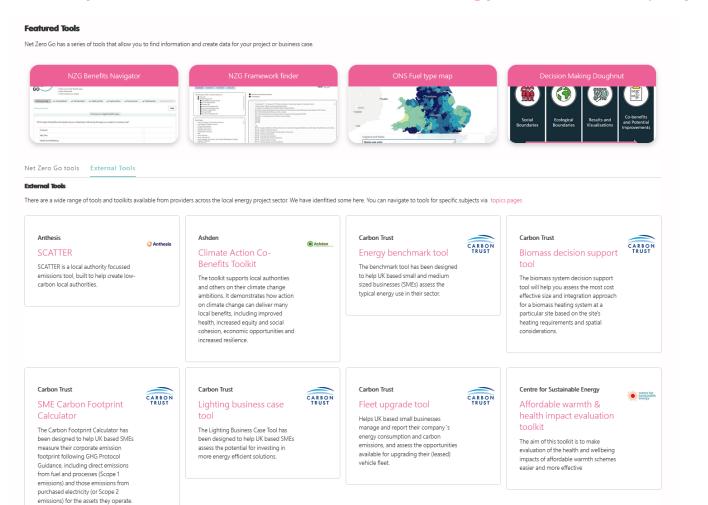


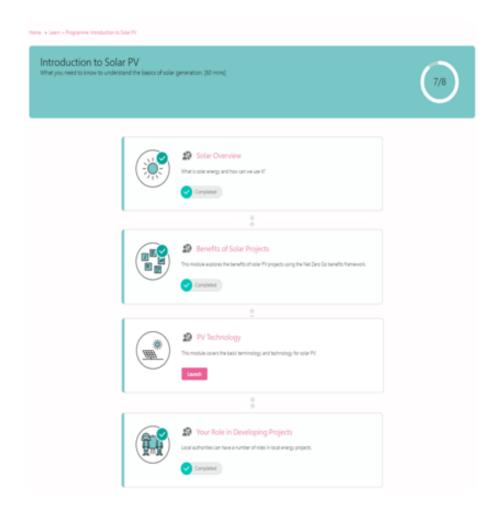


Net Zero E - Learning



Build your skills for different local energy & Net Zero projects





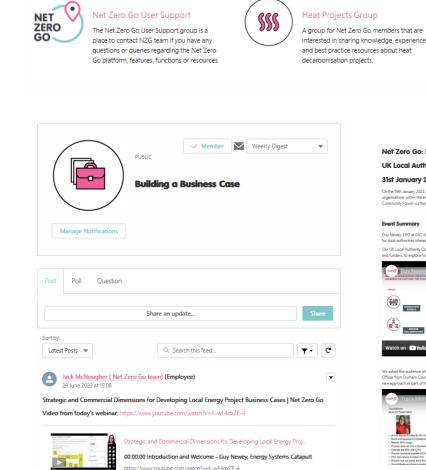


Featured Groups

Net Zero Support – Forums, events and expert sessions



Share your experiences, ask questions and find out who else is on your journey





Building a Business Case

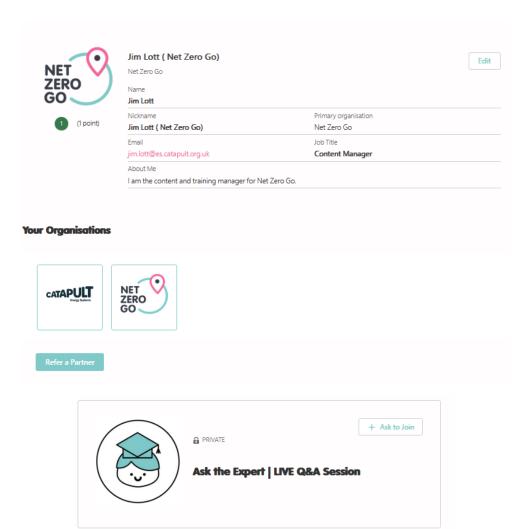
This is a group to facilitate discussion around

building a business case using Net Zero Go

and a place to access all of the beginners

guides and resources you need, for the

fundamentals of Net Zero Go.





Net Zero Support – Gathering experiences



How can we help each other through Net Zero Go?

Case studies

Lessons

Challenges and solutions

Answering questions

Templates and examples

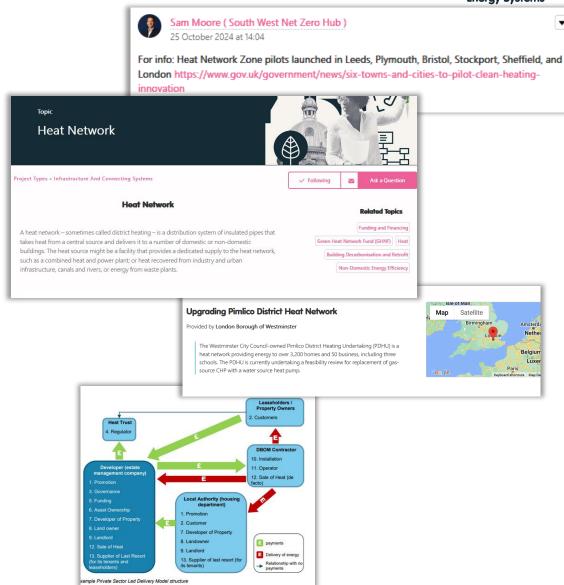
Feasibility studies and business models



Net Zero Support – Find knowledge

CATAPU

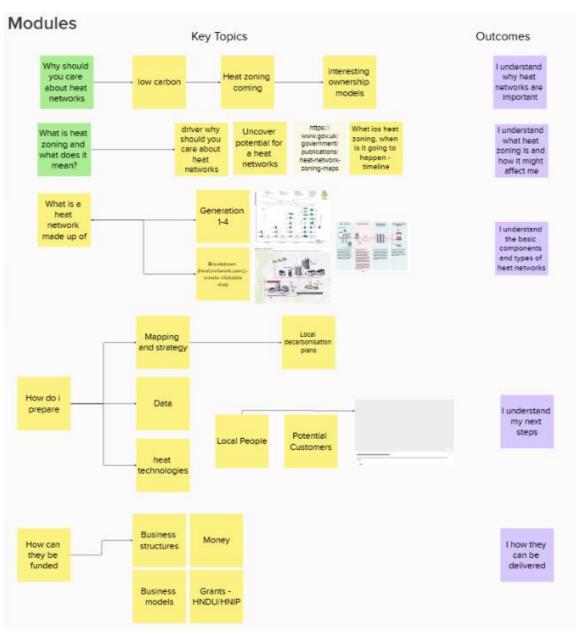
- Heat forum Questions and sharing
- Heat network topic
- Case studies
- Business models guide Heat networks





Net Zero E – Learning – Current development







Get in touch if you want to help shape the e-learning

jim.lott@netzerogo.org.uk



Thanks for listening

Jim Lott

Knowledge manager – Net Zero Go

content@netzerogo.org.uk

es.catapult.org.uk @energysyscat



Q&A:

Matt Caville Jim Lott







Panel discussion and wrap up

Liz Warren: SE2 Ltd

Channa Karunaratne: AECOM

Matt Caville: ES Catapult

Jim Lott: ES Catapult

Sam Moore: SWNZH







And finally...

- 1. Thank you for your time today
- 2. We will be making the recording of today available on our website and on the website of other Hubs to share learning on this topic
- 3. Please share your feedback. Help us make these events and webinars more useful.
- 4. Please do consider signing up to our newsletter (every two months): <u>South</u> <u>West Net Zero Hub Newsletter</u>
- 5. Email: sam.moore@WestOfEngland-CA.gov.uk