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All Energy: Low carbon heat: Are heat networks the answer?

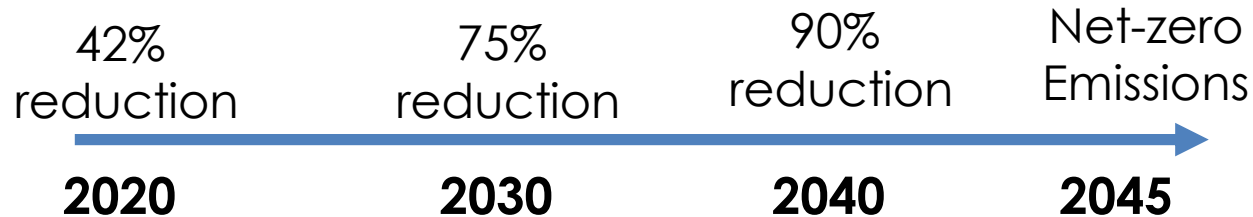
Gareth Fenney

May 2020

Climate Change Targets



Climate Change
(Emissions Reduction
Targets) (Scotland) Act
2019



- **Building Supply Chain Capacity**
- **Increase Deployment**
- **Strengthen Policy & Regulatory Frameworks**

Deployment of renewable & low carbon heat

Heating buildings produces zero emissions at point of use



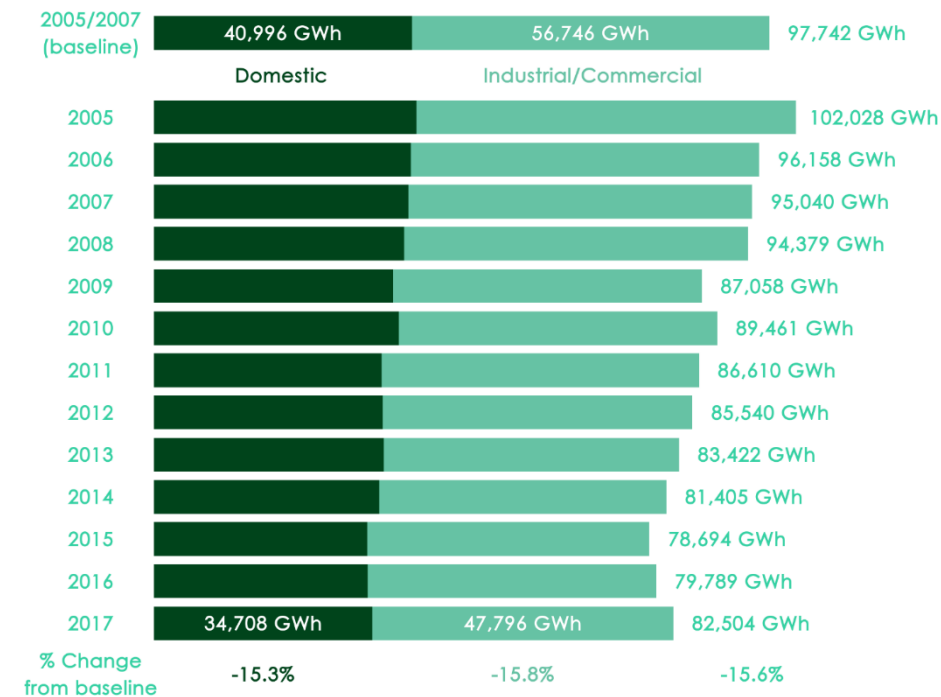
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Where does our heat come from now?

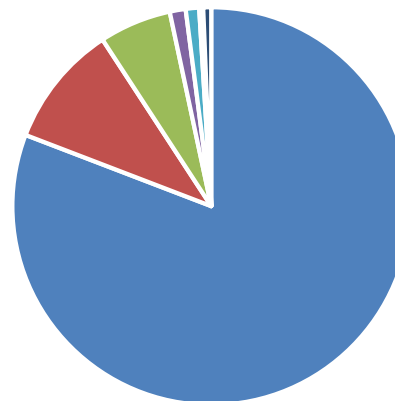
Non-electrical heat demand by sector

Scotland, 2005 - 2017



Source: BEIS

Scottish Homes: Primary Heating Fuel



- Mains Gas
- Electricity
- Oil
- Communal Heating
- LPG
- Solid Fuel
- Biomass

Source: Scottish House Condition Survey

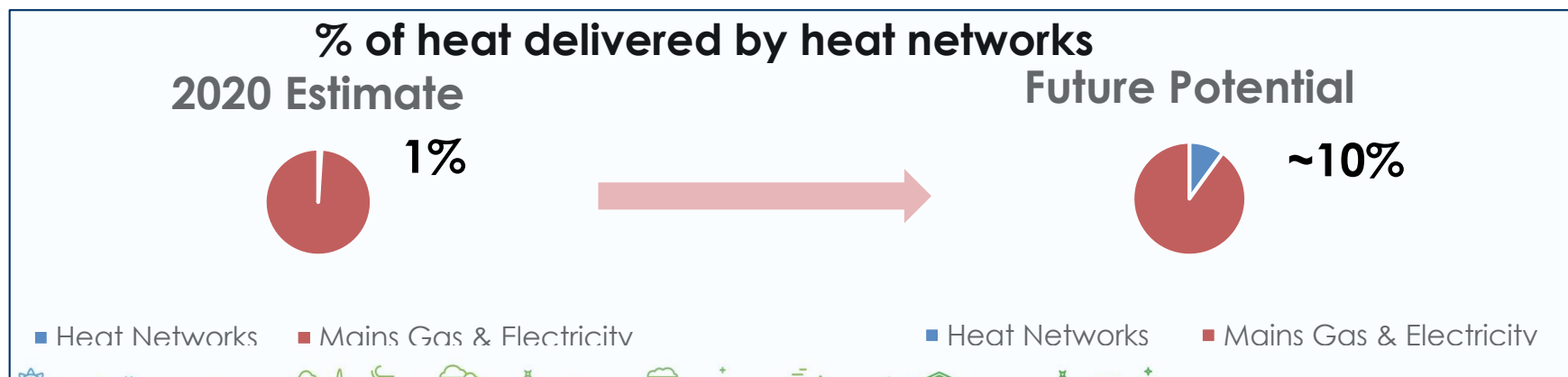


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What does our future heat supply look like?

- There is **no 'silver bullet'** solution to decarbonising heat.
- **Various pathways** (electrification; hydrogen; hybrids) – but studies have shown that costs are broadly similar.
- **Technology and running costs may be higher** – what scope is there for cost reductions? How can we protect the fuel poor?
- Over the medium term **focus on no and low regret solutions:**
 - Energy efficiency improvements
 - Heat networks in heat dense areas
 - Renewable and low carbon heat in off-gas areas
 - New build standards



Strengthening the Scottish Approach for Heat Networks

- **Strengthening Regulation** – Heat Networks (Scotland) Bill
- **Heat Network Planning** – Local Heat & Energy Efficiency Strategies
- **Funding, Finance & Project Support** – Low Carbon Infrastructure Transition Programme (LCITP); District Heating Loan Fund; LA Support
- **Non-Domestic Rates** – 50% relief until 2032
- **Planning Policy** – updating the National Planning Framework.



Part I - Heat
Networks
Licenses

Part II – Heat
Network
Consents

Part III – Heat
Network Zones

Part IV – Heat
Network Zone
Permit

Part V – Building
Assessment
Reports

Part VI – Powers
of Licence
Holders

Part VII – Key
Heat Network
Assets

Part VIII –
Miscellaneous
and General



Next Steps for Heat Networks (Scotland) Bill

- Heat Networks (Scotland) Bill introduced to the Scottish Parliament on 2nd March 2020;
- The Scottish Parliament is currently seeking views on the Bill in a [Call for Evidence](#) which is running until 15 May;
- Secondary legislation making the regulation operational to be completed by 2023/2024; and
- Technical Standards are being developed together with the UK Government to ensure alignment.





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