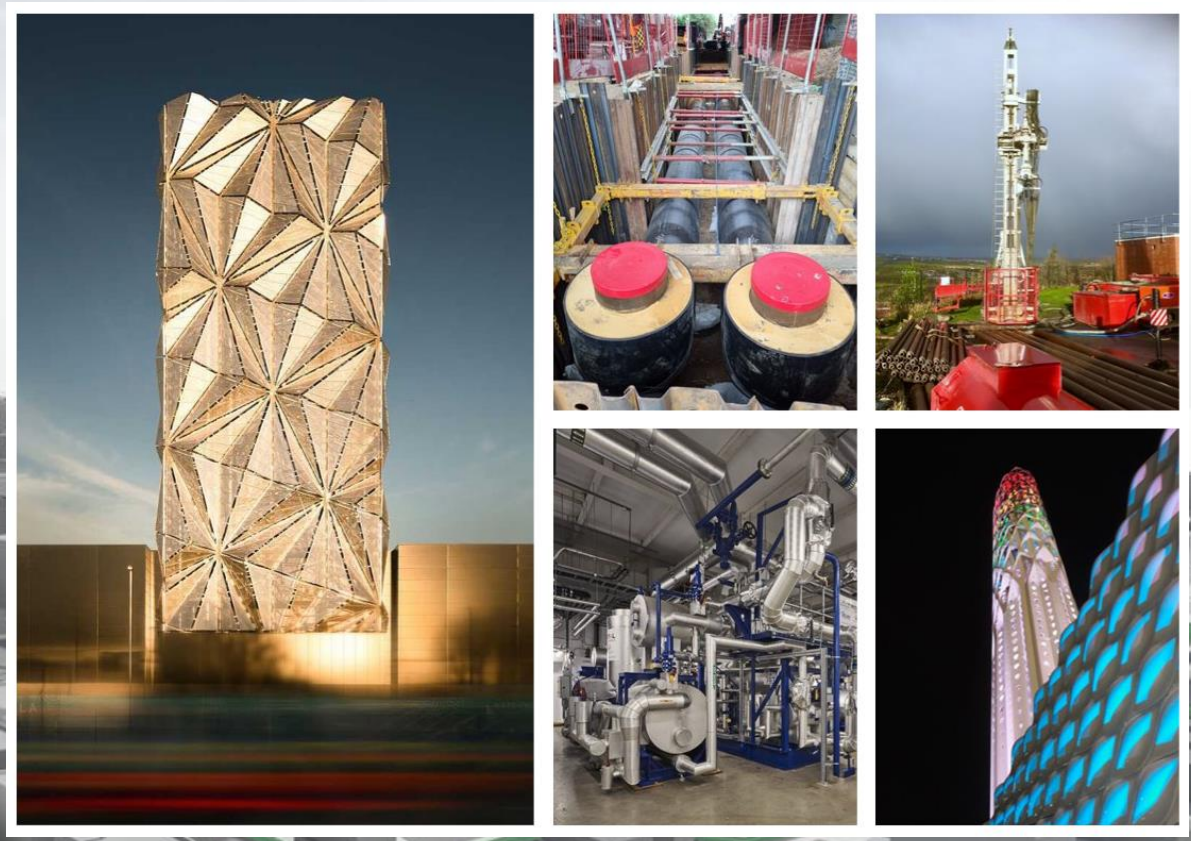
Green Heat Network Fund (GHNF)

Workshop 2 – MTCs

22nd March 2022



Department for Business, Energy & Industrial Strategy

Introduction



Tim Ward – Stakeholder Engagement Manager

Green Heat Network Fund

Department for Business, Energy & Industrial Strategy

Agenda

11.00 **Welcome**

11.05 **Market Transformation Commitments**

11.20 **Questions and Answers Session**

11.58 **Closing Remarks**

12.00 **Event Close**

Meeting Rules

PLEASE NOTE THAT THIS SESSION WILL BE RECORDED

- Please **switch off** your camera and **mute** your microphone
- **Questions** – please post any questions that you may have in the chat window.
  We'll endeavour to answer them at the end of the session.
  All questions and answers will be compiled into a document that will be shared after the event

Recording Starting

THIS SESSION IS NOW BEING RECORDED



Green Heat Network Fund: Market Transformation Commitments

Enabling enhanced capacity and capability in the UK as we drive toward Net zero

Billy Aldridge – Market Development Adviser, Heat Networks

Market Transformation Commitment aims

- Increase project and procurement visibility and pass confidence into the supply chain
- Encourage best practice in procurement to support supply chain diversity and new entrants
- Encourage longer term thinking, not just project by project
- Encourage investment in UK skills and manufacturing, as the sector grows
- Apply lessons learned and share them more widely

MTC commitments

ALL Projects applying to GHNF are required to complete the MTC commitment. It requires :-

- To agree to commitments that the project will seek to undertake.
- And to be signed by decision maker in organisation submitting application.

This will be published.

Statement of intent to implement the Market Transformation Commitments

Project Name		Applicant		Expected Construction	

I, the undersigned, understand the crucial role that Heat Networks will play in delivering Net Zero and the role of the Green Heat Network Fund in developing a competitive and innovative UK market. In seeking Green Heat Network Fund support, we commit to our project sharing information and playing an active part in transforming the market, through the following actions: -

Infrastructure commitments *In delivering our project we commit to enable a progressive business environment that will strengthen the UK heat networks supply chains to build quality, safe, low carbon and resilience networks.*	We will work to ensure **fair contracting strategies** and **open procurement** processes that will enable new entrants to the supply chain to compete equally with established suppliers. We will work to increase the visibility of opportunities and ensure open and **transparent** access to information for all.
	We recognise the importance of effective community engagement in developing new heat networks projects and will work to develop a community engagement strategy for the project.
	We will work to understand our projects **carbon footprint**, identify ways in which we can reduce our carbon impact and ensure project learning is shared across the industry.
	We will work to ensure that our network adds to a more **reliable and resilient energy system**
	We will endeavour to engage in the **local supply chain** and embed projects into local growth strategies reflecting the Government's "Build Back Better: our plan for growth" ambitions. We aim to identify ways in which our heat network supply chain invests in the **local area**.
Skills Commitments *In delivering our project we commit to actions that will* • *attract a diverse workforce representing our society,* • *enable a low carbon future through further investment in training and career progression.*	We aim to identify ways in which our green heat network supply chain can address the sector's skills gap to enable the supply chain capability and capacity growth needed to deliver Net Zero
	Our project and its supply chain will use **fair and open recruitment** processes
	We aim to stimulate investment in the development of additional skills through our project, recording the number of **apprenticeships, trainee and scholarships**
	We anticipate our project will **stimulate jobs** in the local area and across the UK. We will record and share these new jobs.
Innovation Commitments *In delivering our heat network project we commit to actively sharing learnings and explore ways we can support and enable R&D as well as test and realise new ideas.*	We aim to identify ways in which our project can enable investment in R&D either directly or through our supply chain.
	We will investigate how our project can be part of an industry continual improvement approach through **applying learnings and innovations** from previous projects, **identify new solutions** that can be used within our project, form part of future R&D investment or represent significant potential for future projects and share this learning across the sector.

Name & Position *Authorised to sign on behalf of the project*		Signature		Date	

Department for Business, Energy & Industrial Strategy

Question		Type	Completed by
PROJECT SUMMARY			
A	Short project description	Description	All projects
B	Project Milestones	Data	All projects
C	Current procurement status	Data	All projects
D	Breakdown of project outline costs	Data	All projects
INFRASTRUCTURE			
1	Contracting strategy and procurement process	Commitment	All projects
2	Strategy for community engagement	Commitment	All projects
3	Low carbon footprint in supply chain	Approach	Large projects
4	Reliability and resilience for energy system	Commitment	Medium & large
5	Investment and growth in project's local economy	Approach	Large projects
SKILLS			
6	Addressing the supply chain skills gap	Approach	Large projects
7	Project recruitment and hiring strategy	Commitment	Medium & large
8	UK apprenticeships, trainees, and scholarships	Data & Description	Medium & large
9	Number of new jobs: Local, UK, and RoW	Data & Description	Medium & large
INNOVATION			
10	Investment in UK R&D	Data & Description	Medium & large
11	Continuous improvement	Approach	Large projects

Medium >£7.5m
Large >£15m
Inc. other GHNF projects

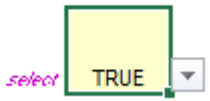
Non-required questions are voluntary

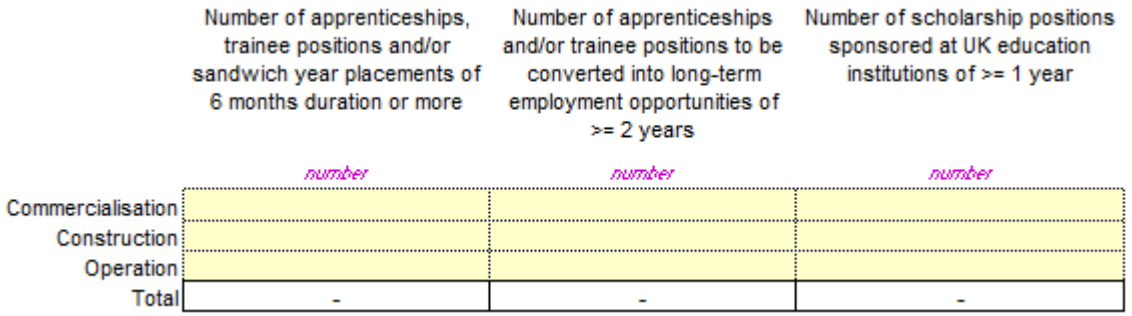
Question types

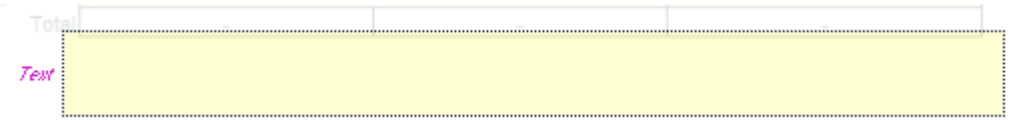
Commitments – Require applicants to confirm whether they plan to implement that area of MTC guidance in their projects. Required commitments must be agreed, to pass the MTC assessment.

Data and description – Require applicants to complete the data tables.

Approach questions – Require applicants to submit how they plan to deliver on the MTC question through their project







Commitments

We have produced guidance for projects to follow.

Projects must:

- Show best endeavours to implement the guidance
- Inform GHNF when they are unable to
- Abide by the grant funding agreement
- Tailor the implementation to their specific circumstances but work to the intent of the commitment



Data & Descriptions

Data questions are required and assessed on completeness, not value.

Data will be updated through monitoring an reporting

We want:

- As true a picture of heat network new jobs, apprentices, and innovation as we can get
- To learn about projects, but also to learn how to collect data better in future



Approaches

Focus on:

- Tailoring response to project and local areas, but
- Delivering action to support the wider market

Good answers will:

- Provide detail on methods and understanding
- Involve wider stakeholders & partners
- Show ambition
- Share lessons
- Have a positive impact on this and future projects



Contracting strategy and procurement process

Guidance to be followed by both public and private sector on:

Meaningful pre-engagement
Individual project promotions
Fair contracting terms and standardisation
Open procurement



MTCs Summary

- The Market Transformation Commitments will:
  - Be a source of information on the full pipeline of heat network projects
  - Stimulate investment in the UK supply chain capacity and capability
  - Ensure fair and open procurement and contractual terms
  - Be proportionate to the scale of each project
  - Be reviewed and updated to ensure effectiveness in transforming the UK heat network sector into a more progressive and capable sector.

Q&A Session

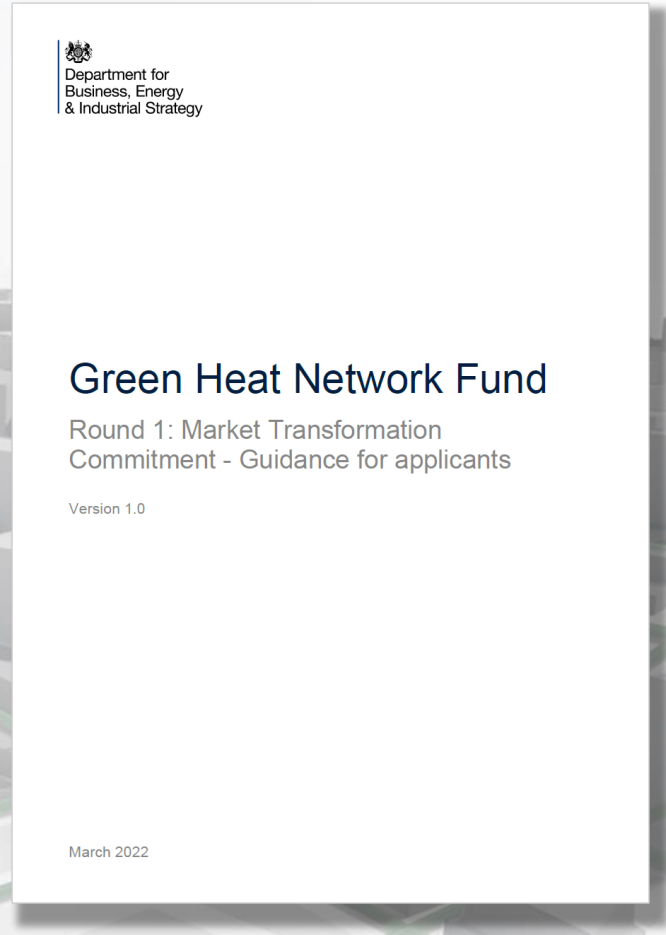
All questions and answers will be logged and a document will be circulated after the event

Department for Business, Energy & Industrial Strategy

Guidance for Applicants

Available on GOV.UK website

Your feedback is very welcome



Department for
Business, Energy
& Industrial Strategy

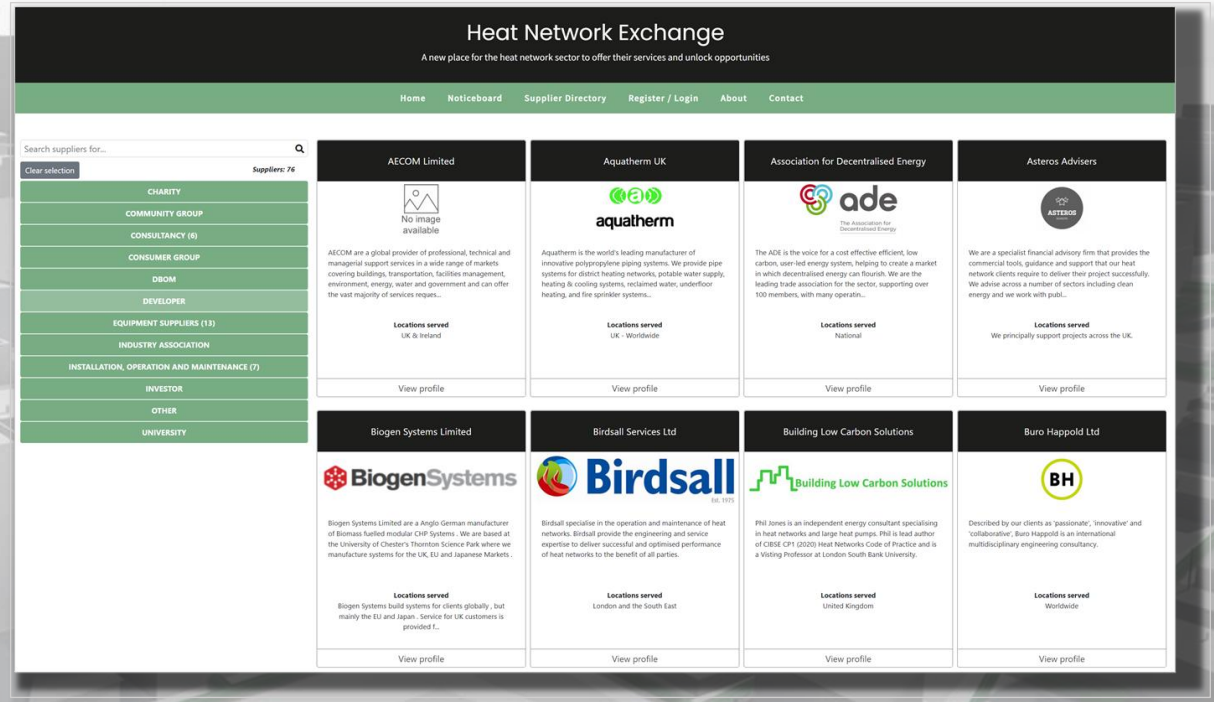
Next Workshops

- We will be hosting a series of weekly workshops to support applicants and their supply chain partners
  - **29th March 2022 – Budgets and Drawdown of Funds**
  - **5th April 2022 – Sleeving of Low-Carbon Heat**
  - **12th April 2022 – Shared Ground Loops and Aggregation**
- Each workshop will have a different 15-minute presentation and 45 minutes for Q&A
- Join our mailing list: ghnfcorrespondence@beis.gov.uk

Heat Network Exchange

heatnetworkexchange.co.uk

- Supplier Directory
  (entries are not assessed)
- Noticeboard
- COVID-19 Support
- The Heat Network Emergency Responder Team



Department for Business, Energy & Industrial Strategy

Find Out More



Visit the .GOV website and search ‘GHNF’



Contact us: ghnfcorrespondence@beis.gov.uk

Department for Business, Energy & Industrial Strategy



Thank you!