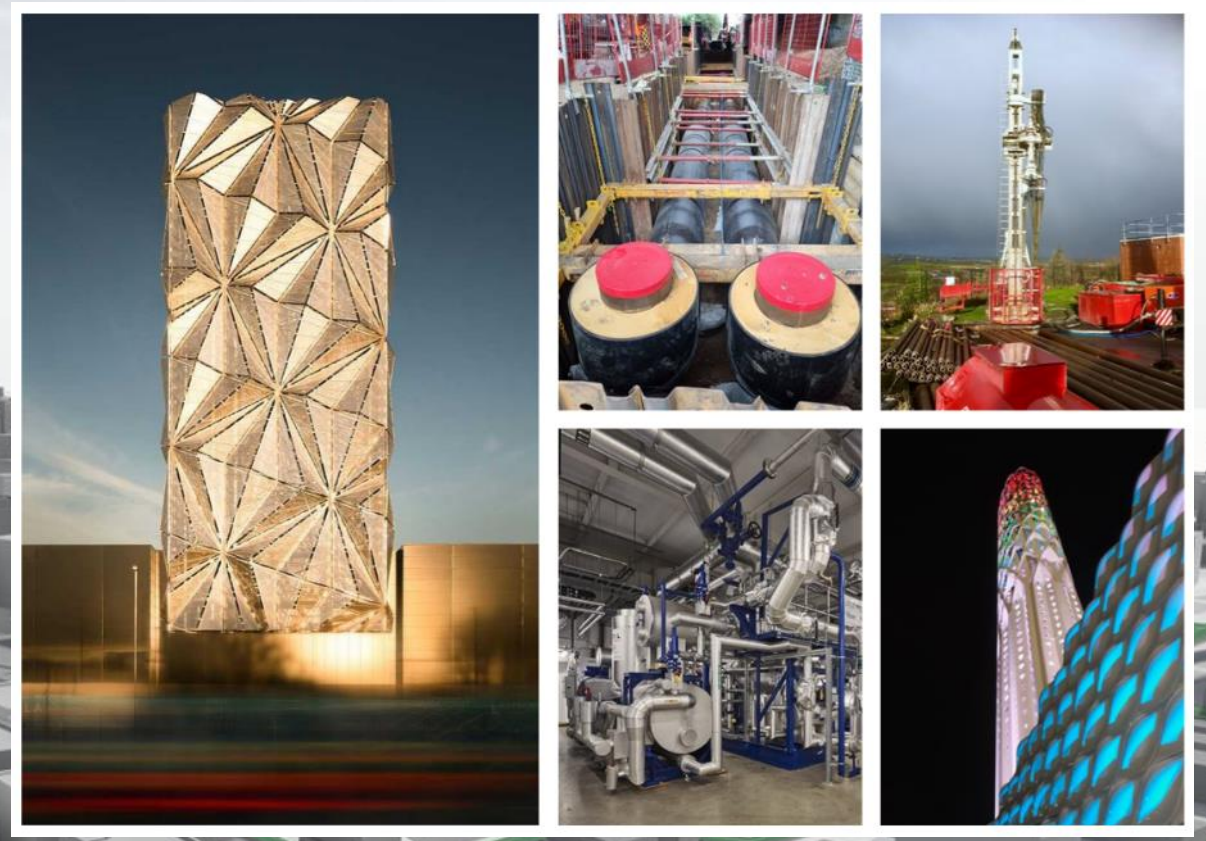
Green Heat Network Fund (GHNF)

Workshop 3 – Budgets and Drawdown of Funds

29th 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 **Budgets and Drawdown of Funds**

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



Budgets and Drawdown of Funds

Bara Sladkova – Acting Scheme Delivery Manager

Green Heat Network Fund

Department for Business, Energy & Industrial Strategy

Process and Timeframes

PLEASE NOTE:

Processes and timeframes for funding drawdown set out in this presentation are subject to review by the GHNF Delivery Partner in the spring of 2022.

Any changes to these processes or timings will be communicated to Round One applicants in due course and reflected in the next version of the GHNF Application Guidance, ahead of GHNF Round Two

Conditions

- Award (or rejection) Letter issued within 45 working days of round closing
- Grant Funding Agreement /Memorandum of Understanding issued with Award Letter
- GFA /MoU contains detailed conditions to award
- Repayment of grant funds in a number of instances, including:
  - Misuse of funds
  - Material revisions to the proposed scheme that impacts the project's eligibility (e.g. reverting to fossil-fuels, etc.)
  - Withdrawal from GHNF-funded project

Funding Drawdown (1)

- GHNF process differs from HNIP
- Programme of works required – monthly forecasts
- Award drawdown can be phased over all years of GHNF
- Each financial year's award allocation must be spent in that year (otherwise risk losing that portion of award)
- ALL relevant conditions precedent must be satisfied before drawdown

Funding Drawdown (2)

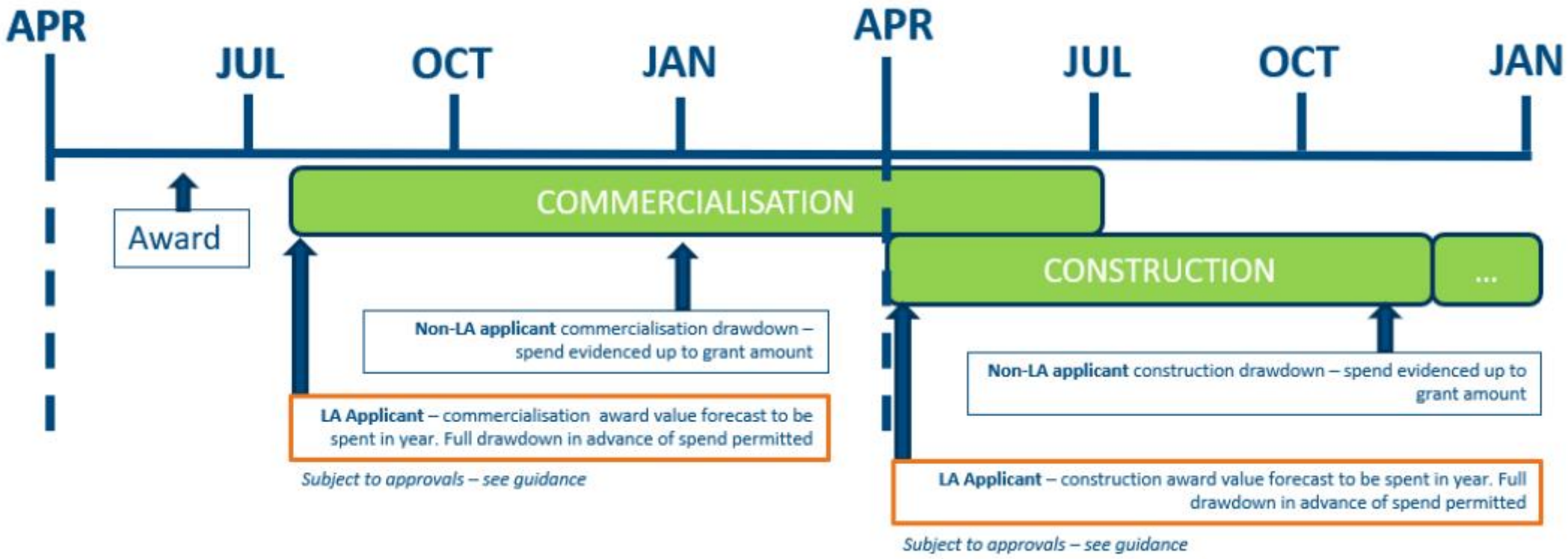
LOCAL AUTHORITIES

- Award for a specified financial year can be drawn down **ahead of need**
- Evidence of spend required

ALL OTHER GRANT RECIPIENTS

- Award for specified financial year can only be drawn down **after spend** is demonstrated
- Milestone-based to ease project cash flow

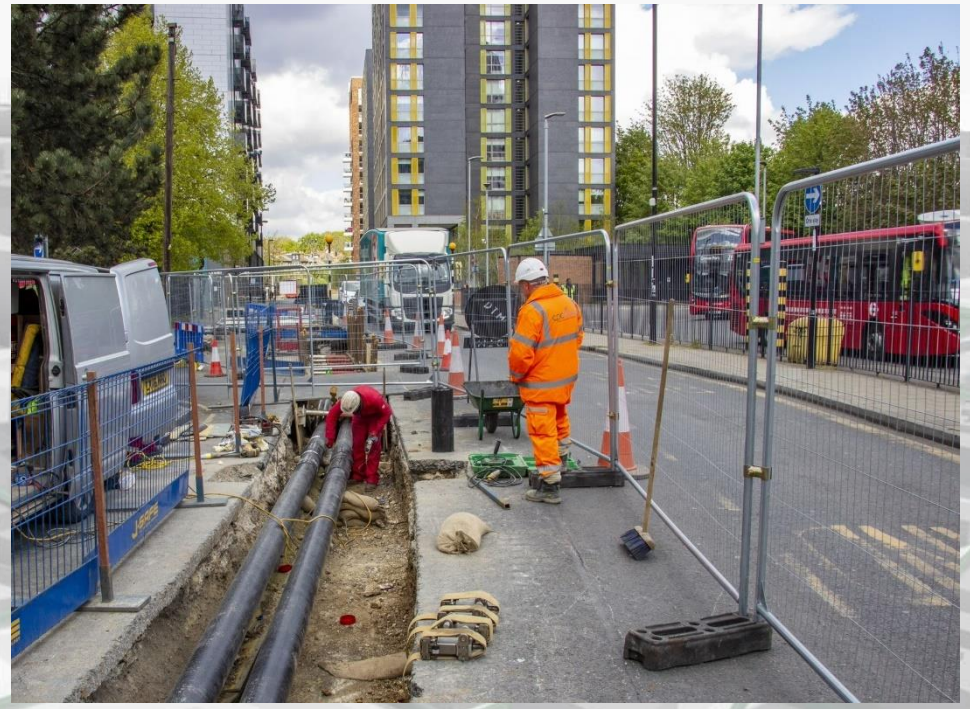
Funding Drawdown (3)



Evidence of Spend

All projects:

- Invoices or quantity surveyor reports
- Evidence of cash paid to contractors



Multiple Years - example



FY 2022/3	FY 2023/4	FY 2024/5	Up to 5 Years from **first** connection
Commercialisation activity £300k Application for Construction support £5m Award	**Construction commences** Drawdown project spend during year £3m	**GHNF-funded element of construction completed** Drawdown remaining award £2m	**Build-up of connected heat load** Note that this is the thermal energy delivered to consumers (so includes system losses)

Minimum Thermal Demand (*) **2GWh/year**

(*) 100 dwellings if rural off-gas-grid

GHNF Application Rounds

Round	Final Submission Date		Round	Final Submission Date
1	27th May 2022		**7**	24th November 2023
2	26th August 2022		**8**	23rd February 2024
3	25th November 2022		**9**	24th May 2024
4	24th February 2023		**10**	30th August 2024
5	26th May 2023		**11**	29th November 2024
6	25th August 2023			

Q&A Session

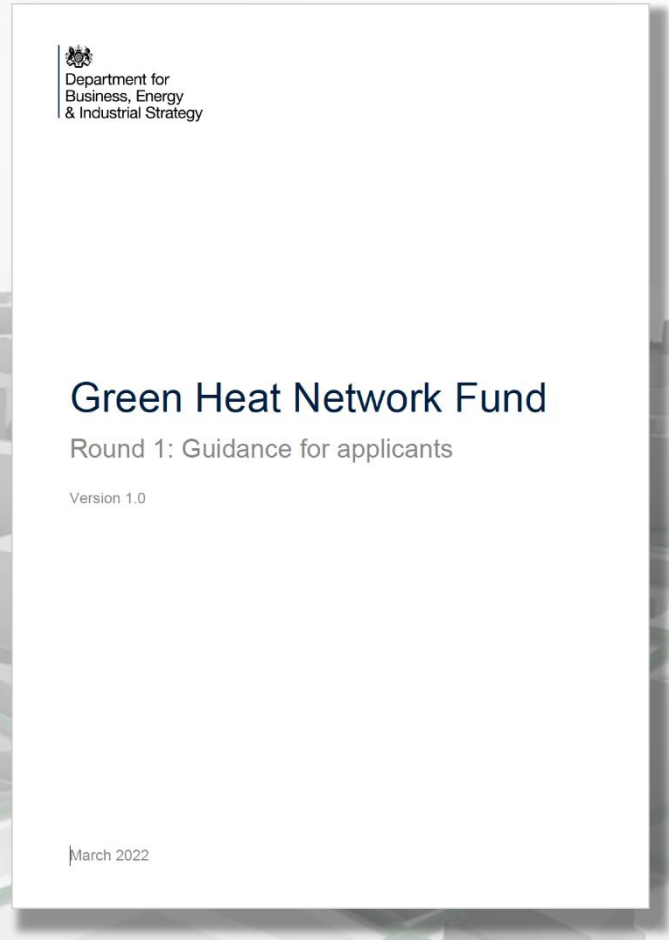
All questions and answers will be logged and a document will be circulated after the event

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
  - **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

Find Out More



Visit the .GOV website and search ‘GHNF’



Contact us: ghnfcorrespondence@beis.gov.uk

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Thank you!

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