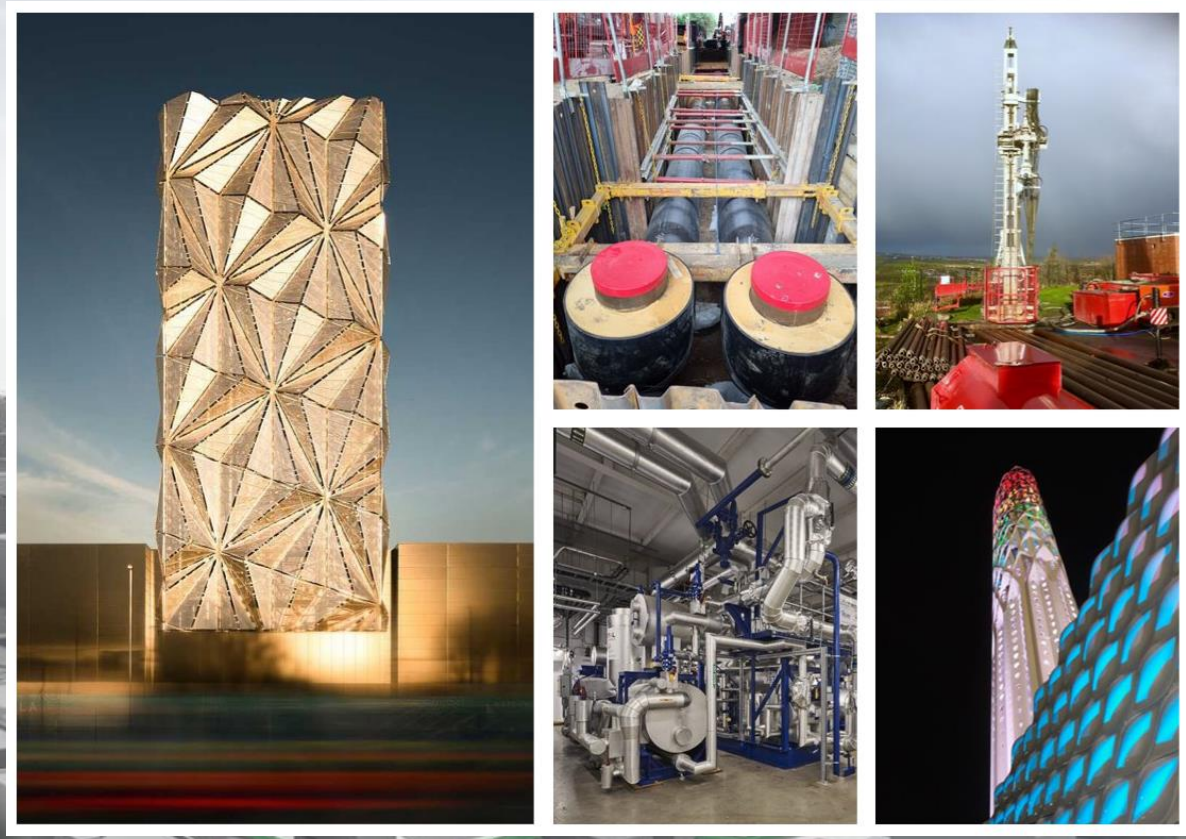
Green Heat Network Fund (GHNF)

Workshop 5 – SGLs and Aggregation of Systems

12th April 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 **Shared Ground Loops and Aggregation of Systems**

11.20 **Questions and Answers Session**

11.52 **GHNF Delivery Partner (Triple Point Heat Networks Investment Management**

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



Shared Ground Loops and Aggregation

George Robinson – Head of Finance and Commercial
Heat Networks



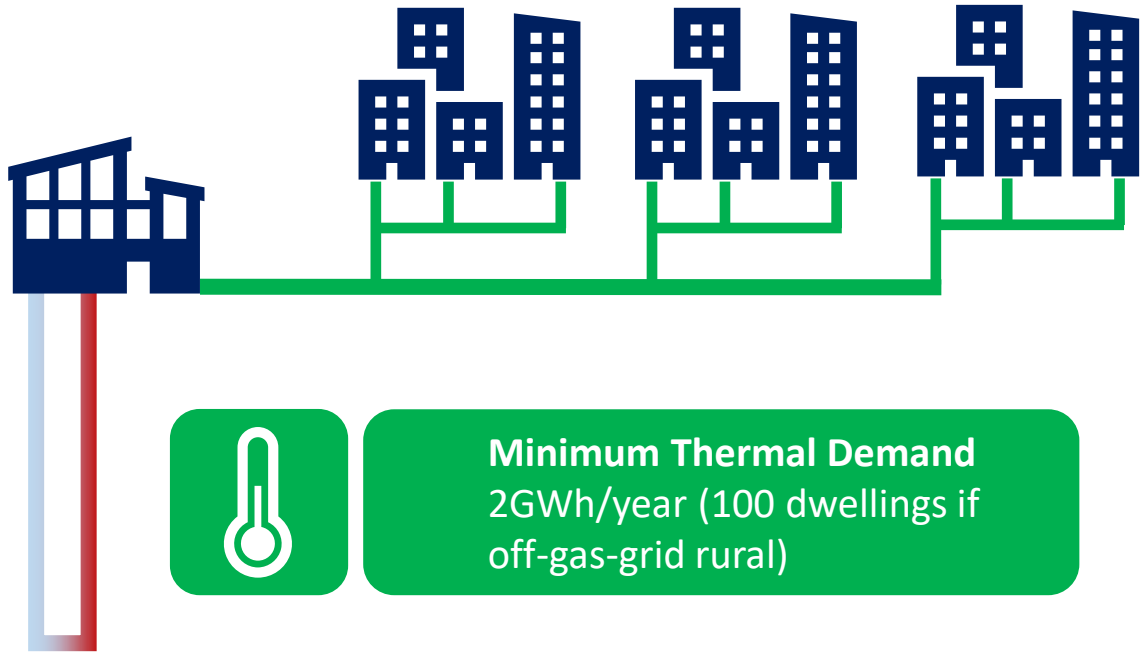
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Defining SGLs vs Ambient Loops

Ambient Loops

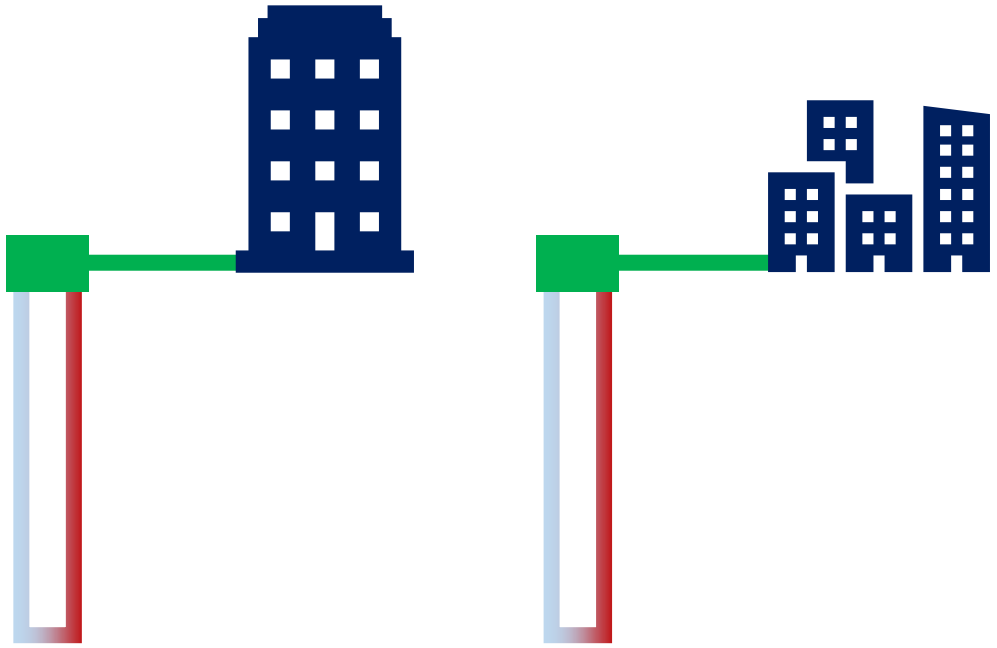
- Centrally managed networks
- Distributing 2GWh/year or more



Defining SGLs vs Ambient Loops

Shared Ground Loops

- Fewer connections
- Not centrally-managed
- Distributing fewer than 2GWh/year



Core Metrics

- Applicants are able to self-assess their project against **four** initial pass/fail gated metrics
- Simplified and more transparent application process



Carbon Intensity
100gCO2e/kWh thermal energy delivered



Customer Detriment
Protecting domestic and micro-business end users



Social IRR
3.5% or greater over 40-year period



Minimum Thermal Demand
2GWh/year (100 dwellings if off-gas-grid rural)

Minimum Annual Thermal Demand

Minimum Thermal Demand (*)
2GWh/year (100 dwellings if off-gas-grid rural)

Shared Ground Loops

Unlikely to meet this threshold individually


Photo credit: Kensa

(*) Must be reached within a five-year window from the date of the first connection.

Aggregation of Communal Systems

- Multiple communal heating systems (including SGLs) can be aggregated into a **single GHNF application**
- Applicant must demonstrate that the project is being considered as part of a wider decarbonisation strategy, such as:
  - **Inclusion within a Local Energy Strategy**
  - **Local Authority Master Planning work**
- Designed for future connection to a wider scheme


Photo credit: Kensa

Existing Communal Heat Networks

System Performance
GHNF does not support the cost of addressing any pre-existing performance issues.

- Applicants must provide a performance report, with:
  - Design and actual performance
  - Proposals for practical interventions to improve performance
  - Costs of implementing such proposals and predicted impact(s)
- Written statement confirming measures will be completed
- Seek support from wider BEIS scheme, such as HNES (where available)



Scope of Support

Accessing Heat Sources	Low-Carbon Generation	Primary HN Distribution	Secondary Distribution	Tertiary Distribution
✓	✓	✓	✓/✗	✗



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Scope of Support

Heat Pumps (at building / dwelling level) ✓

Accessing Heat Sources ✓

Low-Carbon Generation ✓

Primary HN Distribution ✓

Secondary Distribution ✓/✗

Tertiary Distribution ✗

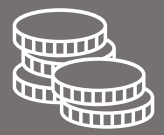


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Commercialisation Support

Activities such as:

- Final contract negotiation for Energy Supply Agreements
- Legal, technical, commercial and financial support during the procurement process
- Planning and licencing requirements
- Agreeing utility connections
- Environmental Impact Assessments
- Geological surveys and exploratory investigations
- Etc.

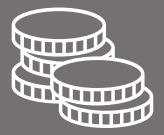


Capped Award
Up to **£1m** for commercialisation

%

Maximum CAPEX
Up to, but not including, **50%** of CAPEX + Commercialisation costs

Funding Limits



Capped Award
4.5 pence/kWh of grant per kWh delivered over 15 years*

%

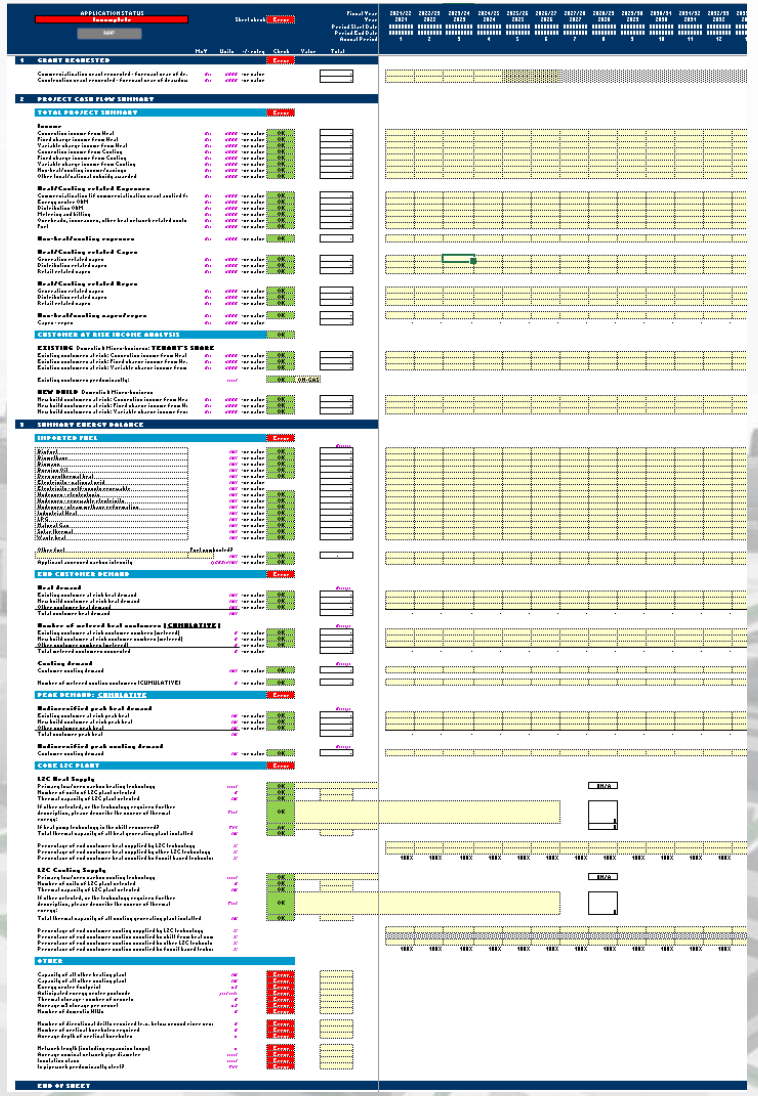
Maximum Award
Up to, but not including, 50% of CAPEX + Commercialisation costs

*Subject to review

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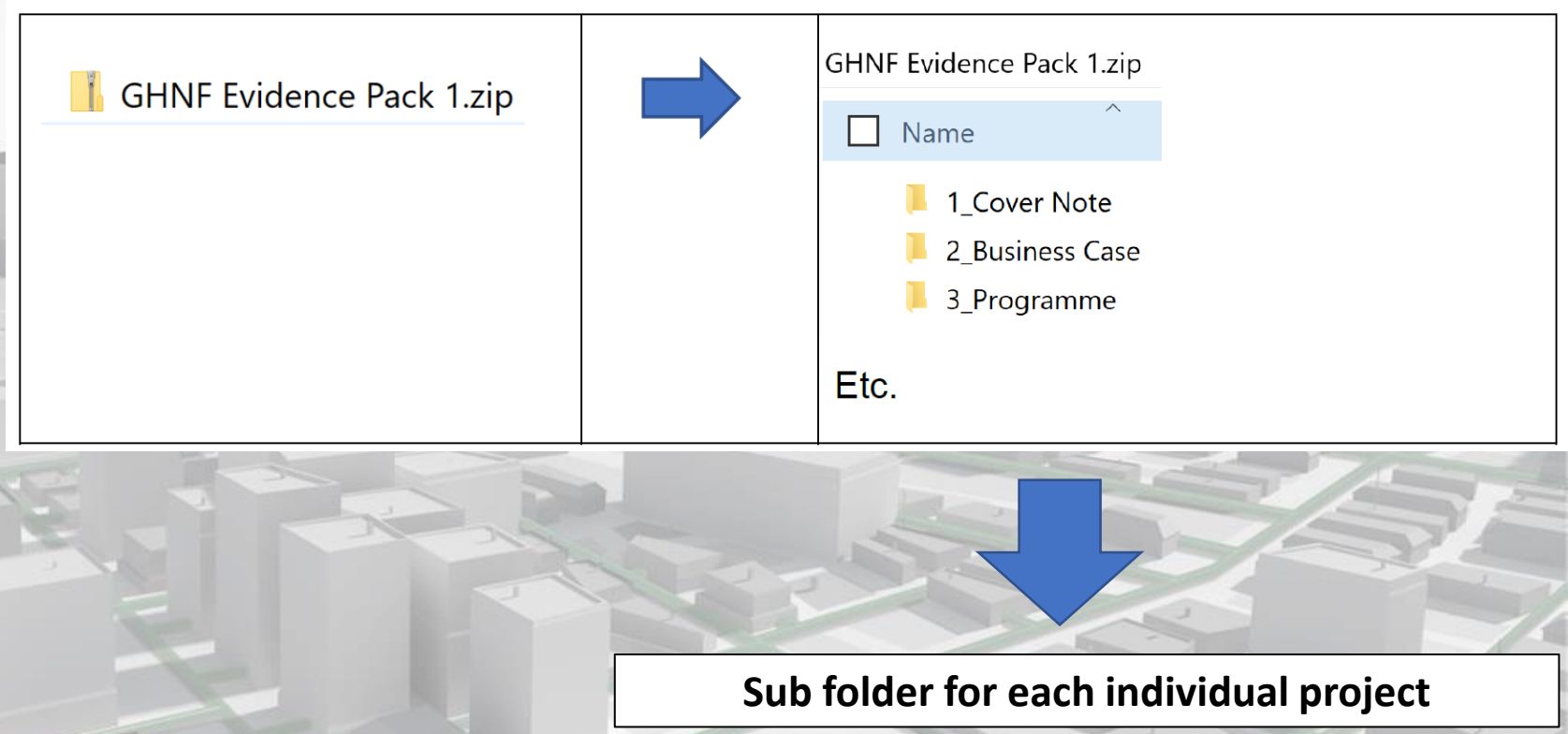
The Application Form

- **Aggregate all projects applied for and enter aggregated project into application form**
- **Provide a reconciliation workbook:**
  - Summary sheet matching application form
  - Individual sheets representing each individual project
  - Summary sheet populated from the sum of the underlying individual sheets
- For core plant section complete based on majority technology proposed – underlying reconciliation workbook should replicate this section to show technology selection for each communal system



Supporting evidence

- **Evidence provided needs to be as easy as possible to assess.**
- **Possible that a sample approach will be taken**
- **Cover note folder should include the full reconciliation to the application form.**



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

Triple Point
HEAT NETWORKS
INVESTMENT MANAGEMENT

The Scheme Delivery Partner

Triple Point HEAT NETWORKS INVESTMENT MANAGEMENT

WE SHARE

Department for Business, Energy & Industrial Strategy



Ambition for the sector and the commitment to deliver transformational change.

A strategic vision for the GHNF that it should hasten the transition of the sector to sources of low or zero carbon heat.

The belief that increased availability of low-carbon heat means nothing unless utilisation similarly increases.

The urgency with which we want to bring about change.

Knowledge of the critical importance of engaging with a supply chain that needs to see rapid growth if it is to respond to the opportunities before it.

The commitment to an outstanding applicant experience.

Triple Point
HEAT NETWORKS
INVESTMENT MANAGEMENT





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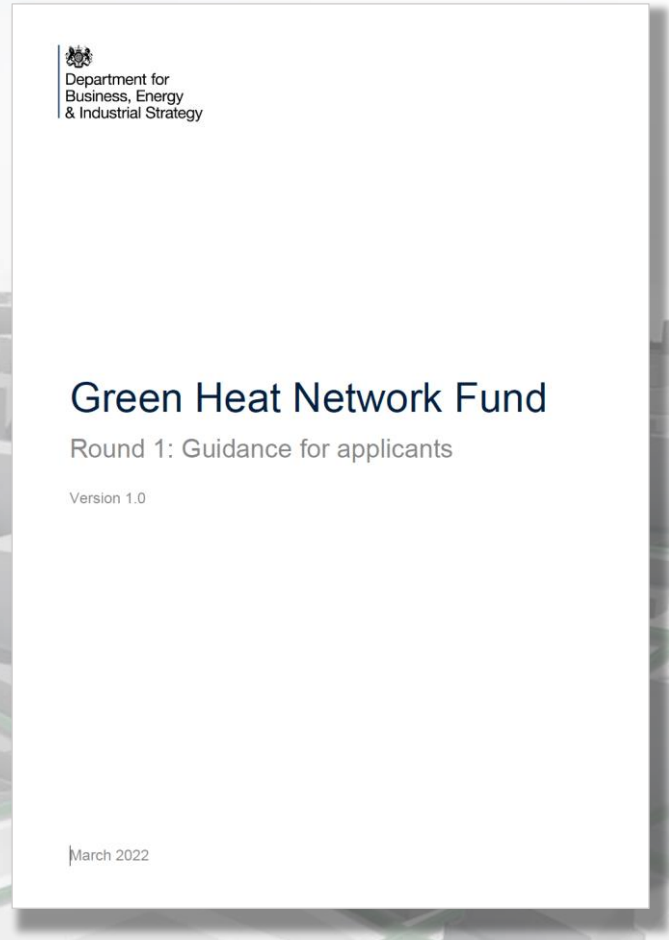


amy.fry@triplepoint.co.uk

Guidance for Applicants

Available on GOV.UK website

Your feedback is very welcome



Department for
Business, Energy
& Industrial Strategy

Find Out More



Visit the .GOV website and search ‘GHNF’



Contact us: ghnfcorrespondence@beis.gov.uk

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Thank you!