

Vision

By 2050, low carbon heating will be the norm, and heat networks will constitute a key segment of this. It will be normal for homes and businesses in towns and cities to be on heat networks, and consumer awareness of heat networks will be high.

Developers and planners will assume that all new buildings in heat dense areas will connect to existing heat networks, and this will be easy to do as a result of planning policies introduced in the 2020s.

Homes and buildings that previously used fossil generation to meet their needs will have long-since been retrofitted onto low carbon heat networks, with consumers having been able to understand their decarbonisation pathways and make the choices that were right for them.

Consumers will have the same confidence in their networked heating, its reliability, and associated service and protection as they do today in their boilers.

Underutilised waste heat will be a thing of the past, with 100% of waste heat produced near heat networks redeployed as heat for consumers. Net zero heat networks will be the norm, making use of ambient heat opportunities as well as waste heat.

Heat networks will be integral to the UK energy system's security and resilience. They will help mitigate the need for electricity network reinforcement and extension and provide flexibility to help balance the system.

The low carbon heat industry will be thriving, attracting inward investment and offering competitive employment opportunities. Innovation and technological advances will be constantly pushing boundaries, striving to deliver increasingly decarbonised, reliable, low-cost heat.

What can heat networks offer?

1

Creating investment and jobs:

- The investment, skills and supply chain growth necessary for 18% of UK heat demand to be met through heat networks by 2050;
- 20,000-35,000 new direct jobs in the sector by 2050;
- Investment of up to £50bn into the UK market by 2050;

2

Accelerating carbon reduction:

- Net zero carbon networks for all new schemes by 2030
- All new and existing heat networks are net zero carbon by 2035;

3

Delivering consistent and excellent customer experience:

- Consistent and excellent customer experience for all heat network users, with the overriding principle of treating customers fairly
- And including guaranteed standards of performance, without a cost premium to the customer, at standards better than equivalent premium gas boiler heating services

4

Supporting the creation of smart, livable cities:

- City-wide strategic heat network plans for all major cities by 2030;
- Efficient and low cost, digitally-enabled heat for all networks;
- Heat networks will be a net contributor to better air quality



What do we need from Government?

- 1** Heat network infrastructure and markets should have the equivalent level of regulation as gas and electricity, affording investors and consumers similar protection whether sourcing heat from traditional sources or heat networks.
- 2** A Government-backed scheme to support investment, as is in place for the development of other energy infrastructure, to address demand risk and reduce the long-term cost of building heat networks – making them more attractive to investors and consumers.
- 3** A clear mandate and leadership by the UK Government and Devolved Administrations towards strategic, long-term planning; likely including zoning for heat networks.
- 4** Extension of the access rights under planning held in the regulated energy networks market to heat networks; improving the economics of schemes and delivering consumer benefits through efficient design.
- 5** Reform of business rates to place heat networks on a level playing field with other utilities.
- 6** Levelling the playing field through reform of taxation and levies to provide a clear signal on the cost of carbon (or value of carbon abatement). This reform needs to recognise the benefits of shared heat generation and incentivise waste heat utilisation as a key driver of carbon reduction.
- 7** Where of appropriate scale, clear separation of heat network roles for new networks, aligned to energy markets, between generation, distribution and supply. This would enable the development and integration of the competitive market across both heat and energy, driving market efficiency and enhanced customer experience.

