

Guidance: Heat networks: procuring finance

This paper is designed to help local authorities which recognise the potential benefits of engaging with a non-public investor (NPI) to deliver a heat network, but want to better understand:

- at what stage the local authority can engage with the NPI
- what role the NPI could play in developing the heat network project
- the procurement law and state aid implications of involving the NPI
- the alternatives for delivering the project in a way which meets the local authority's objectives, complies with legal requirements and supports investment from non-public sources

Similarly, NPIs considering investment in a heat network project with a local authority may want to better understand the procurement law and state aid considerations which are relevant to the structuring of the project, and how these influence the local authority's approach.