

Press release: Government's ground-breaking Heat Networks Investment Project to launch in the Autumn

- heat networks – dubbed ‘central heating for cities’ – scheme to be launched in Autumn
- heat networks can lower bills for both consumers and non-domestic customers
- heat networks have key role in lowering carbon emissions

Delivering on its commitment to tackle energy bills using innovative, low carbon solutions, the government today (Wednesday 11 April 2018) announced a new scheme for consumers and non-domestic users such as hospitals, schools and council buildings to participate in a trailblazing heat networks scheme.

Marking another step forward in the government's [Clean Growth Strategy](#), a key pillar of the UK's Industrial Strategy, the government's £320 million Heat Networks Investment Project (HNIP) will offer grants and loans to both the public and private sectors in England and Wales, for networks serving 2 or more buildings. The scheme is due to open for applications this Autumn.

Heat networks distribute heat efficiently through insulated pipes from a central source to a variety of different customers. For residents in flats, heating costs could be as much as 30% lower on a heat network than alternatives such as individual gas boilers. As well as lowering bills for domestic and non-domestic consumers, they can reduce the UK's carbon emissions.

Heat networks could play a vital role in the long term decarbonisation of heating, as they provide a unique opportunity to exploit larger scale renewable and recoverable heat sources. Heat networks could meet up to 17% of heat demand in homes and up to 24% of heat demand in industrial and public sector buildings by 2050.

There are already a number of successful heat network projects already operating in the UK such as one in Sheffield which burns 12,000 tonnes of municipal waste each year as the main fuel source for its network. Or Southampton's main energy centre which has over 45 energy users ranging from over 1,000 residential properties, a hospital, university, shopping centre, police headquarters and BBC studios.

Today's announcement and government support of heat networks paves the way for the sector to grow and become a significant clean growth contributor.

Energy Minister Claire Perry said:

The UK has led in the decarbonisation of electricity, and today's

announcement shows we are just as committed to tackling heat. Today's announcement creates a route to market for innovative energy projects across the country and demonstrates a key objective of the Clean Growth Strategy; to help deliver technologies that can lower bills, cut carbon and improve the quality of life for communities across the country.

Today's announcement coincides with the publication of [high level guidelines](#) for the main scheme, as well as starting the process to find a delivery partner. Applications are expected to open in the Autumn with first funding decisions being made in 2019.

The government investment for the £320 million Heat Networks Investment Project was first announced in the Spring Budget 2015. More details on the HNIP can be found here:

www.gov.uk/government/publications/heat-networks-investment-project-hnip.

Further details on heat networks projects in the UK and other countries including Norway and Denmark across various applications, technologies and scales can be found here:

www.gov.uk/government/publications/heat-network-case-studies.