

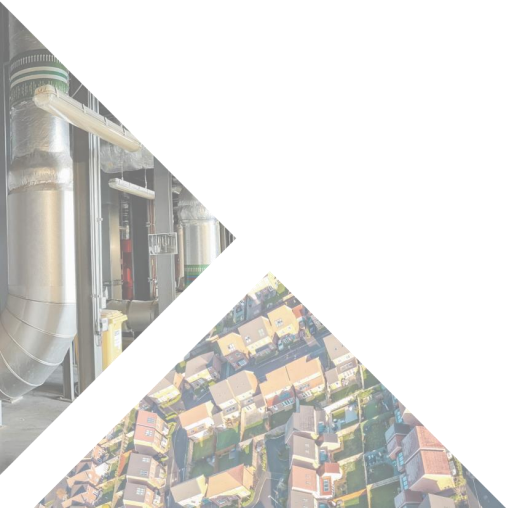


# HEAT NETWORK EFFICIENCY SCHEME



# Welcome and Agenda

Insert name



# Welcome



**Please mute microphones to limit disruption**



**If you are not speaking, please turn off webcams to improve video quality**



**Please ask questions using the Q&A functionality**



# Agenda

Session	Speaker
Introduction to HNES	
Overview of the application process and what to expect	
Best practices and success stories	
Q&A	



# Introduction to HNES

Insert name



# What is the Heat Network Efficiency Scheme (HNES)?

- £32 million grant support scheme
- Available in England and Wales
- The aim of HNES is to improve heat network performance in existing / operational projects



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# Aims and Objectives of HNES

1. Reduce carbon emissions by making heat networks more efficient
2. Reduce customer detriment to improve consumer confidence
3. Help prepare the heat network market for sector regulation and technical standards



# How much funding is available?

## Capital Grants

Part funding  
**(up to but not including 50%)**  
available for the delivery (installation) of eligible  
intervention / improvement measures.

Up to £30m across FY23/24 and FY24/25

## Revenue Grants

Full funding available for procurement or  
mobilisation of external third-party support to  
carry out Optimisation Studies.

These studies will assess heat network projects  
to identify causes of sub-optimal performance  
and recommend costed intervention or  
improvement measures.

Up to £2m across FY23/24 and FY24/25

- Projects can apply for funding across both financial years, but must spend all funding within each allocated financial year
- Match funding does not have to be spent at the same time as grant funding
- Revenue funding for FY23/24 has all been allocated, however applications can still be submitted for spend in FY24/25. Projects can start before April 2024 but funding can't be claimed until 1<sup>st</sup> April 2024





# Who can apply?

- Open to Public, Private and Third Sectors

# What will HNES fund?

- Revenue Grants for optimisation studies
- Capital Grants for improvement works



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# Who can apply?

Operators of  
existing district  
heating networks  
or communal  
heating systems

Public sector,  
private sector or  
third sector  
organisations

Heat networks  
situated in  
England or  
Wales

Legal entities,  
with authority to  
sign-off  
investment  
decisions for the  
heat network  
they are  
responsible for



# Funding round closing dates

## Changes to Round 5

Round	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
Round 4							
Round 5	★ Friday 10 <sup>th</sup> November 2023						
Round 6				★ Friday 2 <sup>nd</sup> February 2024			
Round 7			Friday 22 <sup>nd</sup> March 2024 ★				
Round 8					Friday 10 <sup>th</sup> May 2024 ★		



# Application process and what to expect

Insert name



# Best practices and success stories

Insert name



# Round 1

1. 41% of total Round 1 applications from Housing Associations
2. 61% of total funded applications from Round 1 from Housing Associations
3. The majority of applications were revenue studies



# Housing Association learnings

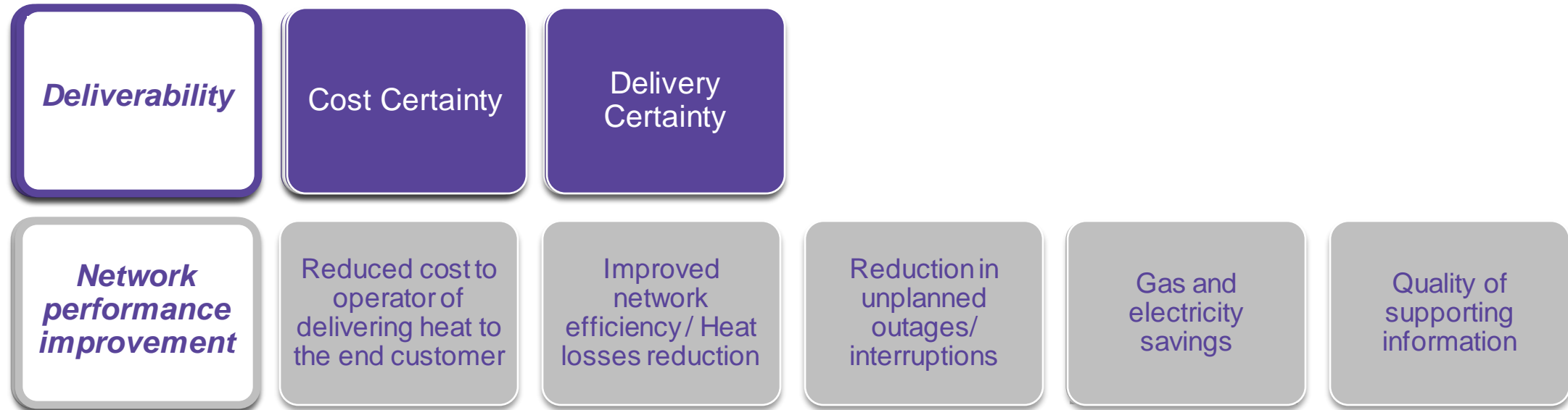
The greater detail the application and supporting evidence the better

Justification through supporting evidence is key – show us why your project is good and should be funded

The project narrative allows you to explain in detail your project



# Scoring criteria (capital applications)



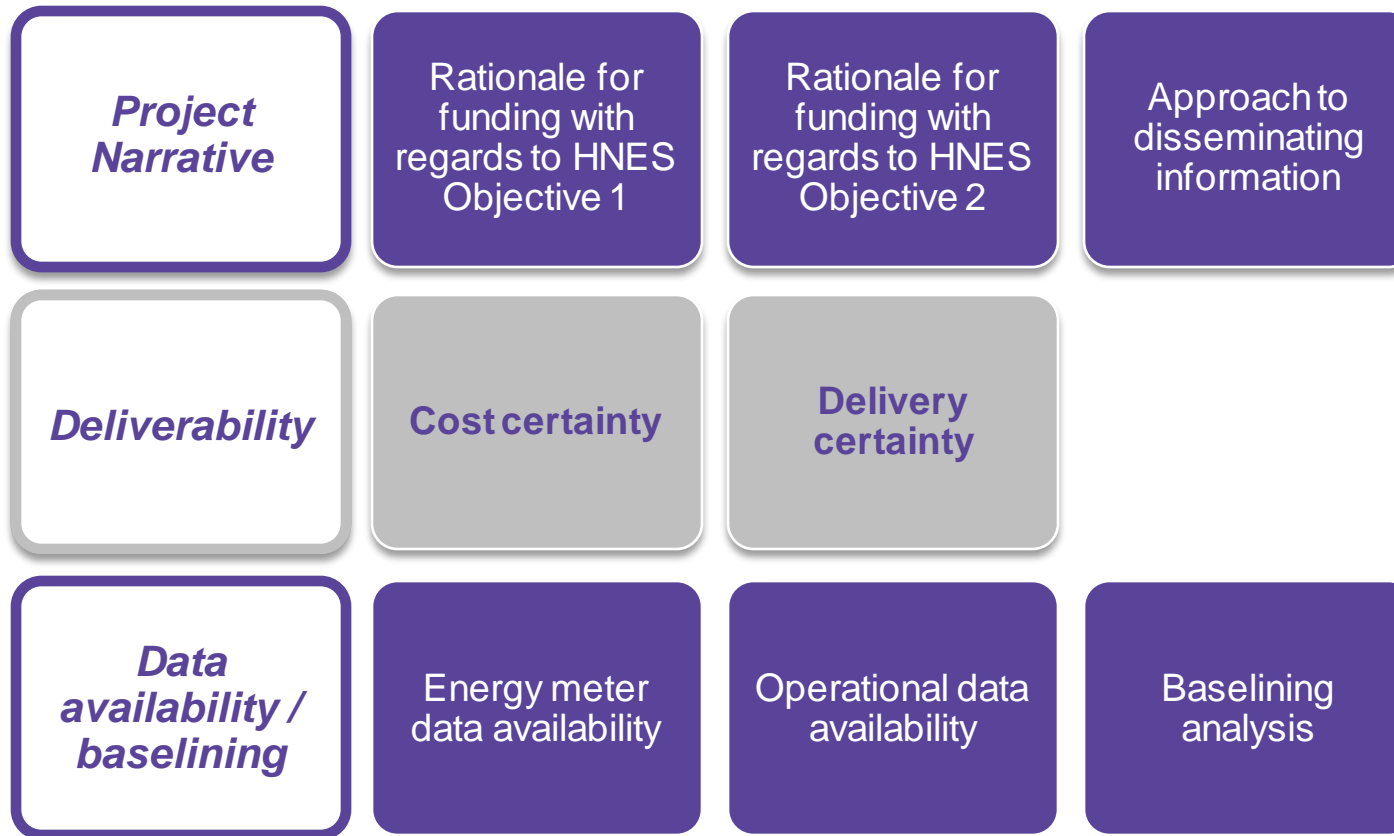


# Scoring criteria (capital applications)

<b><i>Project Narrative</i></b>	Rationale for funding with regards to HNES Objective 1	Rationale for funding with regards to HNES Objective 2	Approach to disseminating information
<b><i>Value for money</i></b>	Cost of carbon abated	Cost of gas savings	Cost of electricity savings
<b><i>Data availability / baselining</i></b>	Energy meter data availability	Operational data availability	Baselining analysis



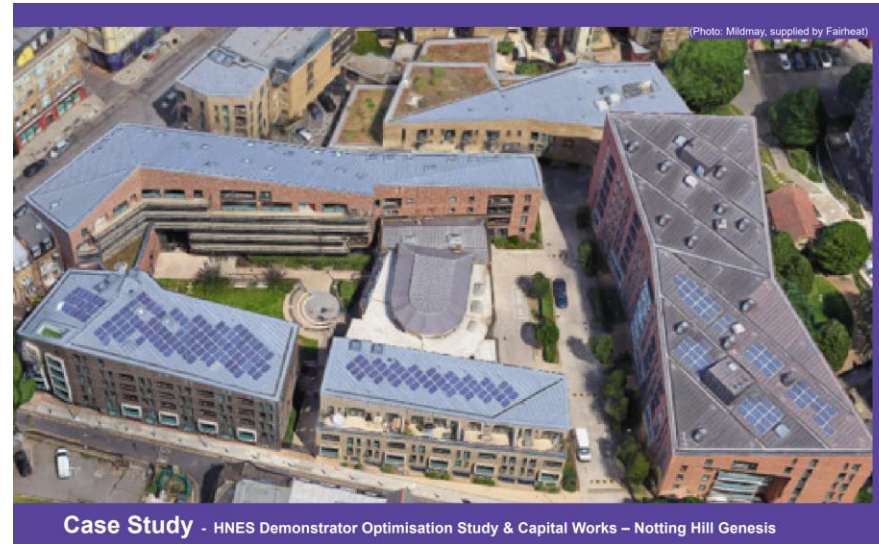
# Scoring criteria (revenue applications)



# Example HNES Demonstrator projects



Hackney Council received around £41,000 to undertake two Optimisation Studies improve the efficiency and performance of each network, which in turn would sup ensure all costs were being recovered, lower the administration of the networks, applied across their entire heat network portfolio. They appointed Chirpy Heat, visits identified 18 efficiency measures. If implemented, these would save 676 tonnes of carbon emissions over a 20-year period. Hackney now intends to implement the measures identified.



Notting Hill Genesis received around £310,000 from the HNES Demonstrator for their Mildmay heat network. The Mildmay heat network provides heat to 139 residential connections, a hospital, and a church. The system suffered from high flow rates and return temperatures and very hot water, particularly during peak hours.

Three main areas for improvement were identified, with poor HIU performance found in 50% of dwellings, alongside poor water quality, a complex hydraulic design, and an inadequate control strategy. Funding provided to the network enabled interventions which resulted in lower flow and return temperatures being achieved across the network and a 32% reduction in gas consumption, resulting in lower bills for residents and lower carbon emissions.

# Help and Support

- Email the HNES team on [hnes@gemserv.com](mailto:hnes@gemserv.com)
- Request a 1-2-1 with a relationship manager
- Sign up to our mailing list on [hnes@gemserv.com](mailto:hnes@gemserv.com)
- Attend an event
- Follow HNES on social media



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## HEAT NETWORK EFFICIENCY SCHEME



Department for  
Energy Security  
& Net Zero



Gemserve

RAMBOLL

Turner & Townsend



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