

Preparing for the Electrification of Heat

SP Energy Networks update following the BEIS publication:
Clean Growth – Transforming Heating Overview of Current
Evidence December 2018.

1/3 of UK emissions is caused
by heating in homes &
businesses.

1.2m new boilers
are installed in
England per year.

1.1m **>50%**

households in Britain
use oil for heat alongside
62,000 non-domestic
buildings.

Nearly half the
energy used in the
UK is for heating

of natural gas used is
for heating – compared
to 34% for generating
electricity, the remainder
is used in other industries,
and for domestic/
commercial cooking etc.

How the latest BEIS Consultation on heat might affect you...

There will be no new oil fuelled properties **by 2020**, new build homes will be the first to stop installing these types of boilers. No Off-Grid Gas.

Companies that sell fossil fuel boilers may face a regulatory obligations to quote customers for more efficient alternatives and have targets imposed on them to increase alternative heating sales and decrease fossil fuel sales.

Businesses will have to improve their energy efficiency by at least **20% by 2030**.

From 1st April 2018, private landlords will not be able to lease to new tenants until their property has been awarded an Energy Performance Certificate (EPC) Band E or higher in England & Wales.

Consumers will demand Low Carbon Technology ready homes e.g. heat pumps, generation/battery storage and electric vehicle charger ready.

**Electricity will play a key role of the
decarbonisation of heat**



New Policy Framework and how it affects SPEN

Reducing Heat Demand

- First Heat Networks Investment Project funding round will be announced in Spring 2019

Policies to Expand Low Carbon Heating

- RHI reform and beyond 2021
- In 2019 BEIS plan to consult on a package of measure to drive change in the off gas grid heating market
- Home of the Future design competition in 2019
- Heat Networks Investment Project

Promoting Innovation in Low Carbon Heating

- BEIS to step up innovation work on low carbon heating in partnership with the industry, academia and other partners, including
 - *Practical testing and demonstration*
 - *Acceleration of emerging technologies*
 - *First of a kind demonstration and development – BEIS currently inviting bids for Phase 2 of its up to £20m Industrial Fuel Switching Programme to develop low carbon alternatives for industrial processes*

Electric Heating

- Improve understanding of potential electricity generation and network reinforcement under different circumstances and how these might be most cost-effectively met
- Explore the potential for more sophisticated systems for modelling work, informed by demonstrations and trialling work, and improve the understanding of the role of flexibility systems
- Develop plans for a substantial new project to demonstrate modern electric heating solutions across a range of building types and consumers

Hydrogen, Bioenergy and Industrial Heating Processes

- BEIS working in partnership with industry, academia and other key stakeholders to build up a comprehensive programme of work to demonstrate the technical and practical feasibility of using hydrogen in place of natural gas

SPENs Intentions and Activities

Demonstration Projects

- Focus on understanding network impact and looking at a wide range of low carbon heat solutions, including Hydrogen where we have a role

Off Gas Grid Customers

- We believe electrification of the heat for these customers presents the decarbonisation path of least regret
- We will ramp up our ability to assess what the network impact will be and we will prioritise demonstration and innovation projects in this area

Developing a Policy Framework for Low Carbon Heating

- BEIS are committed to developing a *Roadmap for Policy on Heat Decarbonisation*, aimed to be published Summer 2020
- SPEN will publish further information following the publication of this BEIS Roadmap for Policy on Heat Decarbonisation

