

Decarbonising Heating in Thunder Bay



Thunder Bay

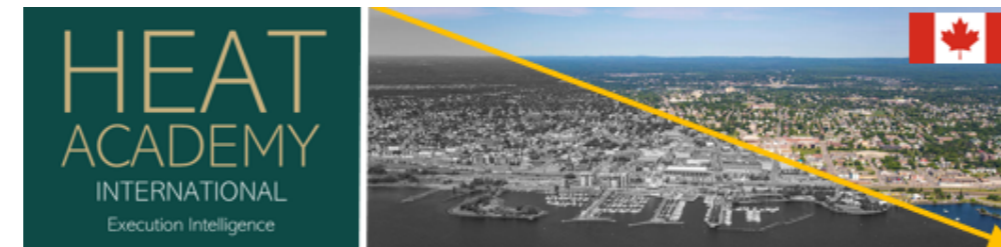
Why District Energy Networks Work – Session 2
15th December



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Thunder Bay

Why District Energy Networks Work – Session 2



Professional Training
Decarbonising Heating in Thunder Bay
Why District Energy Networks Work
Introductory Session – II
15th December
10.00 – 12.00 (EST)

register@heatacademy.eu

Decarbonising heating is a top priority to reduce CO₂ emissions by 50% by 2030 and to hit net-zero emissions by 2050. District Energy Networks combined with measures to enhance building efficiency are critical components in making this possible. Investments in solutions to decarbonise heating will also improve air quality and generate inward investments, jobs and improved social welfare. But what exactly are the technologies and skills required to take projects from vision to operation, and how can training institutions and the local supply chain gear up to meet these needs?

- Key topics addressed in this second session focusing on Thunder Bay include:
- Why District Energy Networks Work – recap of session 1
 - Presentation of pre-feasibility study – conclusions and recommendation on next steps
 - Strategy – Best Practice and reference cases from Nordic Region
 - Process – Taking projects from Vision to Operations
 - Capacity Building – securing local ability to deliver

The overall objective is to share awareness of the opportunities and to mobilise local stakeholders to the critical task of developing the capability and capacity to deliver decarbonisation projects at scale

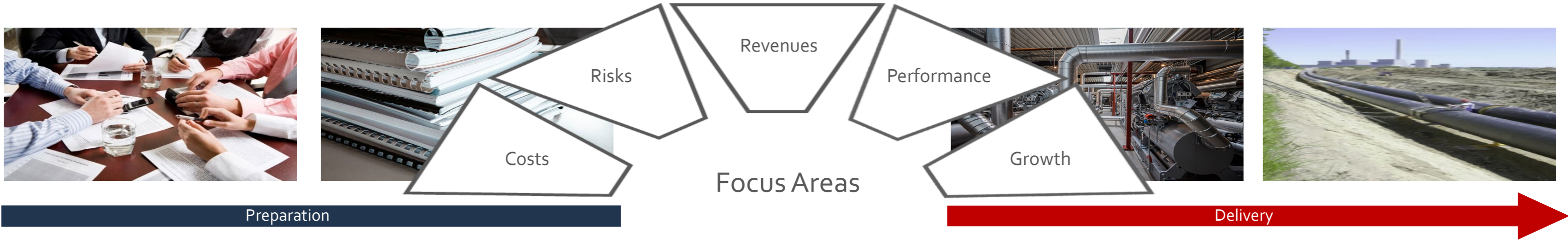
In collaboration with



Time	Topic	Speakers
10:00 – 10:05	<i>Introduction</i> – Module 2 <ul style="list-style-type: none"> • Welcoming words • Heat Academy • Local Partners 	Chris Walton CRIBE Peter Anderberg Heat Academy
10:05 – 10:15	<i>Recap of Session 1</i> – Why District Energy Networks Work <ul style="list-style-type: none"> • The impact of heat • The Nordic experience - Socio-Economic opportunities • What District Energy Networks are • Where District Energy Networks work 	Peter Anderberg Heat Academy
10:15 – 10:45	<i>Report</i> – Presentation of pre-feasibility study in Thunder Bay <ul style="list-style-type: none"> • Review of findings • Conclusions • Recommendations on next step 	Kevin Kozar Kozar Engineering Vince Rutter Biothermic
10:45 – 11:00	<i>Strategy</i> – Best Practice and Reference cases <ul style="list-style-type: none"> • Conserve – Connect – Convert • Business Models and Value Proposition • Collaboration and Replication of Best Practice 	Peter Anderberg Heat Academy
11:00 – 11:15	<i>Process</i> – Taking projects from vision to operations <ul style="list-style-type: none"> • Heat Planning • Securing Buy-In – Stakeholder Management • Programme Management • Procurement of technologies and services 	Mikael Jacobsson Heat Academy
11:15 – 11:30	<i>Capacity Building</i> – Securing Local Ability to Deliver <ul style="list-style-type: none"> • Training – professional and vocational • Developing the local supply chain 	Peter Anderberg Heat Academy
11:30 – 12:00	<i>Next step</i> – Conclusions and Actions Activities and Time Schedule <ul style="list-style-type: none"> • Priorities • Roadmap • Q&A 	Chris Walton CRIBE

Climate Bridge Group

Accelerating Decarbonisation of Heating and Cooling



Local Partners

Facilitating International Collaboration & Replication

Mobilising Cities & Regions
Involving stakeholders

Membership services

Driving cooperation between Cities & Regions
Assisting in Stakeholder involvement

Capability to Deliver

Developing local capabilities in preparing affordable investments

Local Partners

Training and Innovation services

Professional & Vocational Training and local innovation platforms

Bridging Gaps

Resolving Challenges & Risks stopping projects

Local Partners

Advisory services

Sharing of know-how, experiences and best practice

Capacity to Deliver

Developing local supply chain capacity to deliver projects

Local Partners

Supply Chain services

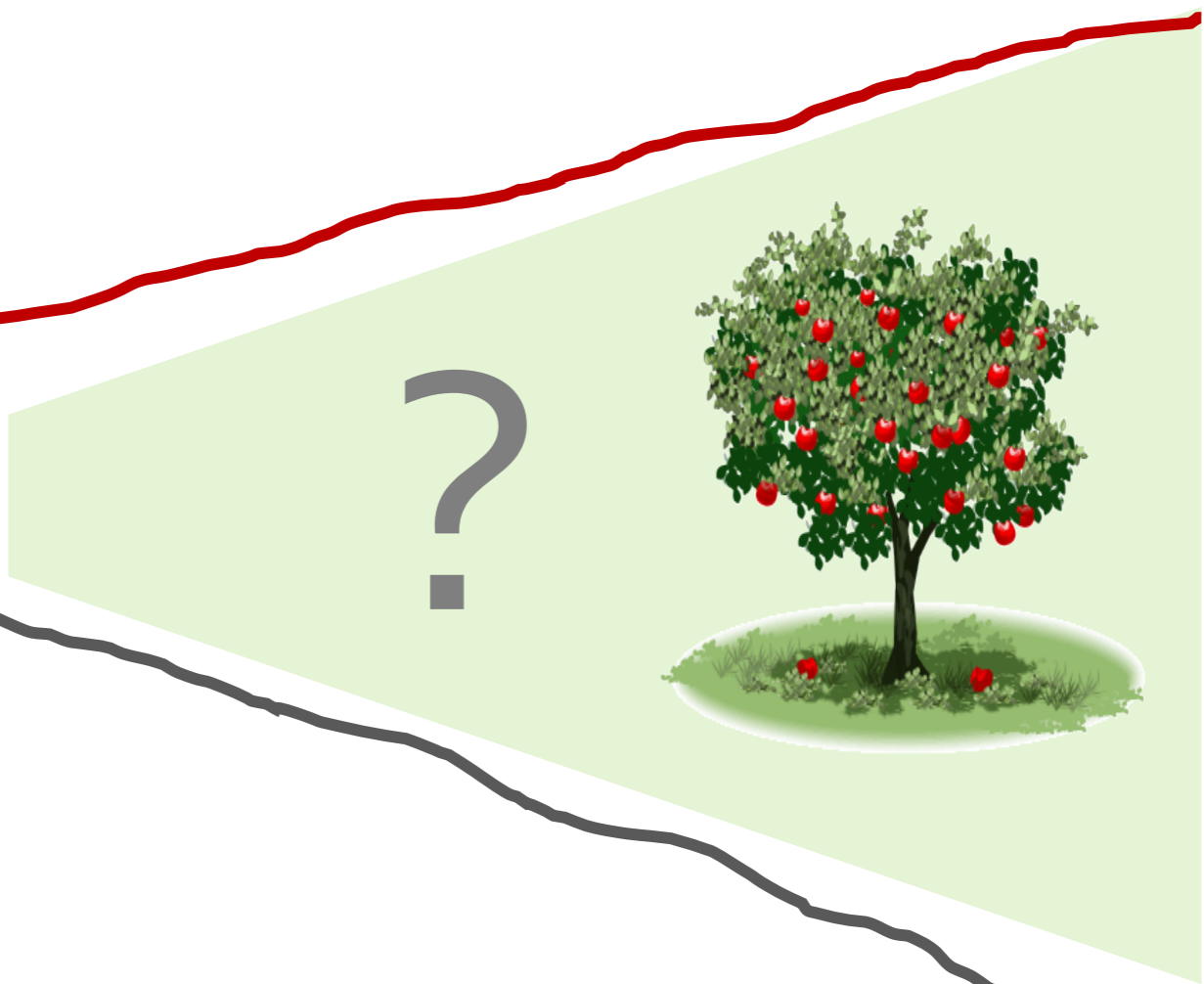
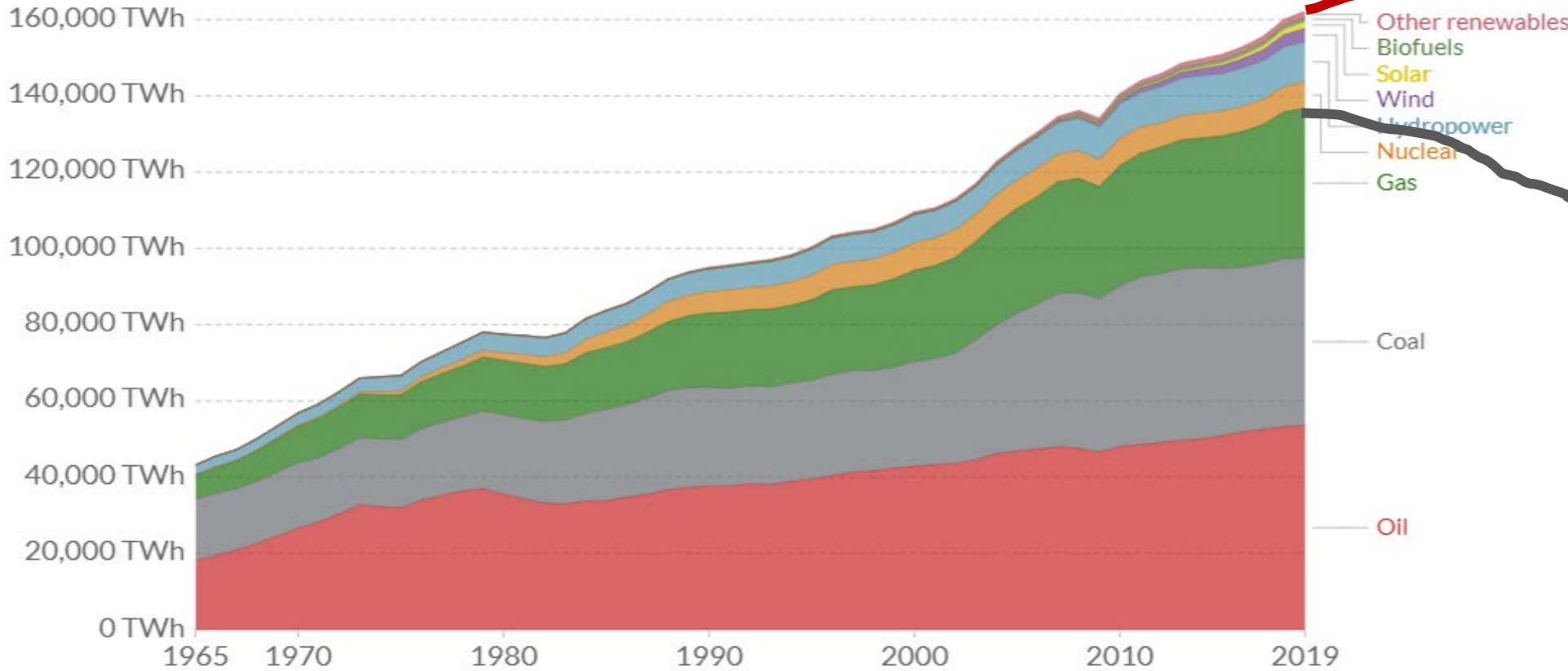
Facilitating market entry and local partnerships

Energy consumption by source, World

Primary energy consumption is measured in terawatt-hours (TWh). Here an inefficiency factor (the 'substitution' method) has been applied for fossil fuels, meaning the shares by each energy source give a better approximation of final energy consumption.

Our World in Data

↔ Change region □ Relative



Source: BP Statistical Review of World Energy
Note: 'Other renewables' includes geothermal, biomass and waste energy.

OurWorldInData.org/energy • CC BY

Decarbonising Heating Core Strategy

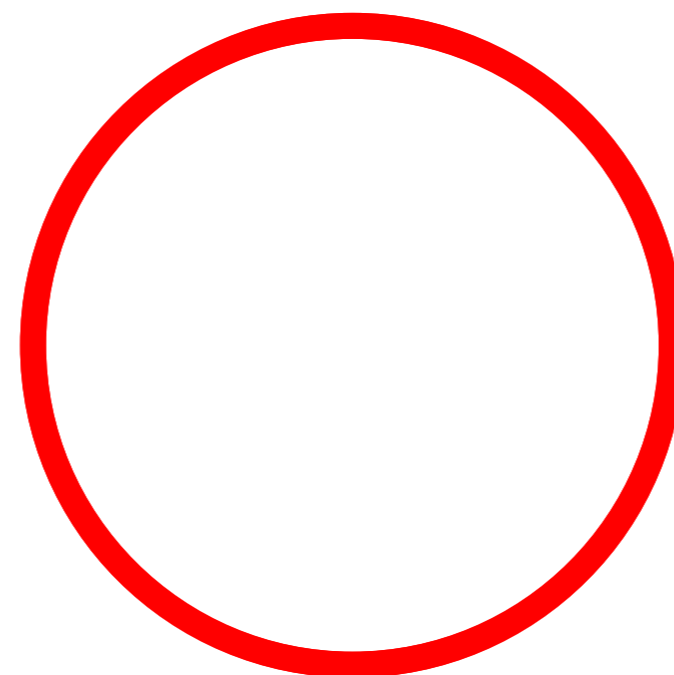
Primary Energy
Input

Energy losses

**Energy Security
Climate
Costs**



Decarbonising Heating Core Strategy



Decarbonising Heating Core Strategy

Primary Energy
Input

Energy losses

**Energy Security
Climate
Costs**



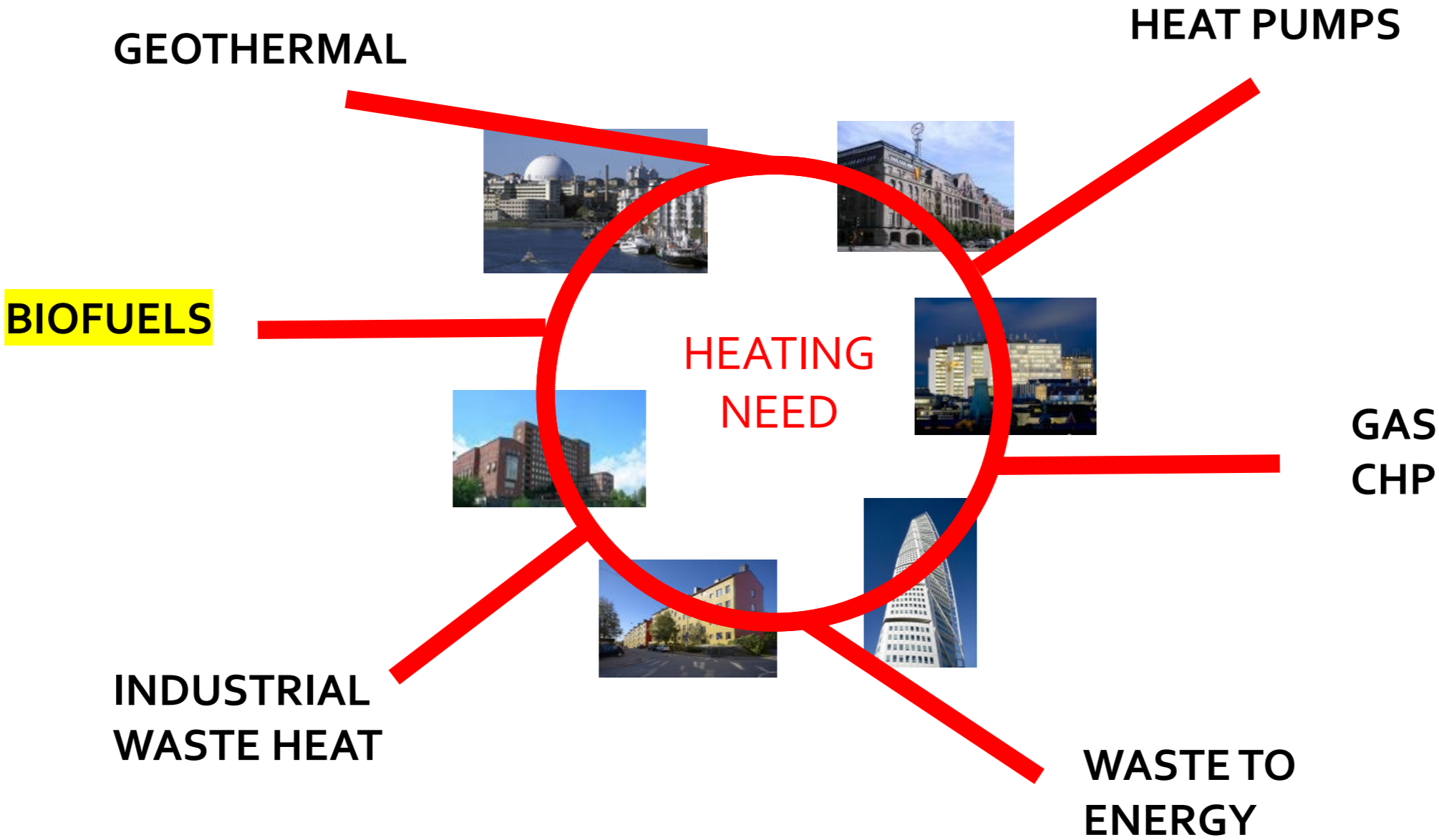
Decarbonising Heating Core Strategy

Primary Energy
Input

Energy losses



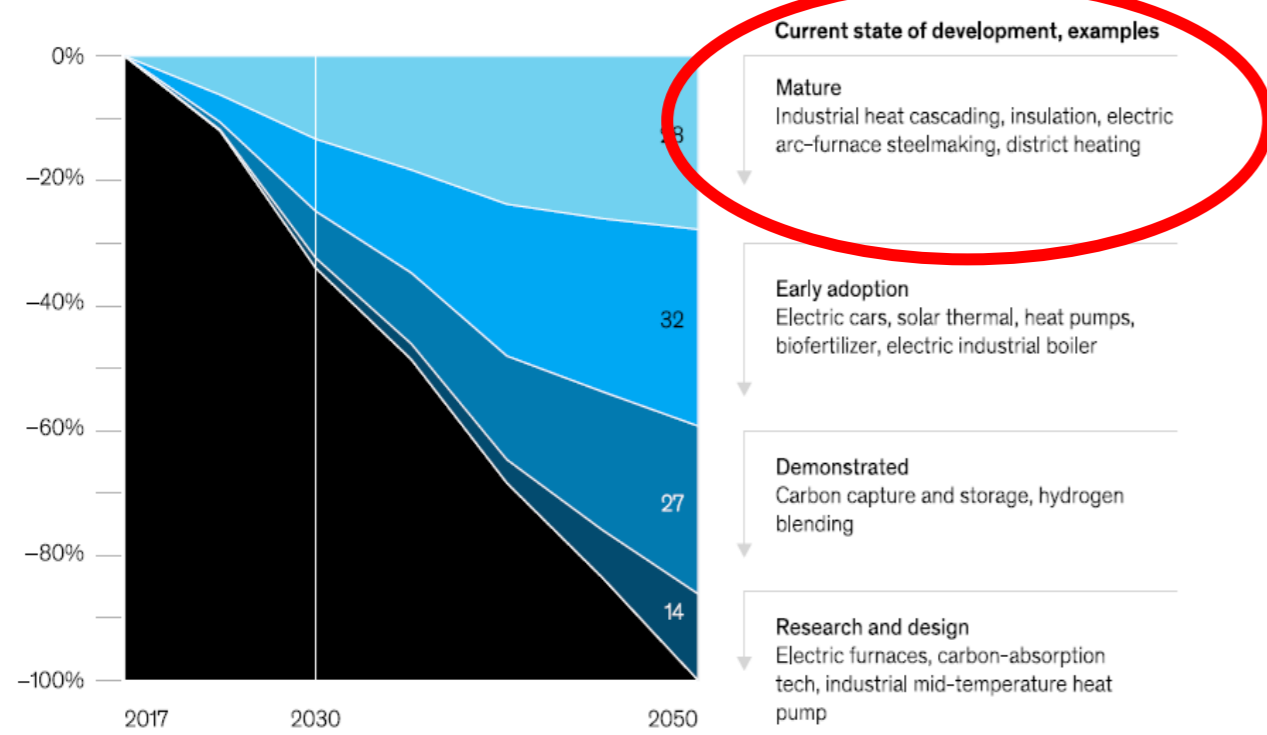
Decarbonising Heating
Core Strategy



Strategy
Heating

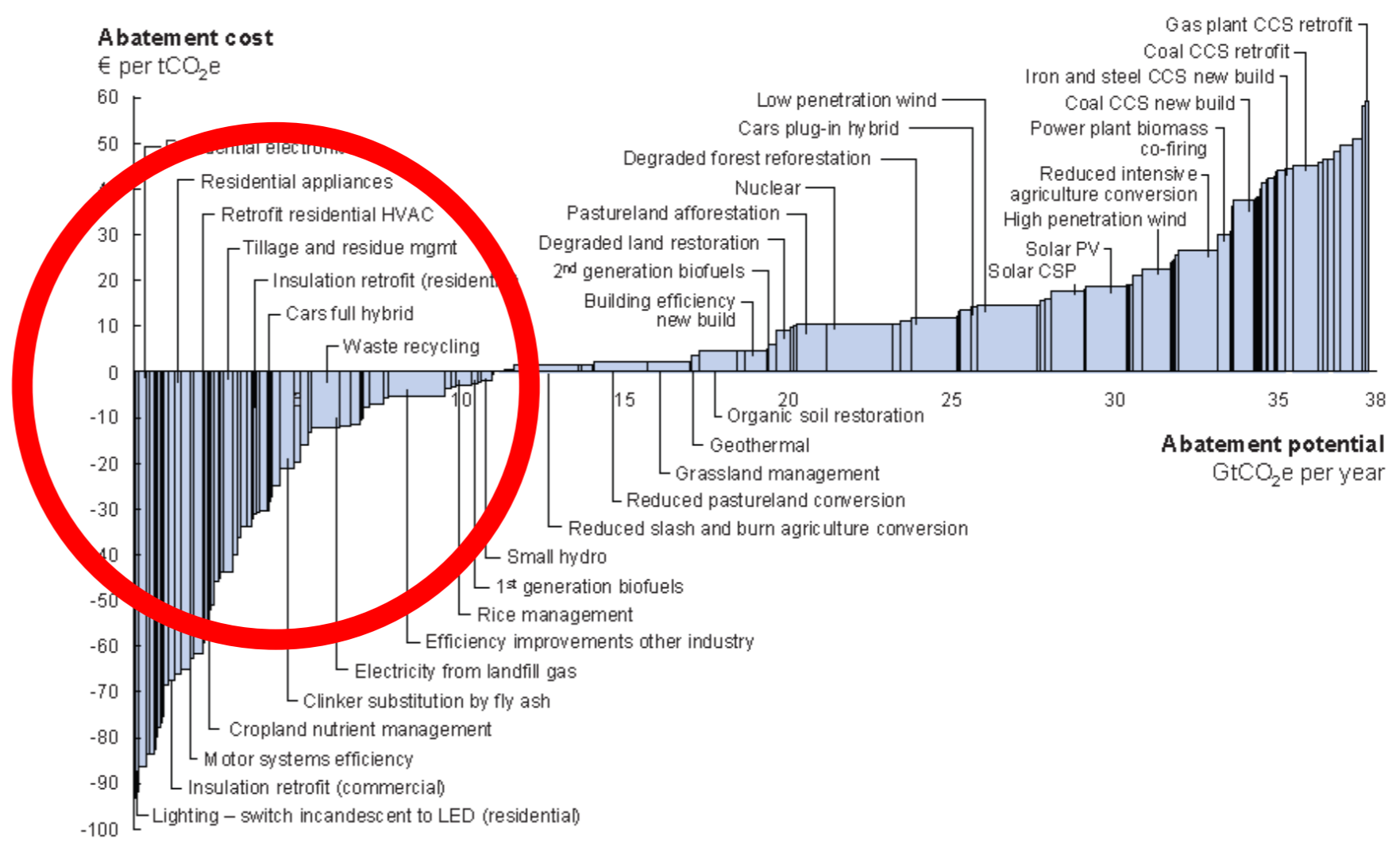
In Europe, we estimate that more than 85 percent of today's emissions can be abated with already-demonstrated technologies, though the pathway to deploying these technologies remains uncertain.

EU greenhouse-gas abatement, relative reduction of CO₂e¹ vs 1990, % share of reduction



Note: Figures may not sum to 100%, due to rounding.
¹CO₂e calculated based on 100-year global-warming potentials (IPCC AR4).
Source: "How the European Union could achieve net-zero emissions at net-zero cost," December 3, 2020, McKinsey.com

Strategy
Heating



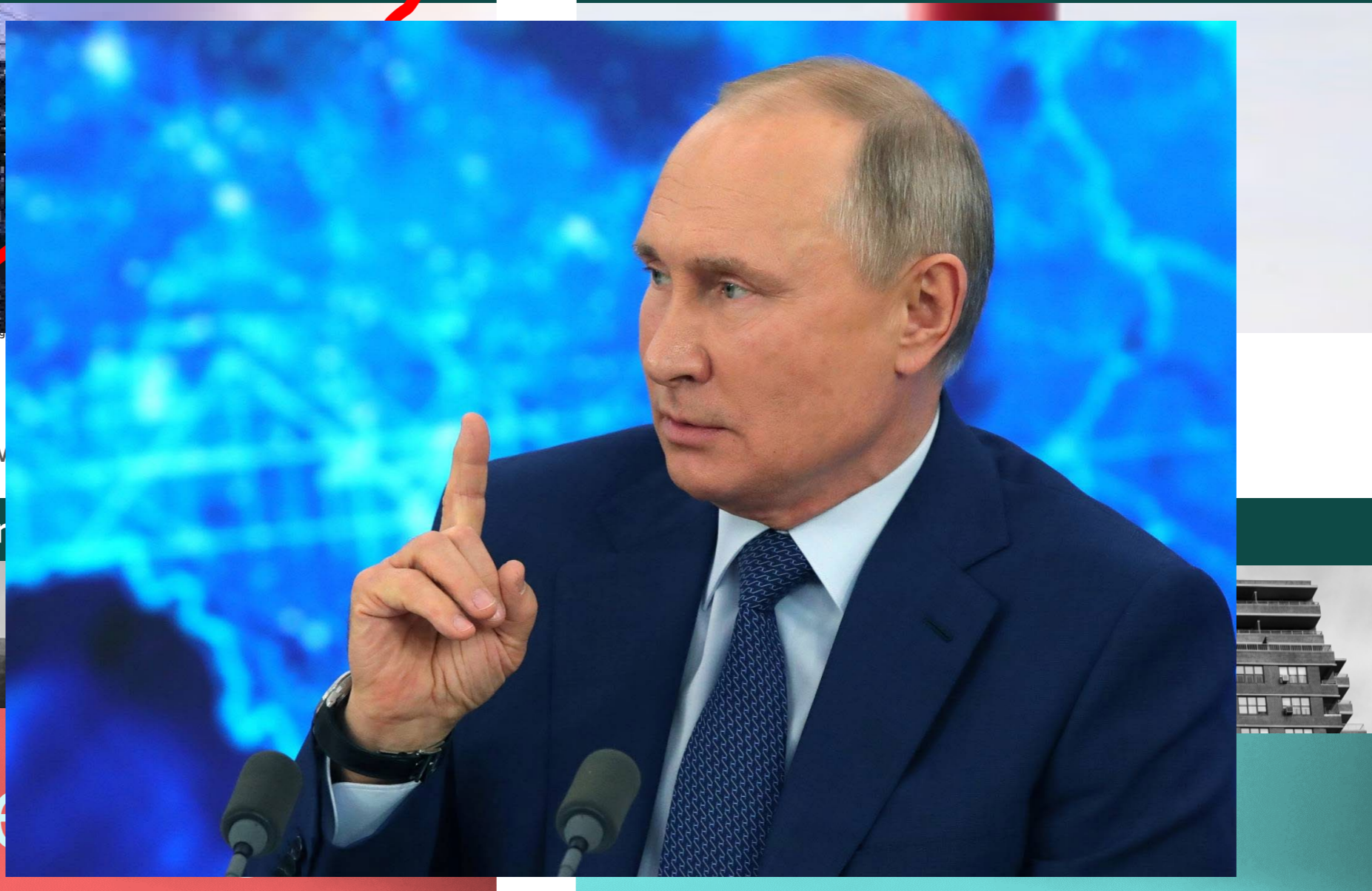
Note: The curve presents an estimate of the maximum potential of all technical GHG abatement measures below €60 per tCO₂e if each lever was pursued aggressively. It is not a forecast of what role different abatement measures and technologies will play.

Decarbonising Heating & Cooling Drivers

Climate Emergency

Cost of Gas

Decarbonising the Economy





Why Change?





Why Change?



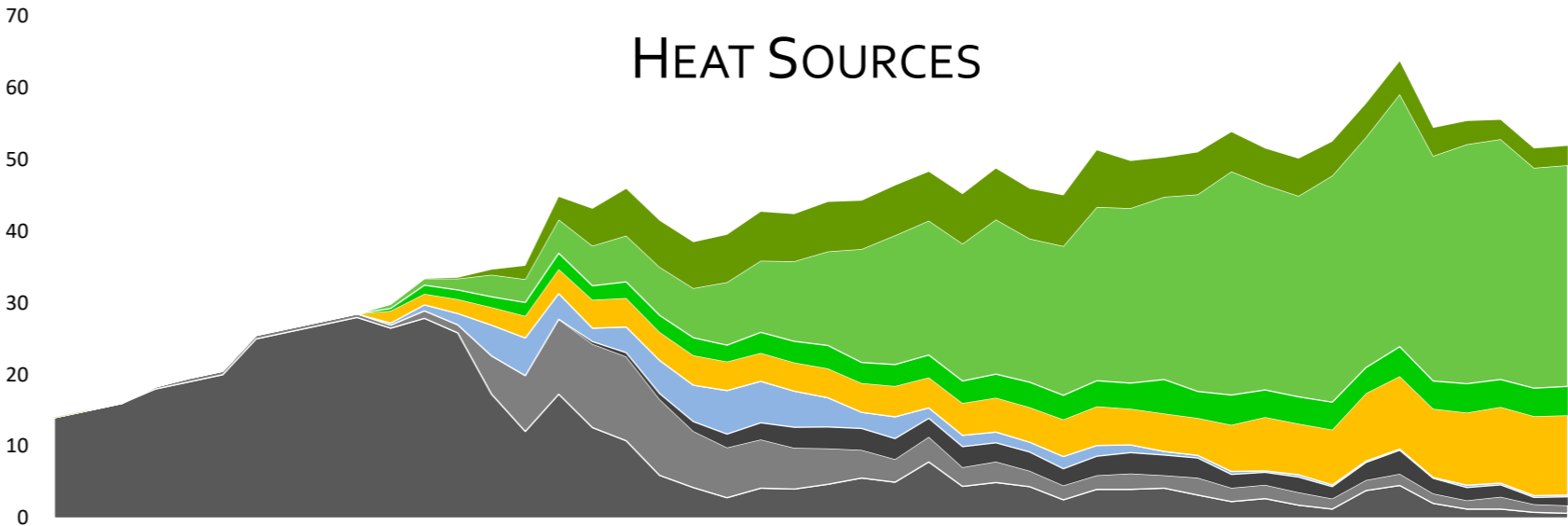
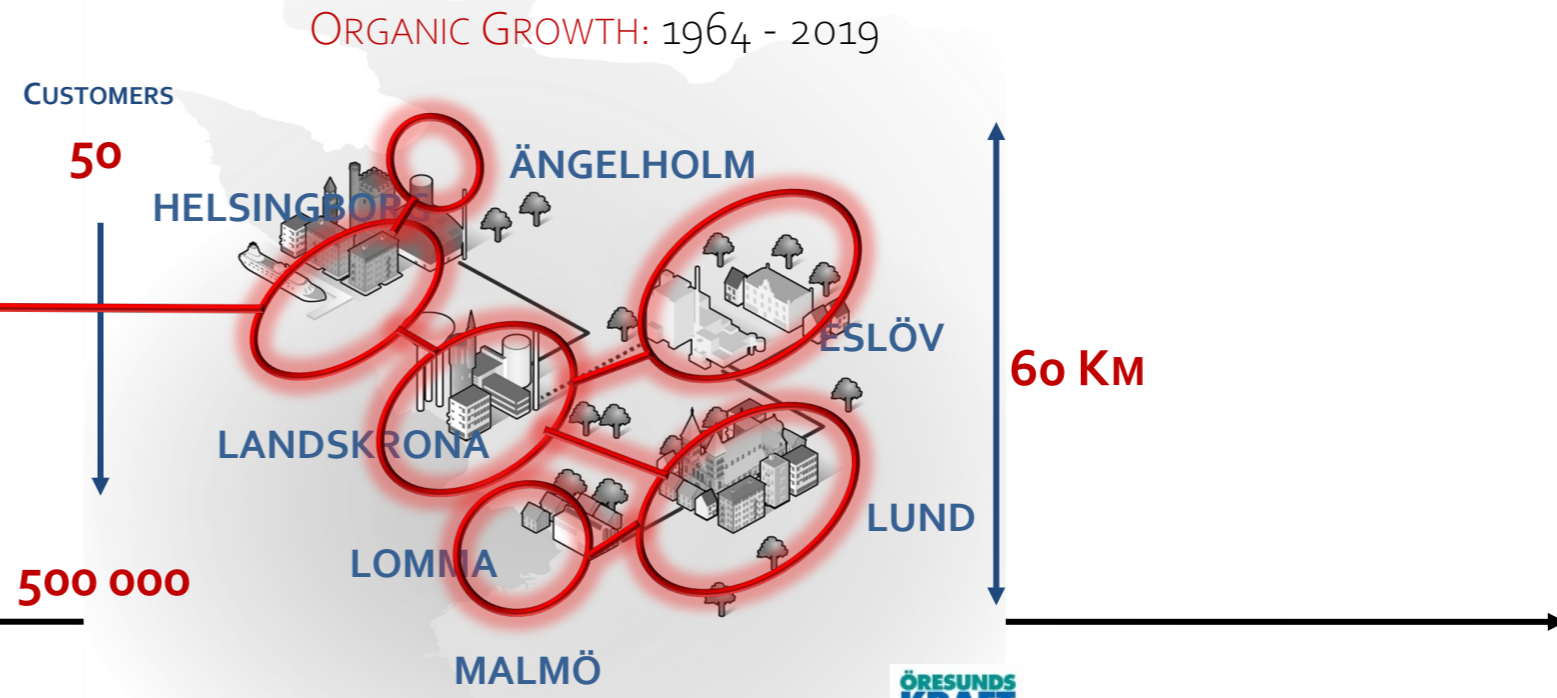


**ÖRESUNDS
KRAFT**



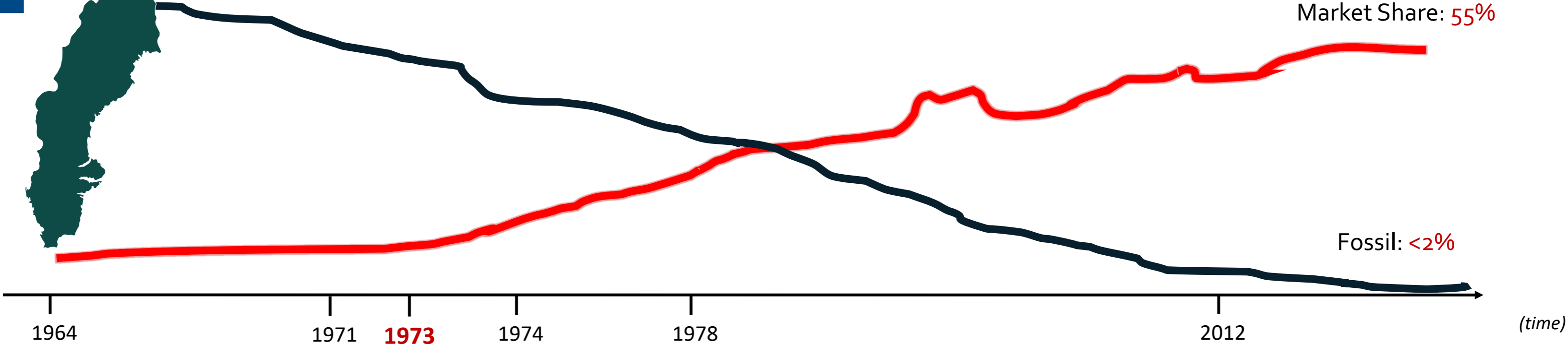
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Why Change?





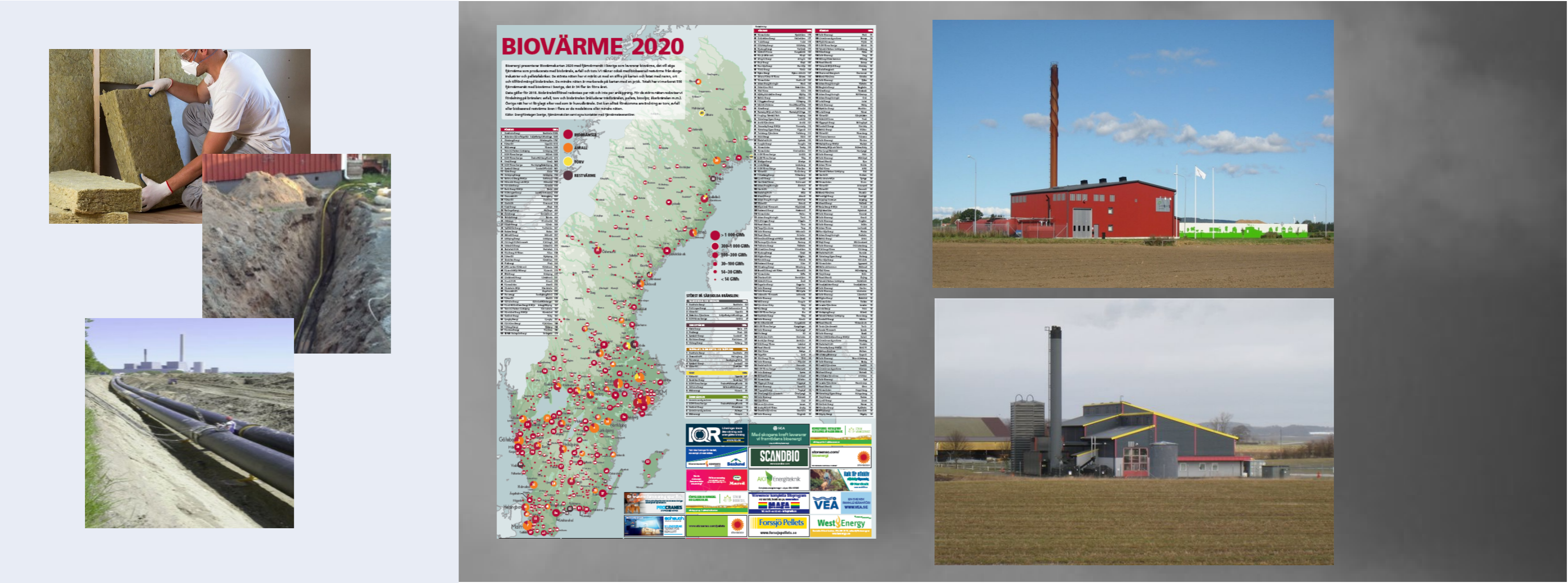
Why Change?



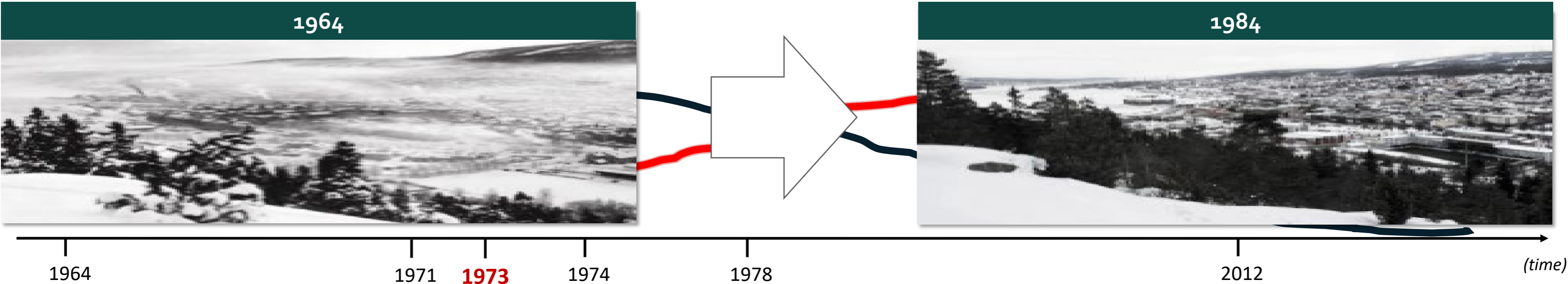
Rural Heat Proven Solution



Rural Heat Wide spread in Nordic region



Decarbonising Heating & Cooling Benefits

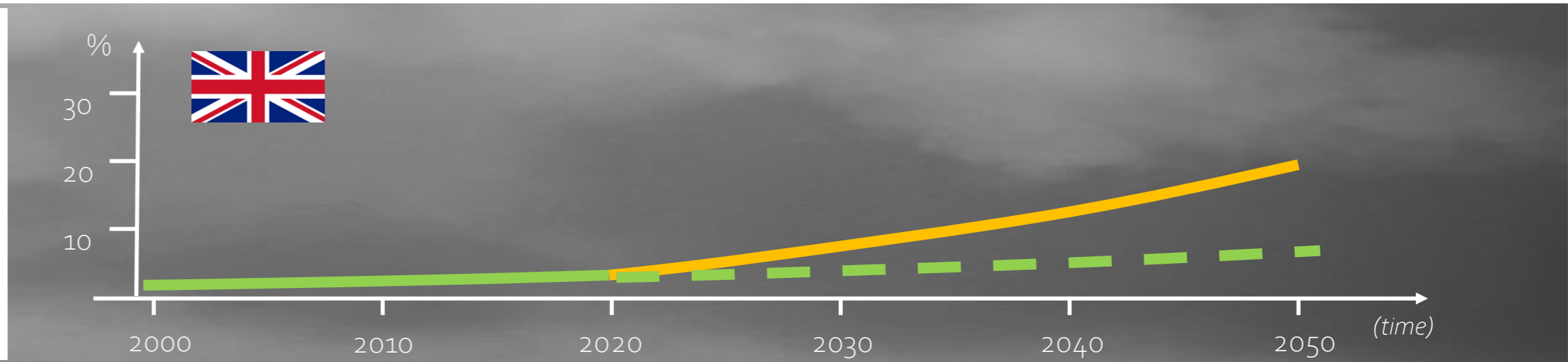
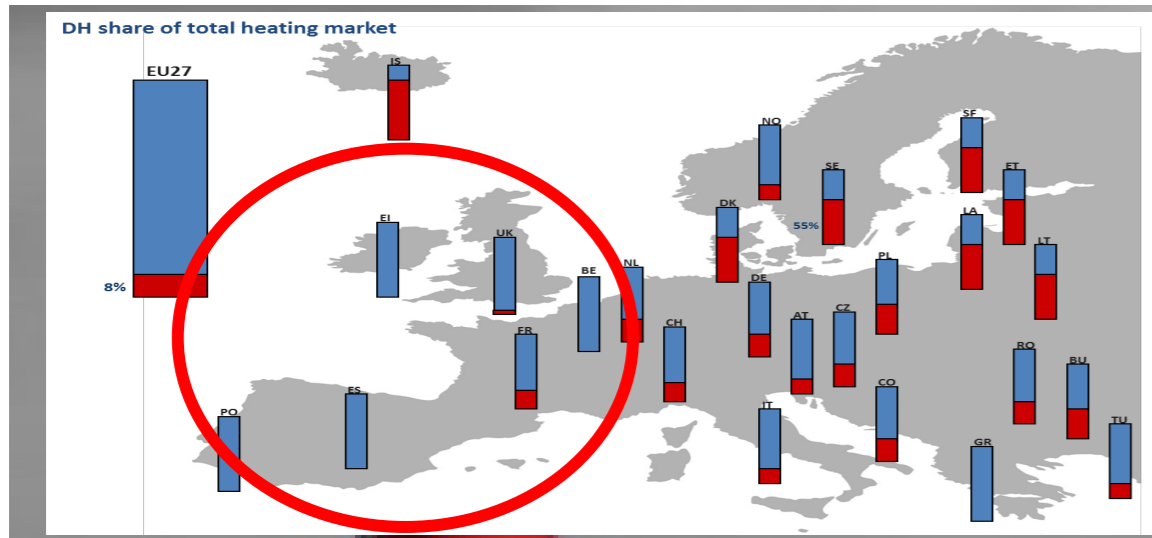


- Energy Security**
- Balance of Trade**
- Local Resources**

- Climate Emergency**
- Reduced Pollution**
- Circular Flows**

- Cost & Convenience**
- Local Regeneration**
- Return on Investment**

Decarbonising Heating & Cooling Heat Networks in focus



Socio-Economic Benefits

Energy Security	
Balance of Trade	
Local Resources	

Climate Emergency	
Reduced Pollution	
Circular Flows	

Cost & Convenience	
Local Regeneration	
Return on Investment	

Climate Bridge Group Examples on Projects

Hamilton



Thunder Bay



NewYork - NYCHA



Netherlands



Switzerland



Preparation

Delivery

Push & Pull

Energy Security	
Balance of Trade	
Local Resources	

Climate Emergency	
Reduced Pollution	
Circular Flows	

Cost & Convenience	
Local Regeneration	
Return on Investment	

Climate Bridge Group Examples on Projects

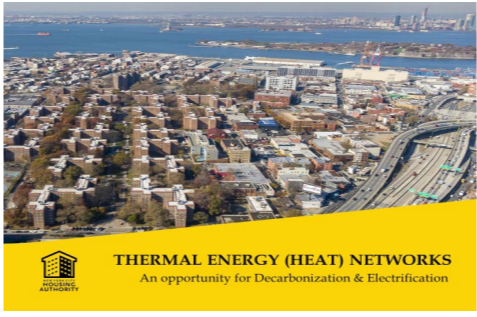
Hamilton



Thunder Bay



NewYork - NYCHA



Netherlands



Switzerland



Preparation

Delivery

Capacity to Prepare
Developing local capabilities in preparing affordable investments

Training and Innovation services
Professional & Vocational Training and local innovation platforms

Bridging Gaps
Resolving Challenges & Risks halting projects

Advisory services
Sharing of know-how, experiences and best practice

Capacity to Deliver
Developing local supply chain capacity to deliver projects

Supply Chain services
Facilitating market entry and local partnerships

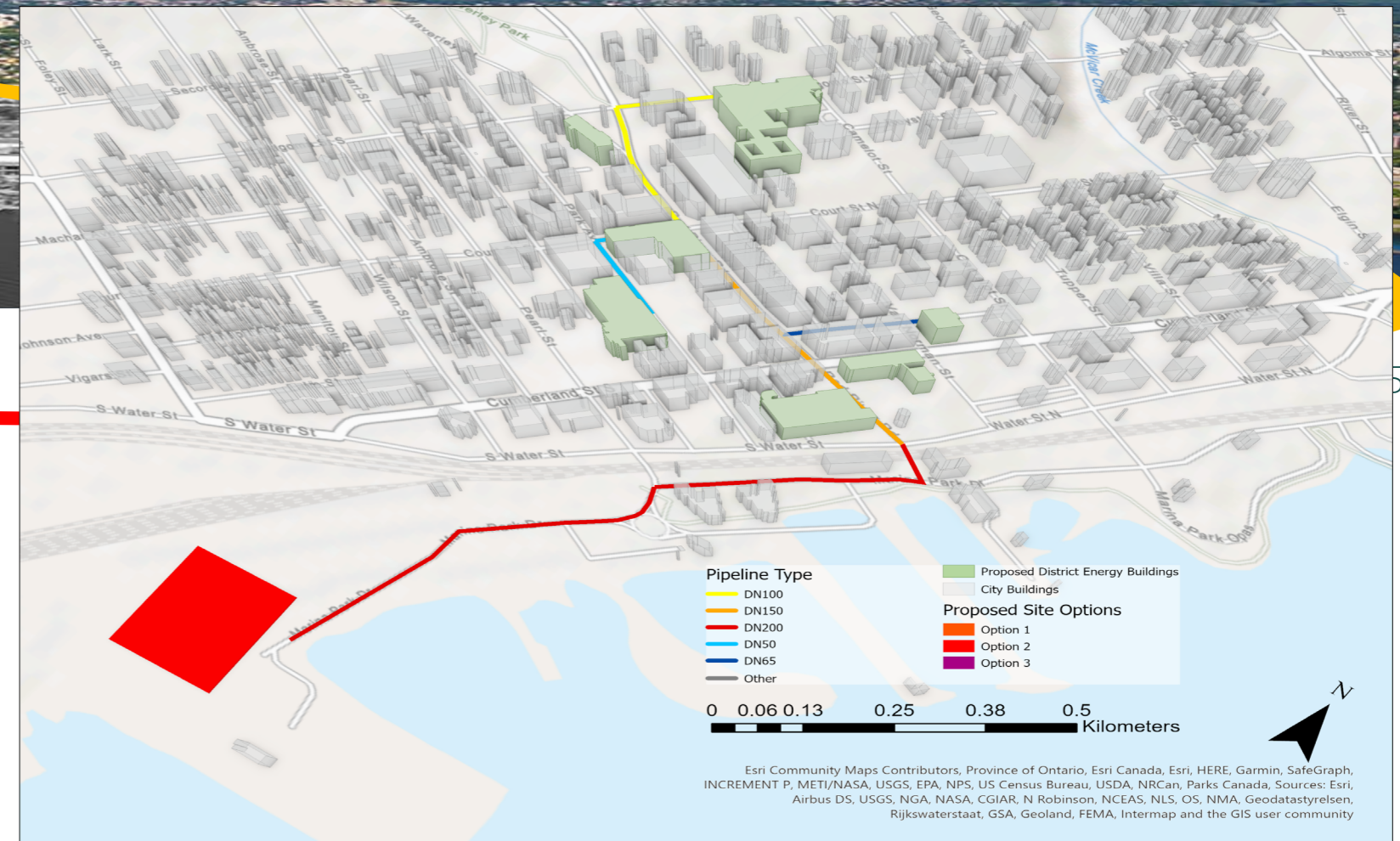


Decarbonising Heating in Thunder Bay



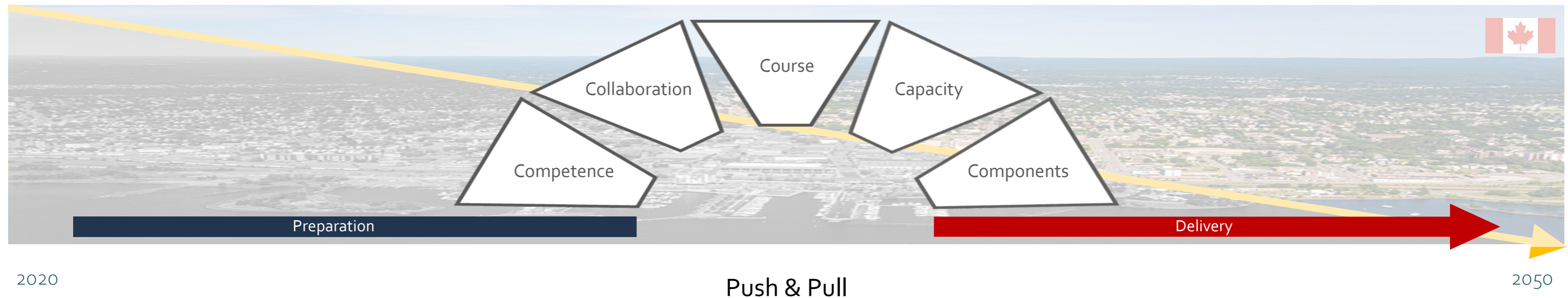
2020

BioHeat





Decarbonising Heating in Thunder Bay

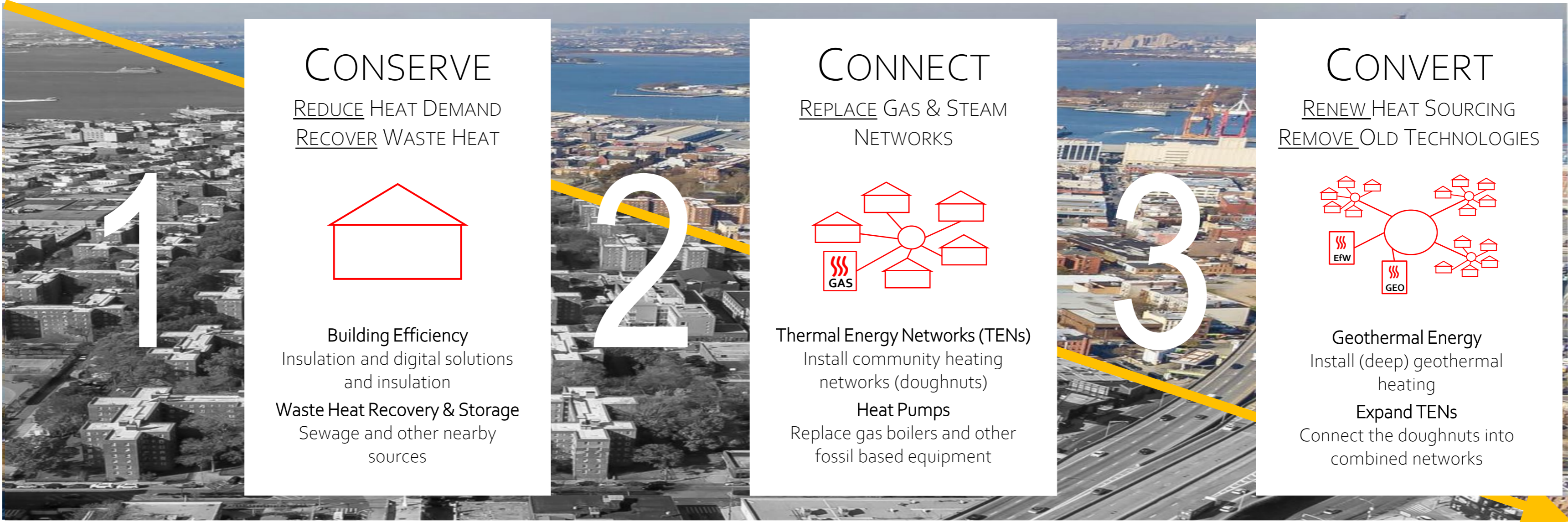


Energy Security	
Balance of Trade	
Local Resources	

Climate Emergency	
Reduced Pollution	
Circular Flows	

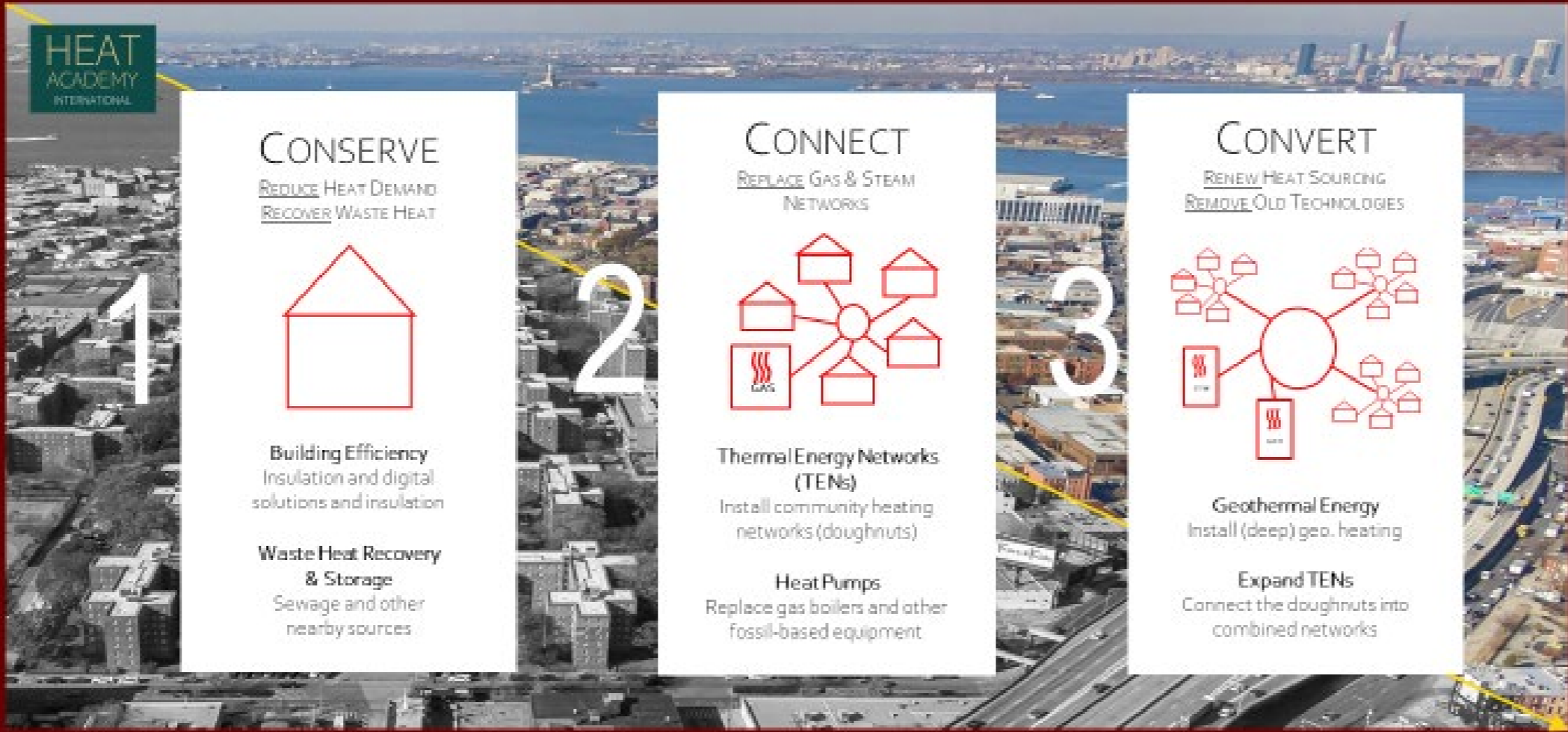
Cost & Convenience	
Local Regeneration	
Return on Investment	

Decarbonising Heating Core Strategy



DRAFT

Path to Heat Networks



1 CONSERVE
REDUCE HEAT DEMAND
RECOVER WASTE HEAT

Building Efficiency
Insulation and digital solutions and insulation

Waste Heat Recovery & Storage
Sewage and other nearby sources

2 CONNECT
REPLACE GAS & STEAM NETWORKS

Thermal Energy Networks (TENs)
Install community heating networks (doughnuts)

Heat Pumps
Replace gas boilers and other fossil-based equipment.

3 CONVERT
RENEW HEAT SOURCING
REMOVE OLD TECHNOLOGIES

Geothermal Energy
Install (deep) geo. heating

Expand TENs
Connect the doughnuts into combined networks

CONVERT

RENEW HEAT SOURCING
REMOVE OLD TECHNOLOGIES

Geothermal Energy
Install (deep) geothermal heating

Expand TENs
Connect the doughnuts into combined networks

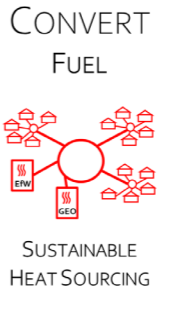


Decarbonising Heating
Size Matters

- Mine Heat
- Deep Geothermal
- EfW
- Industrial Waste Heat



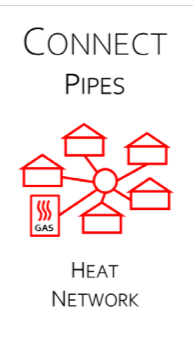
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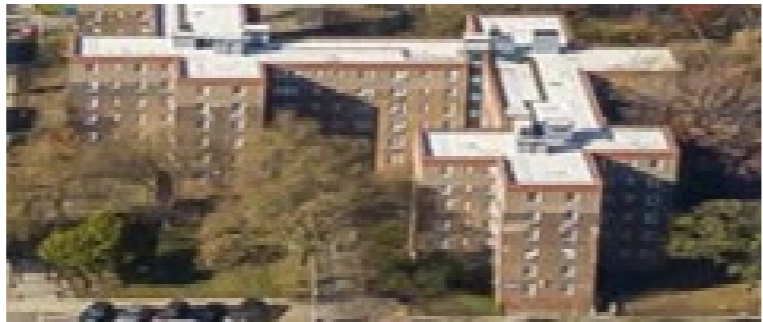
- BioHeat
- Gas CHP
- GSHP Cluster



2



- GSHP
- ASHP
- Gas/ Oil Boiler

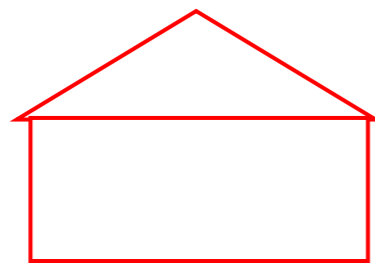


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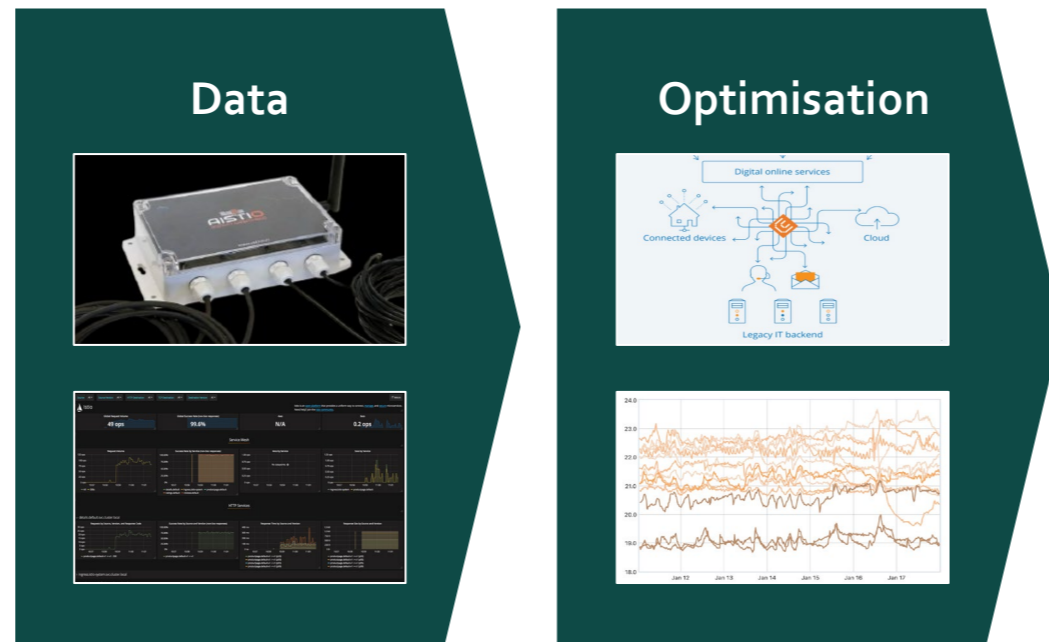


Decarbonising Heating Conserve

CONSERVE



BUILDING EFFICIENCY



10-15%



Decarbonising Heating
Building Efficiency
Democratising Heating through Digital Technologies
– saving energy in buildings
9th December
10.00 – 12.00 (CET)
register@heatacademy.eu

The vast majority of buildings in Western Europe are heated by natural gas. In fact, heating represents some 40% of the total primary energy consumption, and 35% of GHG emissions. Some 70% of the natural gas consumed in Western Europe is imported. Russia alone represents 40% of total supplies. Net imports are bound to increase further as production is rapidly slowing down in the Netherlands and in UK.

This situation involves significant risks for the population and wider economy in Western Europe. Soaring gas prices are already having a serious economic and social impact across Europe. Political leaders are also challenged by major geo-political risks in terms of short term energy security and loss of integrity in international negotiations and conflicts. Something's got to change. And fast. What to do, and where?

Reducing the need for heating is a good place to start. Investments in energy efficiency have a significantly better cost-benefit ratio than those focusing on production of energy. Traditional solutions for improving energy efficiency in buildings – windows and insulation – are still valid. However, recent digital technologies offer some new and very cost-effective opportunities to rapidly reduce the need for heat. These solutions, which can be retrofitted at scale in any type of building, will be in focus at this session. The agenda includes the following topics:

- *Reality check* – Driving Building Efficiency in various markets
- *Technologies* – Digital solutions reducing the need for heat – what, how, where
- *Initiative* – "Royal Heating – Democratising heating while reducing climate impact of buildings"

In collaboration with



Decarbonising Heating Selected Proof-of-Concept Projects

EXAMPLE

La Guardia



Queens



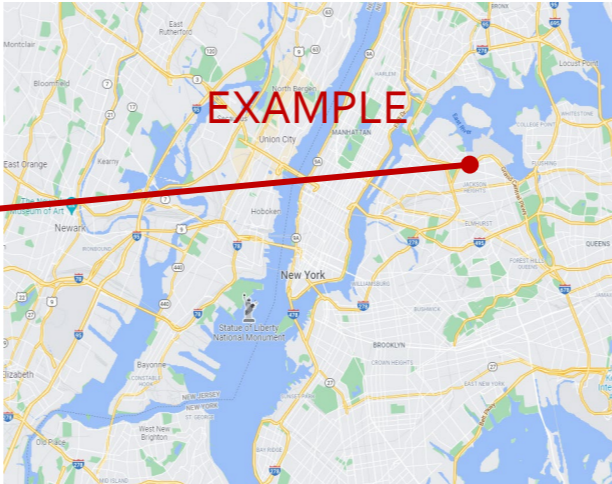
Brooklyn



Kingsborough



La Guardia



Facts

- No. of properties
- No. of apartments
- Average Size

KPIs – Status & Objectives

- Current heating solution
- Average heat consumptions last 5 years
- Average GHG emissions last 5 years
- ...
- ...

Roadmap & Milestones



1

CONSERVE
REDUCE HEAT DEMAND
RECOVER WASTE HEAT

Building Efficiency
Insulation and digital solutions
and insulation
Waste Heat Recovery & Storage
Sewage and other nearby
sources

2

CONNECT
REPLACE GAS & STEAM
NETWORKS

Thermal Energy Networks (TENs)
Install community heating
networks (doughnuts)
Heat Pumps
Replace gas boilers and other
fossil based equipment

3

CONVERT
RENEW HEAT SOURCING
REMOVE OLD TECHNOLOGIES

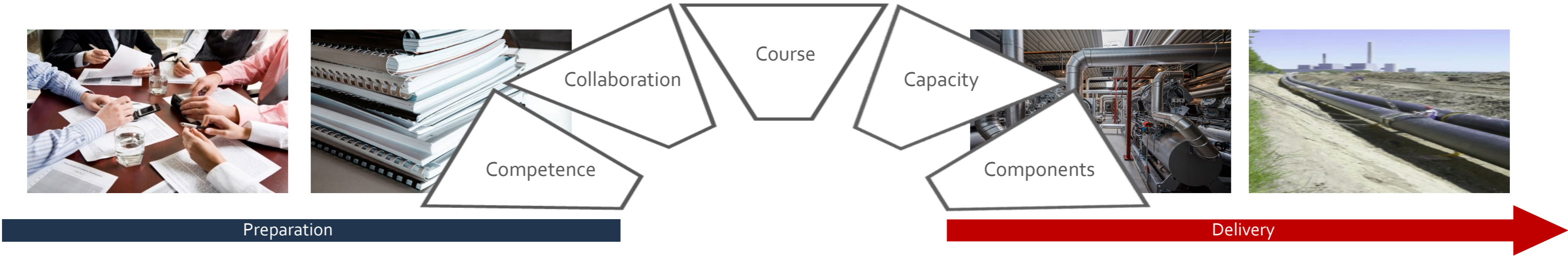
Geothermal Energy
Install (deep) geothermal
heating
Expand TENs
Connect the doughnuts into
combined networks

Initiatives

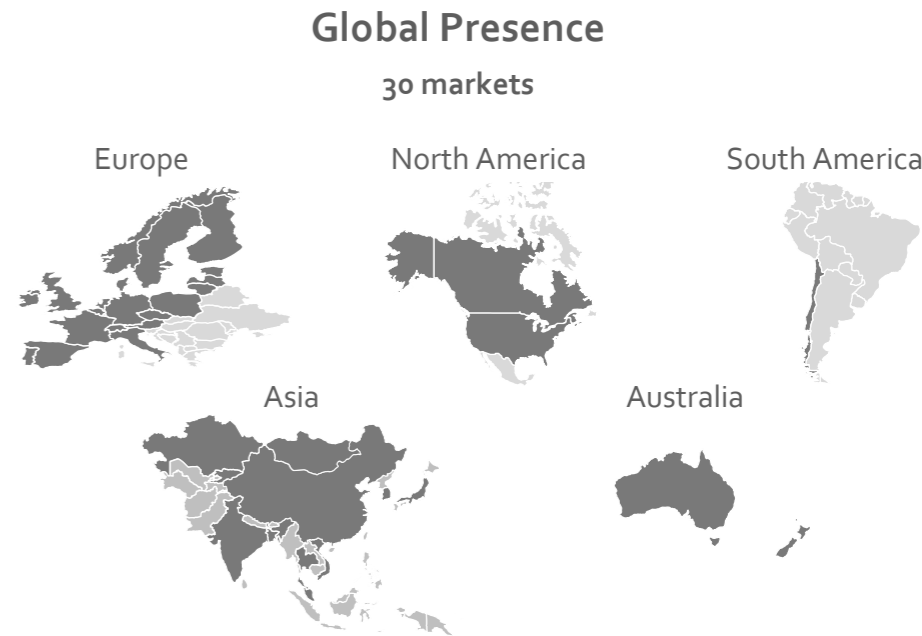
Activity	Capex (\$)	Benefit (\$, CO ₂ , ...)
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_____	_____	_____
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Climate Bridge Group

Bringing Projects from Vision to Operations



Facilitating the process of decarbonising Heating and Cooling through local capacity building, collaboration and replication of best practice.

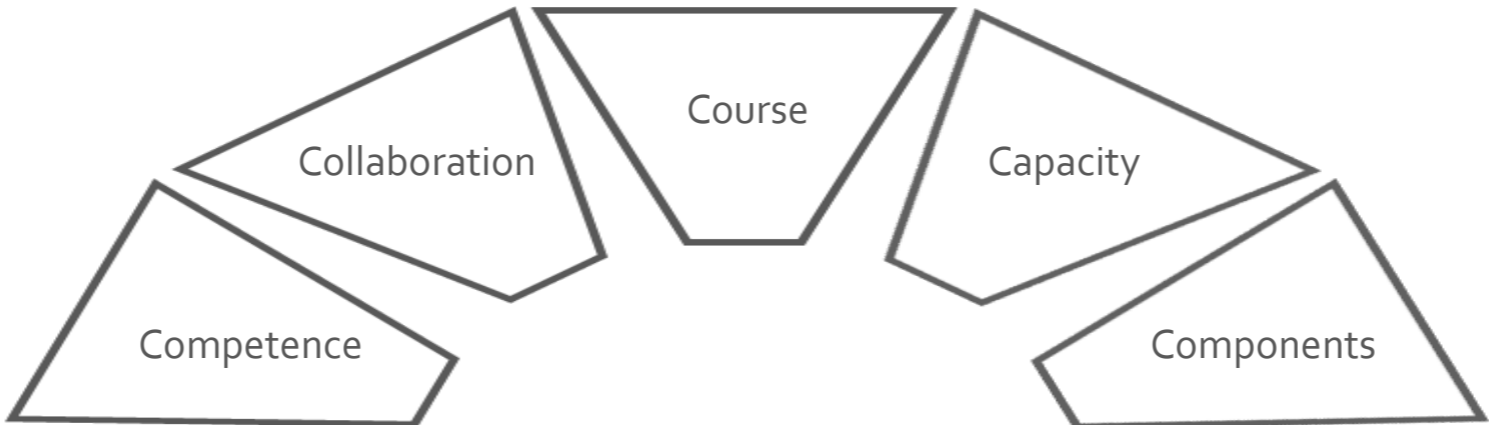




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Preparation

Climate Bridge Group Contacts



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Delivery

Local Partners

300+ experienced experts



Facilitating the process of decarbonising Heating and Cooling through local capacity building, collaboration and replication of best practice.

Training



Replication



Advice



Supply Chain



Global Presence

30 markets



Climate Bridge Group Examples on Customers

Preparation → Delivery

Local Partners

300+ experienced experts



Facilitating the process of decarbonising Heating and Cooling through local capacity building, collaboration and replication of best practice.

Training



Replication



Advice

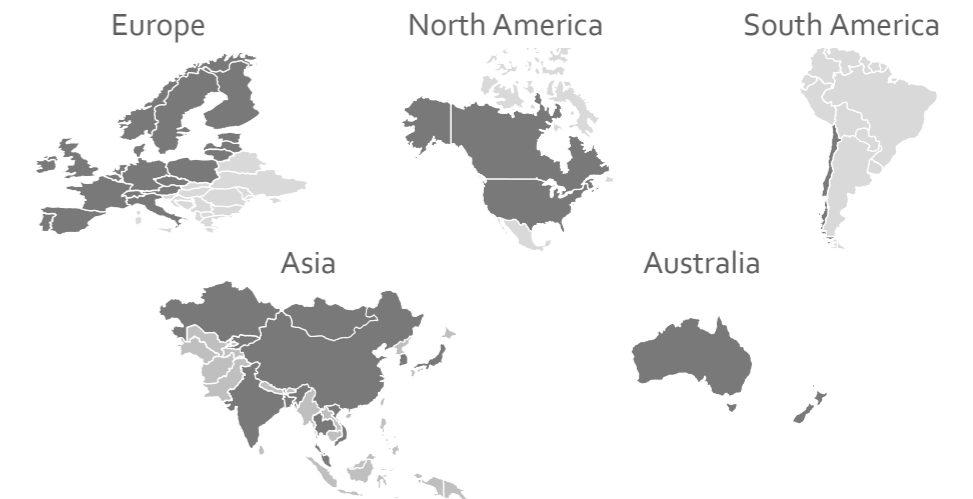


Supply Chain



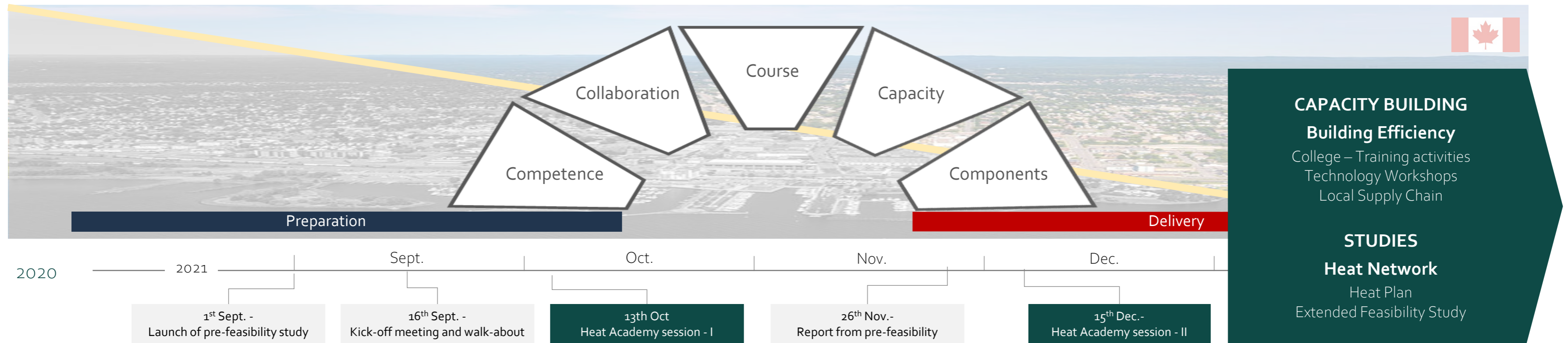
Global Presence

30 markets





Decarbonising Heating in Thunder Bay



Training and Innovation services
Professional & Vocational skills

Peer-to-Peer advisory services
Sharing of know-how, experiences and best practice

Supply Chain services
Facilitating market entry and partnerships

stronger business together



Regular Training Activities Webinars, Local Seminars and Workshops

Chile	Canada	Scotland	India	Belgium	Netherlands	Switzerland	Spain	UK

Preparation

Delivery

Partners & Activities

Professional Training

Theoretical Skills to prepare and manage projects

Examples on topics:

BUSINESS MODELLING	LOGISTICS QA	PROGRAMME MANAGEMENT	DIGITAL STRATEGIES	LEGAL FRAMEWORK
COMMUNICATION	SALES	PROCUREMENT	O&M	CUSTOMER MANAGEMENT
HEALTH & SAFETY		DESIGN		

Local Partners

Collaboration with local colleges and universities in 30 markets

Examples on local partners:

University of St Andrews	UNIVERSITY OF HULL	HEAT ACADEMY INTERNATIONAL	CATCH	STOKE TRENT COLLEGE
University of Strathclyde	LSE	STAFFORDSHIRE UNIVERSITY	NORTH EAST SCOTLAND COLLEGE	SLC South Lanarkshire College East Kilbride
Imperial College London	UNIVERSITÉ DE GENÈVE	Keele UNIVERSITY	Edinburgh College	Glasgow Kelvin College
		THE UNIVERSITY OF EDINBURGH		NSCG

Vocational Training

Practical Skills to implement and operate systems

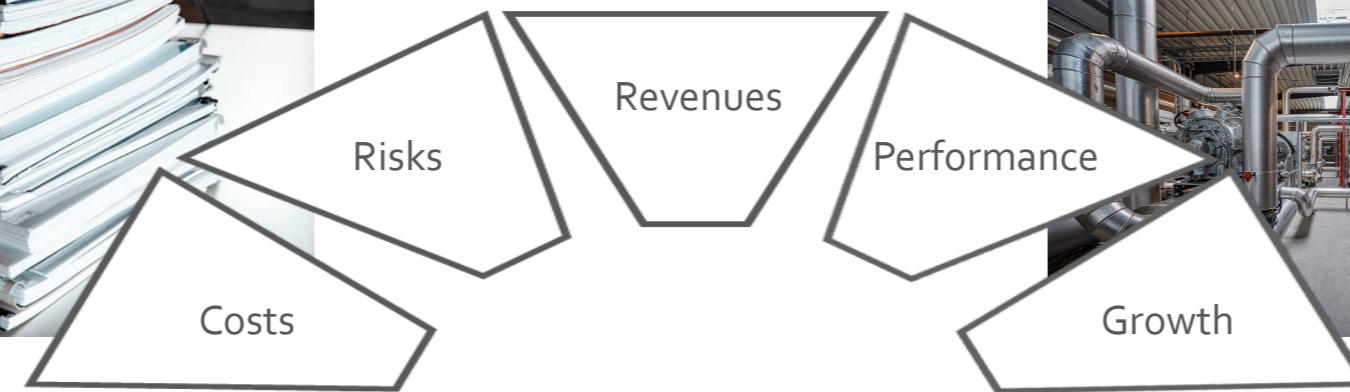
Examples on topics:

DRILLING	LOGISTICS	ENERGY AUDITS	HEAT PUMPS INSTALLATION
WELDING	METERING	O&M	
HEALTH & SAFETY		HEAT INTERFACE UNITS	ENERGY EFFICIENCY RETROFIT

Regular Training Activities Webinars, Local Seminars and Workshops

Capability to Prepare

Capacity to Deliver



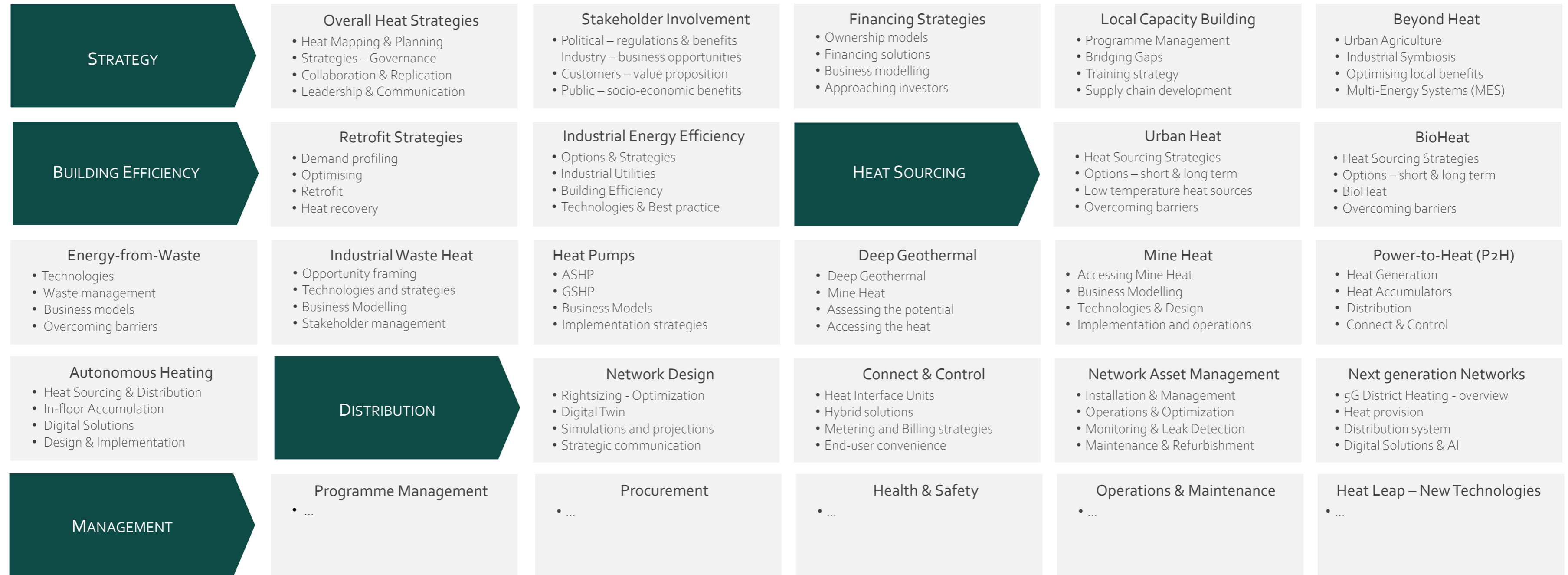
Preparation

Delivery

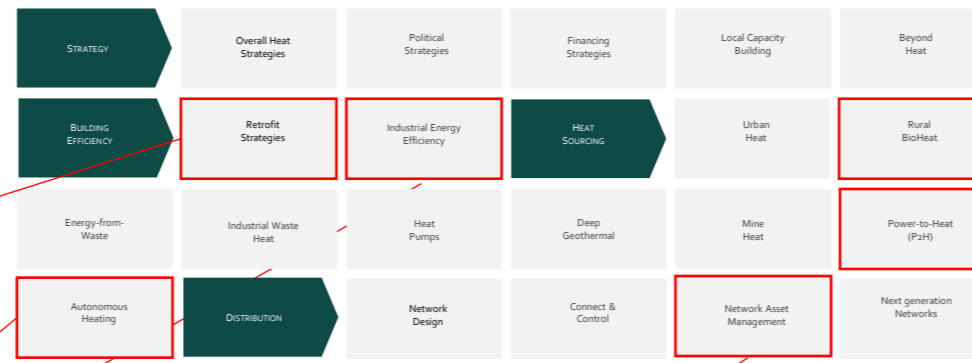
Introductory Courses Example – “Why Heat Networks Work”



Overview of Topics



Overview of Initiatives



Draft Modular System Solutions
Building Efficiency – Retrofit
Strategies and Technologies for energy conservation in buildings

Background
The vast majority of buildings in Europe and North America are heated by natural gas. In fact, heating represents some 40% of the total primary energy consumption, and 35% of GHG emissions. Some 70% of the natural gas consumed in Western Europe is imported. Russia alone represents 40% of total supplies. Net imports are bound to increase further as production is rapidly slowing down in the Netherlands and in UK.
This situation involves significant risks for the countries concerned. Soaring gas prices are already having a serious economic and social impact across Europe. Political leaders are also challenged by major geo-political risks in terms of energy security and loss of power in international negotiations and conflicts. Something's got to change. And fast. What to do, and where?
Reducing the need for heating is a good place to start. Investments in energy efficiency have a significantly better cost-benefit ratio than those focusing on production of energy. There is a range of technologies which can be retrofitted at scale in any type of building. However, it can be challenging for building operators to select and implement the optimal set of solutions.

Proposed Initiative
One way of facilitating this process would be to develop a bundled system solution integrating the various technologies into a modular package, also involving support and sharing of best practice in terms of prioritising, implementing and operating the optimal set of solutions maximising the cost-benefit ratio and performance.

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Draft Modular System Solutions
Rural BioHeat
Affordable and reliable biomass-based heat utilities in towns, villages and rural areas

Background
Rural areas tend to be neglected in decarbonisation strategies and many proposed solutions are not appropriate for low density areas. This is unfortunate for many reasons. Fuel poverty is often a bigger challenge in low density regions which are not connected to a natural gas grid. Secondly, rural areas have a unique opportunity to become self-sufficient in terms of heating, thereby enhancing local resiliency. The abundance of residues from forestry and agriculture can enable towns, villages, and rural areas to establish fully circular heating systems. These in turn generate a range of broader benefits to local communities in terms of attracting investment, new jobs, social welfare, and support for important forestry and agriculture sectors. The costs for designing, implementing and operating small scale is a major barrier halting projects. As has been shown in Sweden and Finland, it is possible to provide reliable carbon-free and affordable heat from local biomass while generating solid financial returns and additional revenues for the local forest sector. However, it takes experience and knowhow to develop a solid business model and to properly combine, design and install the multitude of technologies involved.

Proposed Initiative
Heatnet Modular is inviting key actors in the energy and forestry and agricultural sectors to join an initiative focusing on developing small scale, modular and highly standardised biomass-fueled district heating systems in rural areas. The scope involves bundling the technologies and services involved into a standardised scalable system solution, thereby enabling significant reductions of Capex and Opex. The system should be offered on a stand-alone basis as well as a full-service solution, involving design, installation, administration, O&M and funding.

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Draft Modular System Solutions
Autonomous Heating
Net-zero heating solutions through solar panels and underfloor heating accumulator

Background
The world has entered an era involving some major challenges related to energy. The global demand for energy is growing rapidly. Fossil fuels still represent 80% of global primary energy supplies, despite significant investments in renewables such as wind and solar. This means that consumption of coal, oil and gas continue to increase, year by year. At the same time ever more cities across the globe are declaring climate emergency. In practice this calls for a very rapid decarbonisation of the energy system. To make matters worse, countries and consumers are faced with soaring energy costs and uncertainties related to energy security. Swift and effective action is required immediately, and at scale.

Proposed Initiative
Heating of buildings is a high priority area, representing some 40% of the total primary energy consumption, and 35% of GHG emissions in cities in the Northern hemisphere. Reducing the need for heating is thus a good place to start. There are several new heating technologies which can be installed or retrofitted at scale in any type of building. Such solutions involve significant reductions in energy consumption, in turn offering opportunities for making buildings fully autonomous in terms of heating. It has proven to be possible to reduce the annual heat consumption to well below 10kWh/m², also in large logistic centres. In combination with solar, heat pumps and various digital technologies buildings can become fully autonomous in terms of heating.
However, it takes experience and knowhow to combine, design and install these technologies so as to meet requirements for affordability and reliability. The aim of the Autonomous Heating initiative is to develop and offer a pre-defined and modular system solution combining the technologies and the skills required for designing, implementing and operating such systems.

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Draft Modular System Solutions
Network Asset Management
Improving performance and extending life-time of Heat Networks

Background
Heat Networks represent a significant financial investment. The system of pipes underground constitute the most critical and valuable asset in any district heating system. They are the artery system which must never fail. The process of installing and repairing pipes can also be very disruptive for the general public, in particular by causing congestions in cities. Heat Networks can also involve health & safety issues. Unless being properly installed and monitored there could be risks for major leaks of high temperature-high pressure water in city areas, and inside buildings. All-in-all, once you close the trench you want to feel confident that you will not have to open it again, at least not for the next 60 years or more. Experienced district energy operators have learned to understand the concept of Life Cycle Cost. Often in a very hard and costly way. They know that it's worth the time and money to go the extra mile to ensure that the technologies selected, and the way in which they are applied will not keep them awake at night. Getting it right from the start is the rule of the game, even when that involves higher up-front costs.

Proposed Initiative
Highlight best practice in strategy and processes for maximising the performance and lifetime of heat network systems. In connection to this introduce the most recent technologies and digital solutions related to design, installation, monitoring and refurbishment of pipe networks. The strategies, processes and solutions will be combined into a comprehensive package facilitating:
• Integration between different technologies and digital solutions
• Training sessions focusing on design, installation and operations/management of networks
• Reducing sales and marketing costs while simplifying procurement and installation

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Draft Modular System Solutions
Power-to-Heat
Securing carbon free heating from weather dependant energy sources

Background
Power-to-Heat (PtH) is a relatively new concept rapidly gaining interest in the district heating sector. The purpose of PtH systems is to utilize excess electricity generated by renewable energy sources which would otherwise be wasted. In practice this involves combining weather dependant energy installations such as wind and solar with heat pumps or electrode boilers, heat accumulators and existing or new heat networks. Surplus power, from wind during the night, is used to generate heat, which can be easily stored in heat accumulators to be distributed in periods of peak demand for heat. Excess power which would otherwise be lost, is transformed into a new source of revenues in the form of heat. PtH will thereby also help balancing up supply and demand of both power and heat, thereby bringing down costs for installations and operations. Most importantly it can become a cost-effective solution to rapidly reduce GHG emissions in the heating sector.

Proposed Initiative
Establish a bundled PtH solution by involving a selection of suppliers each offering one of the key components in a complete system. Doing so will offer a range of benefits:
• Easier to present the PtH concept to potential customers and other key stakeholders
• Simplified procurement process thereby speeding up the delivery process and volumes
• Reduced marketing and sales costs for each supplier
• Opportunities to standardise and to reduce the costs and risks related to designing, installing, operating and maintaining a PtH solution

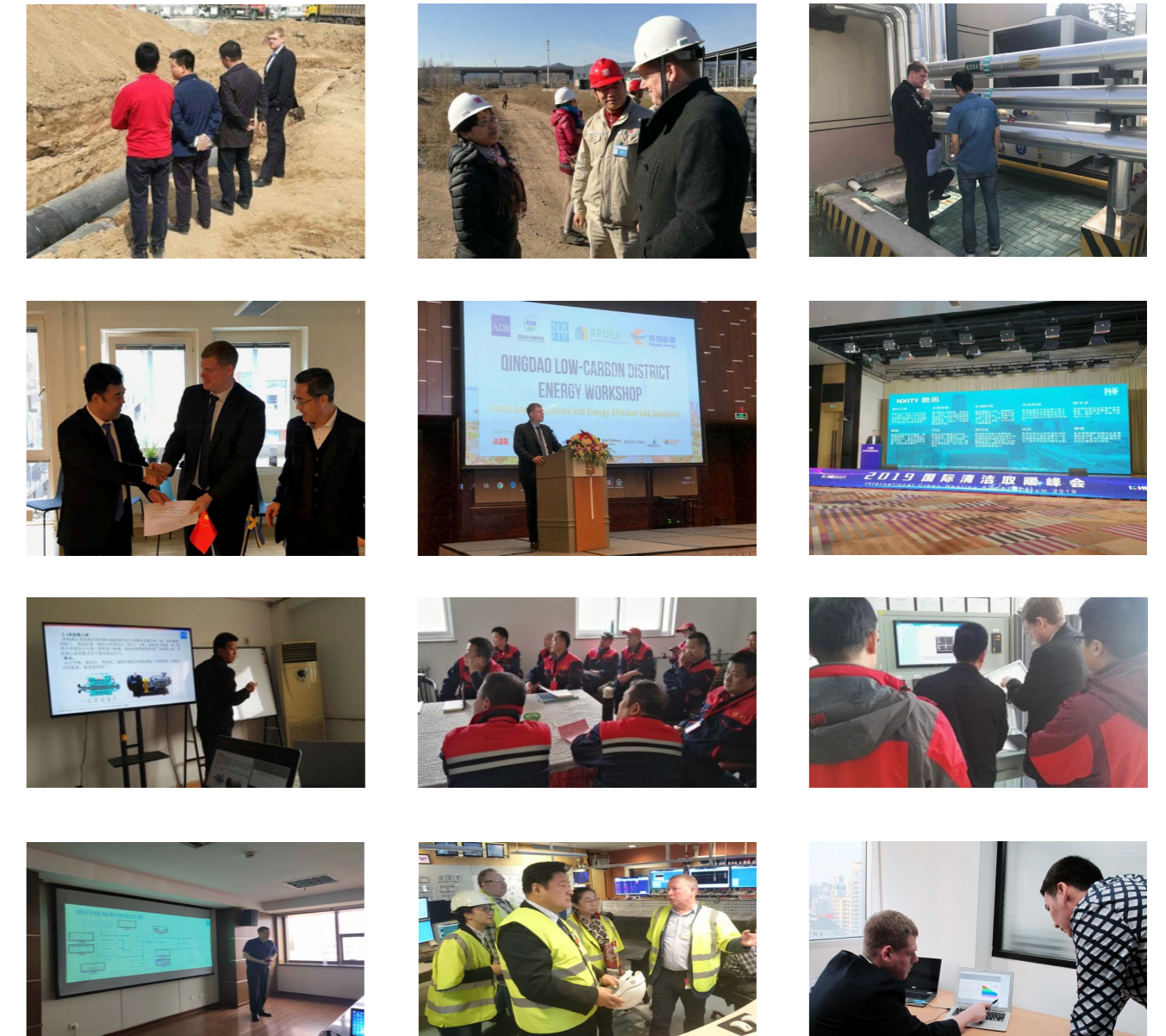
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Industrial Energy Efficiency
Strategies and Technologies for improving energy efficiency of industrial installations

Introduction



- District Energy (DE)
 - District Heating (DH)
 - District Cooling (DC)
- Thermal Power / Distributed Energy
 - Co-generation (CHP)
 - Tri-generation (CCHP)
- Industrial Energy Symbiosis
- Multi-Energy Systems (MES)
- Smart Energy City (SEC)



Mikael Jakobsson, CEO NXITY

Executive Director of Asia Pacific Urban Energy Association (APUEA)

Official District Energy Advisor to Qingdao Development and Reform Commission

Member of World Economic Forum (WEF), Energy Community China

Advisory Board Member of European Commission Horizon 2020 MAGNITUDE project



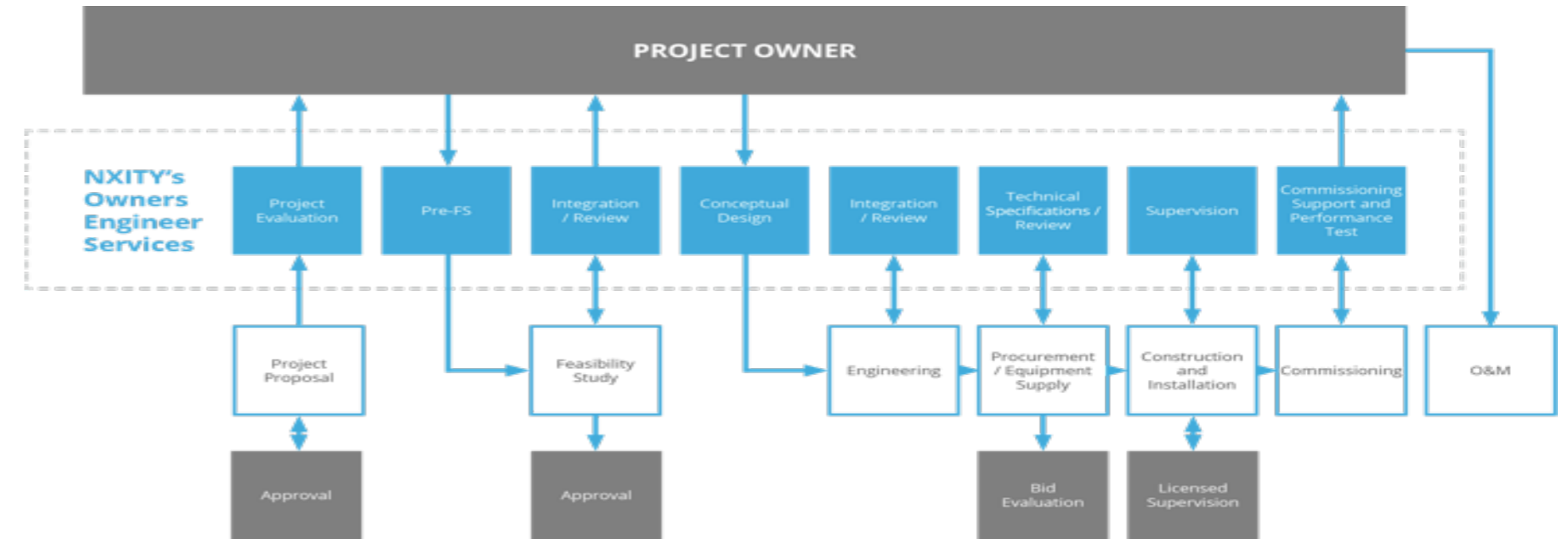
Introduction




NXITY, with its origin in Scandinavia, provides Project Management and Multidisciplinary Business Consulting for clients in the Urban Energy and Industry sector. NXITY, with offices in Bangkok, Beijing, Hong Kong and Stockholm, is specialized in developing and optimizing District Energy (District Cooling and District Heating), Distributed Energy (CHP and CCHP), Multi-Energy Systems (MES), and Smart Energy City (SEC) projects.

We strengthen client organizations and projects by adding value, filling management and engineering gaps, and minimizing risk exposure through project development, execution and operation. NXITY combine the vast experience within Energy Engineering, ICT Engineering, Water and Environment and Management to empower our clients. We often work as Client representative for Municipalities, Utilities and Investors.

NXITY personnel has experience optimizing the design and operation of the world's largest and most complex integrated urban energy systems with capacities above 10 GW. As client representative, NXITY has developed and implemented numerous integrated energy projects with investment levels above USD 400M in the region. NXITY has collaborated with EDF on multiple Urban Energy projects, both in Asia and Europe.



 PROJECT MANAGEMENT Client representative and multisector project management services to support your business objectives while delivering projects that meets quality, cost, and timeline.	 BUSINESS CONSULTING Multidisciplinary business consulting services to empower your organization and projects while adding value and filling management and engineering gaps.	 ENERGY ICT SOLUTIONS ICT solutions for District Energy and Thermal Power systems to support decision making along the entire project value chain and optimize O&M across entire system value chain.
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Owner's Engineer / Lender's Engineer (Client representative)			
Pre-design	Design and Procurement	Construction, Installation and Commissioning	Operation & Maintenance
Project Management – Contract Administration – Risk Management – EHSQ			
Market surveys Energy Development plans Tech. and Fin. Due Diligences Pre-FSR, FSR and FSR-review Mass- and energy balances Thermal and Hydraulic analysis OpEx/CapEx Modeling and Evaluation Risk Analysis Financial Analysis Business Case Analysis and Business Plans Financing support	Conceptual Design 2D and 3D Design Detailed design review Tender documentation - GCC and SCC Tech. spec. for tendering - Process Description - Functional Requirement - Equipment Requirements Requirements - Contractual Guarantee - Contractual Basic Data - Technical Standards	As-built design review On-site design coordination and clarifications QA/QC Supervision support Construction (progress) monitoring (Global) Performance test support Commissioning support	Operation optimization Maintenance planning Revamping, upgrading and optimization of energy systems CMMS implementation Heat load forecasting implementation EMS integration

2014

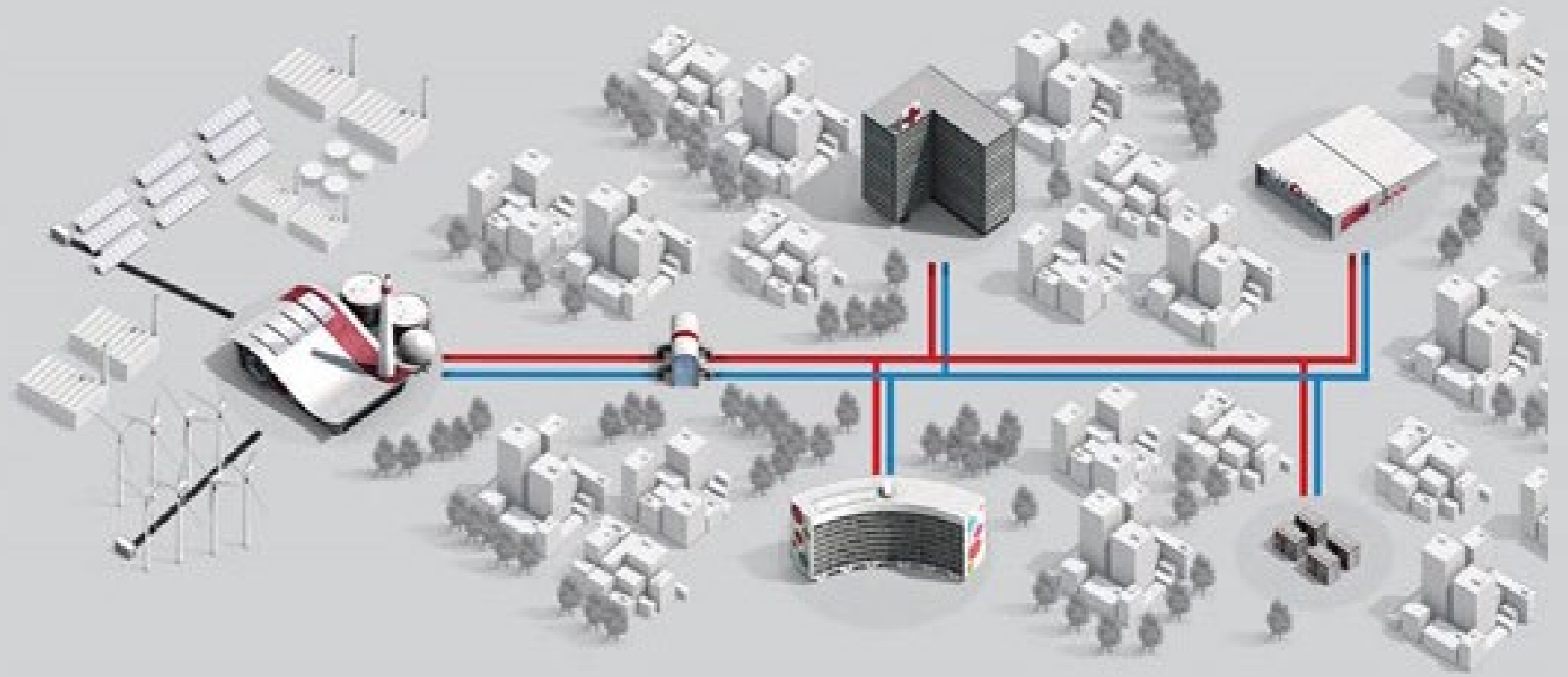


Today



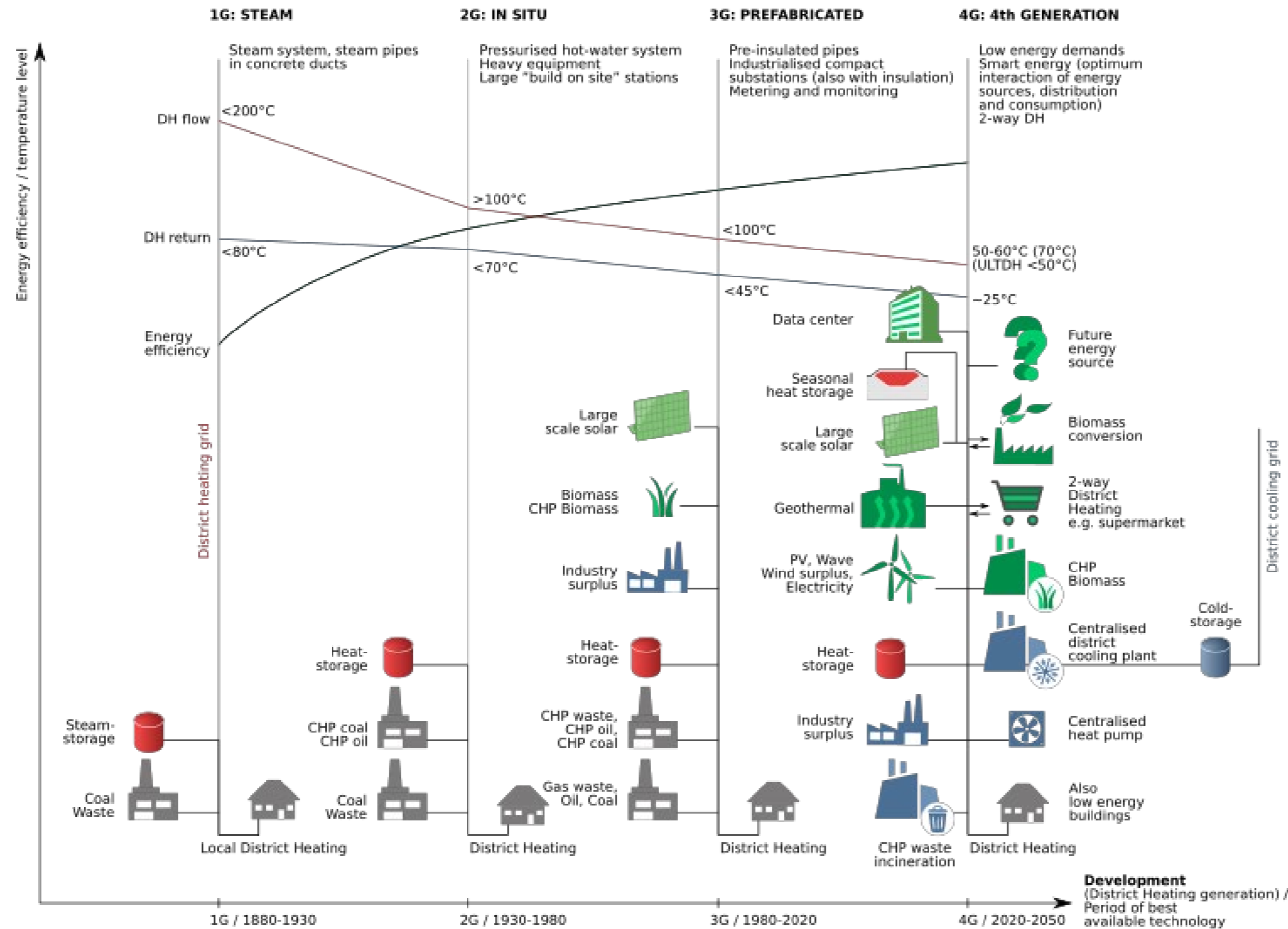
“Heating system with (one or more) centralized production facilities for multiple buildings, where scale-advantages are achieved compared to individual heating technologies”

Financial and Economic benefits
Energy Efficiency
Environmental Efficiency
Other benefits



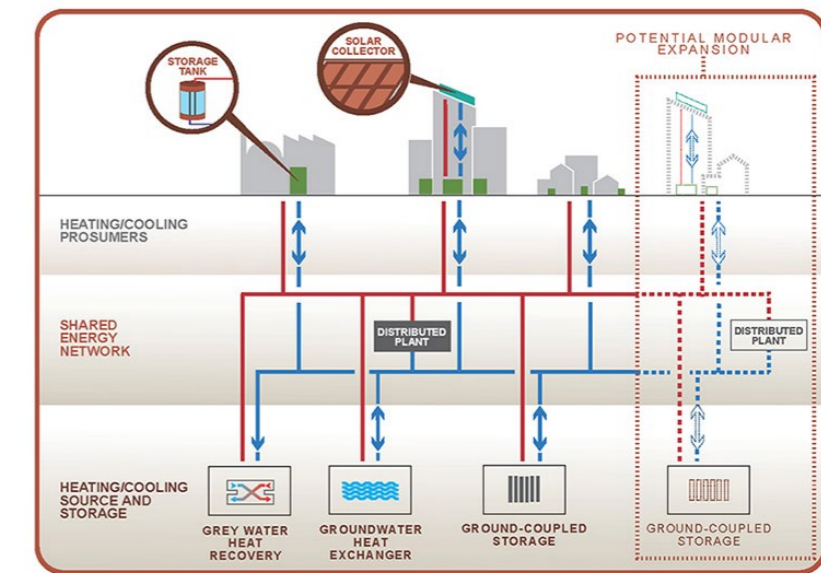
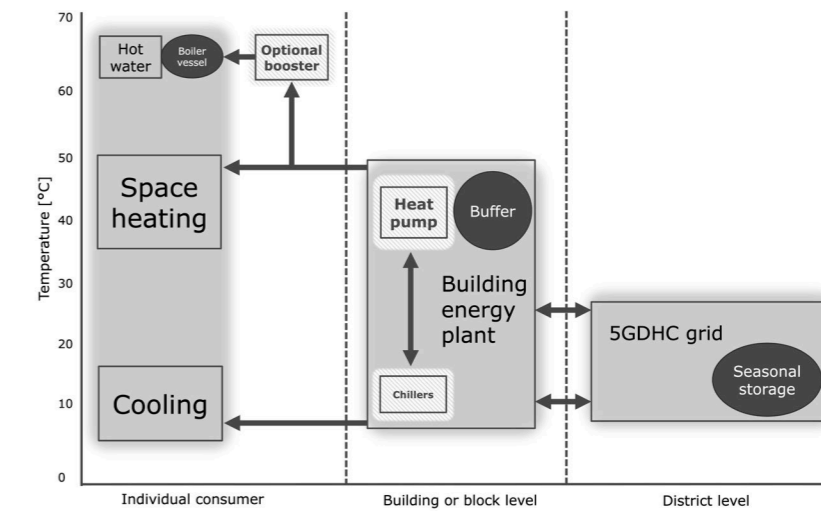
Heat Networks

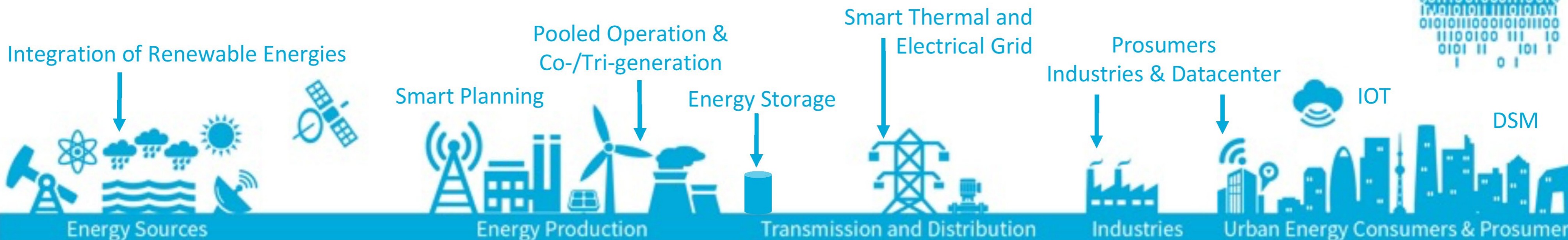
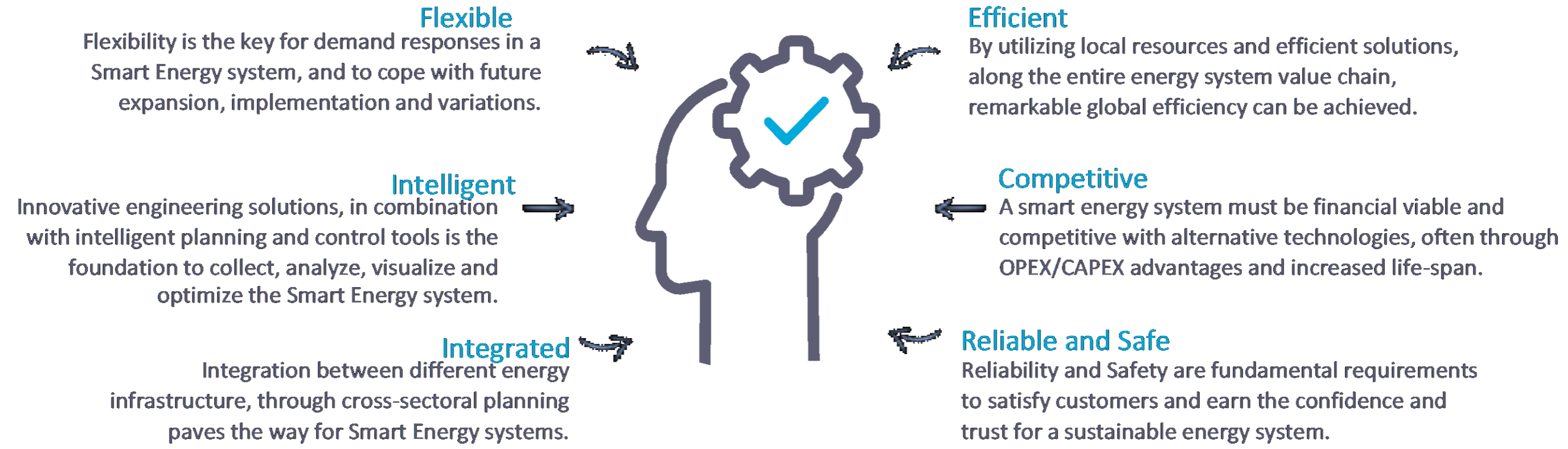
District Heating Development

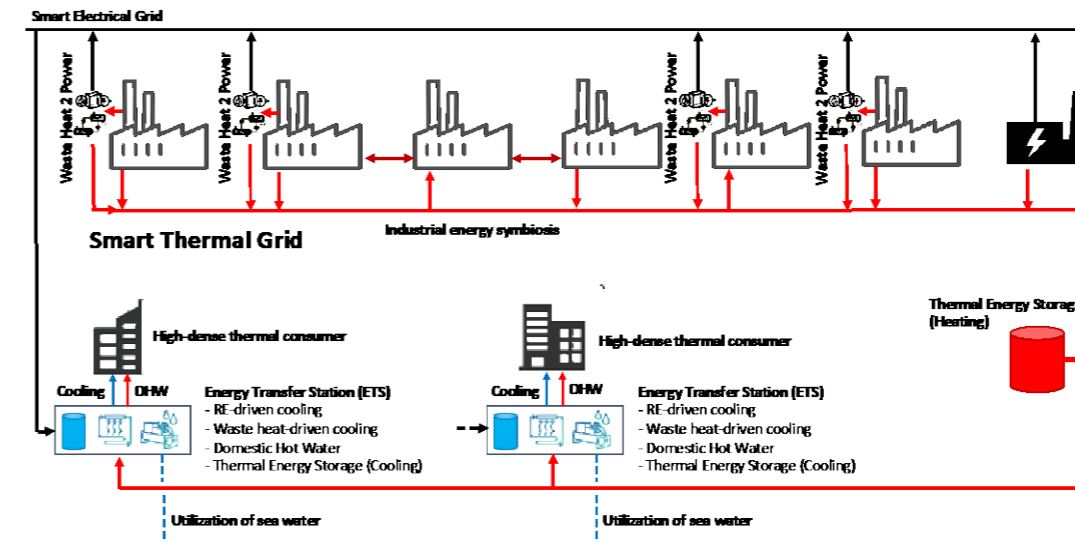


5G: 5th GENERATION

- District Energy system simultaneously applied as;
- Heat source for Heating supply
 - Heat sink for Cooling supply
 - Thermal Storage for the Electricity Grid, and
 - An integrated part of Multi-Energy Systems (electricity, gas, cooling, heating and storage)







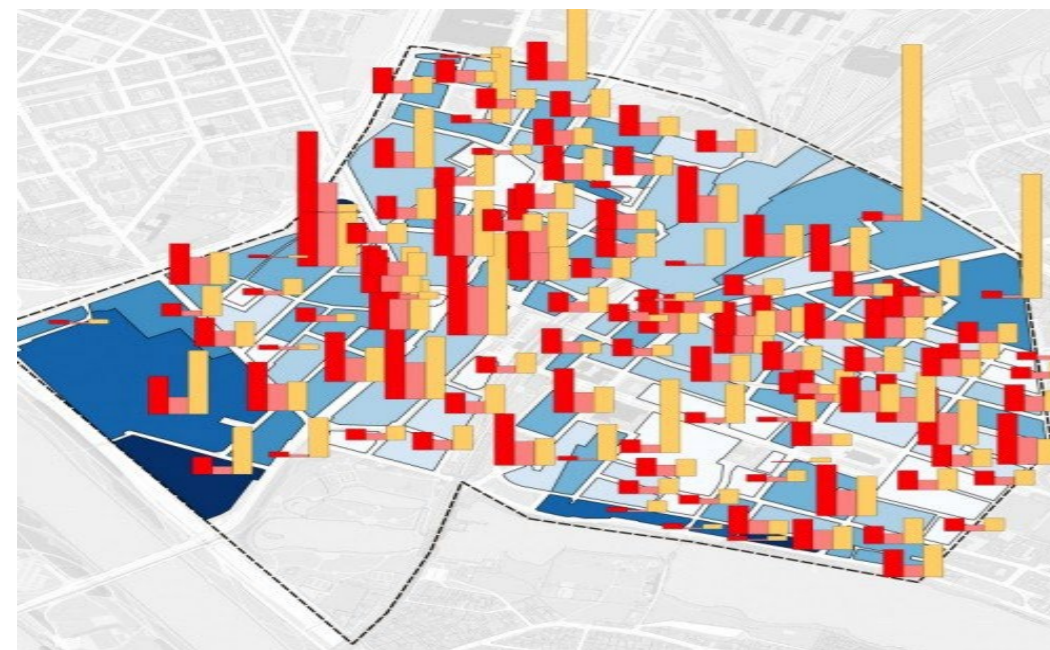
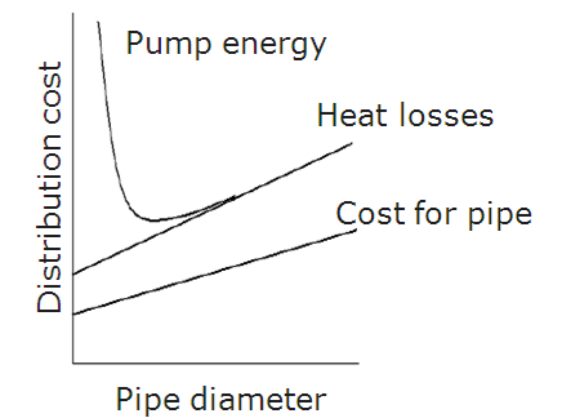
Heating demand density (GWh/km²)

Network cost (\$/km_{pipe})

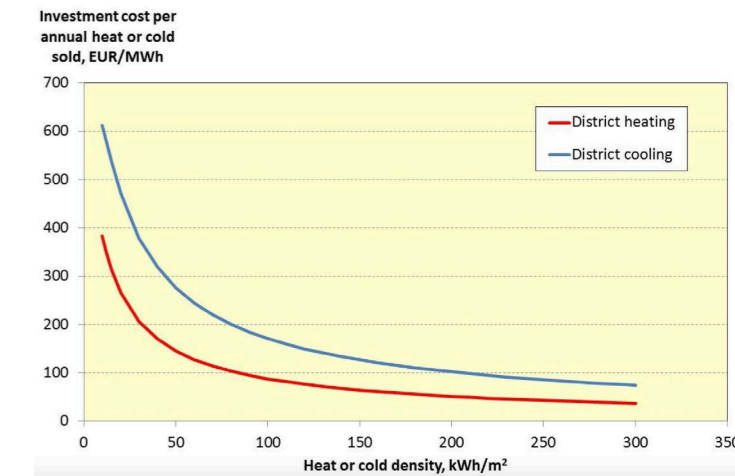
Production cost (\$/MW_{cool})

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Optimal pipe dimension

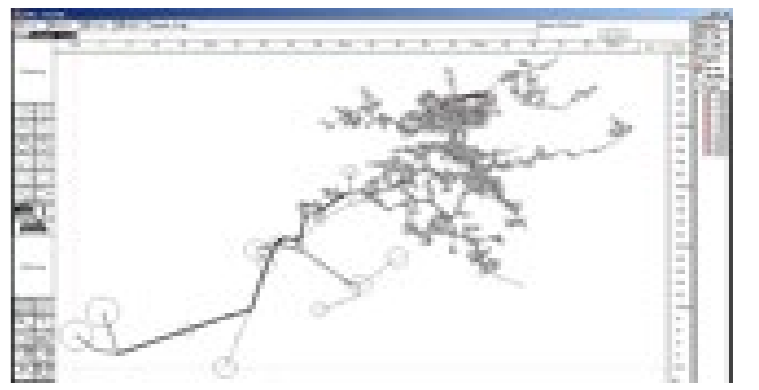
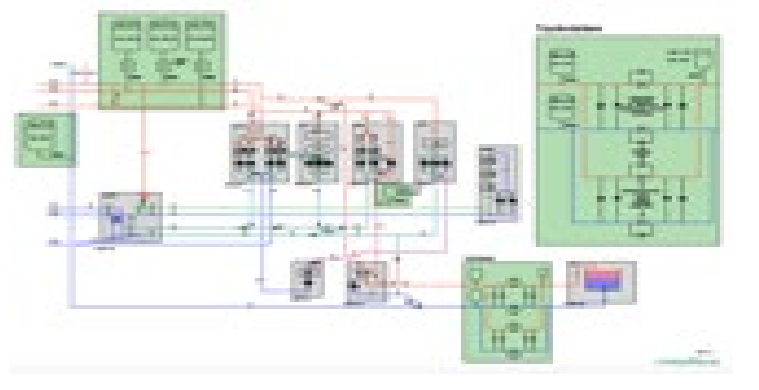
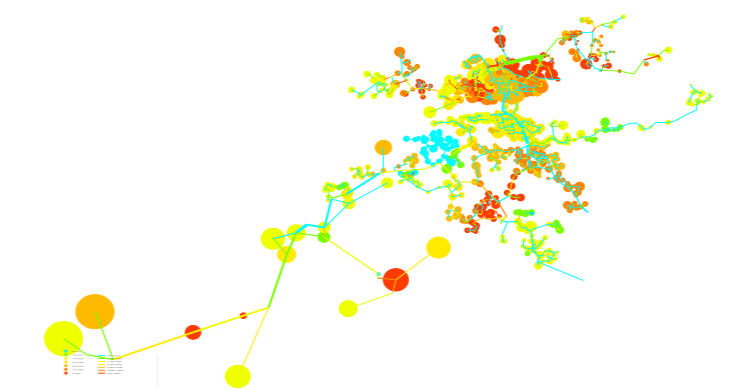
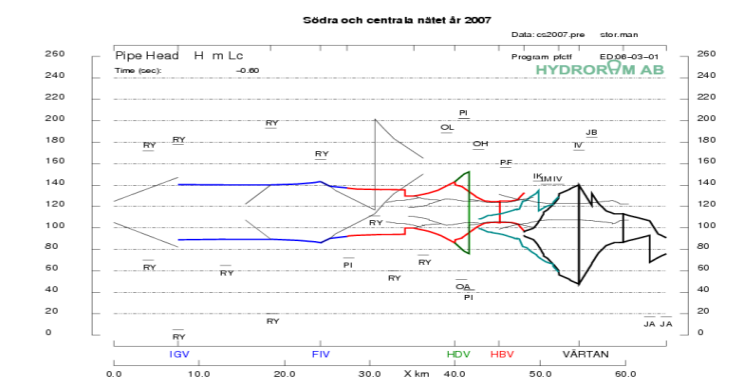
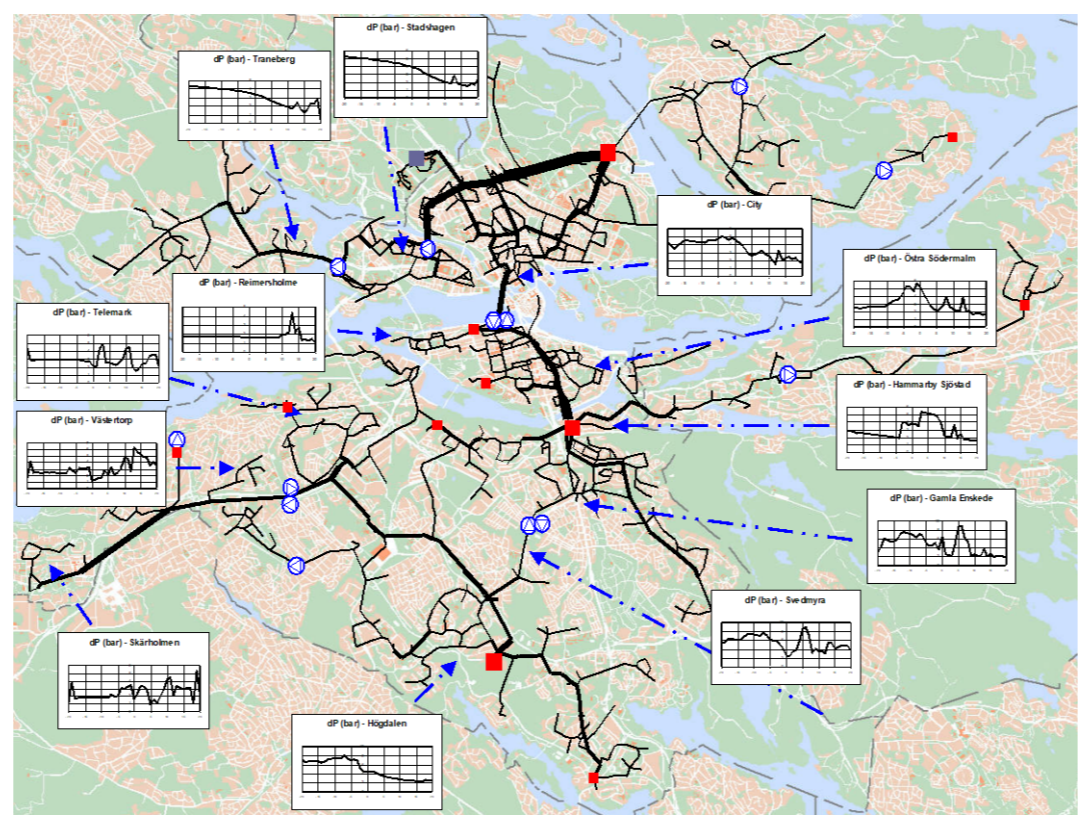
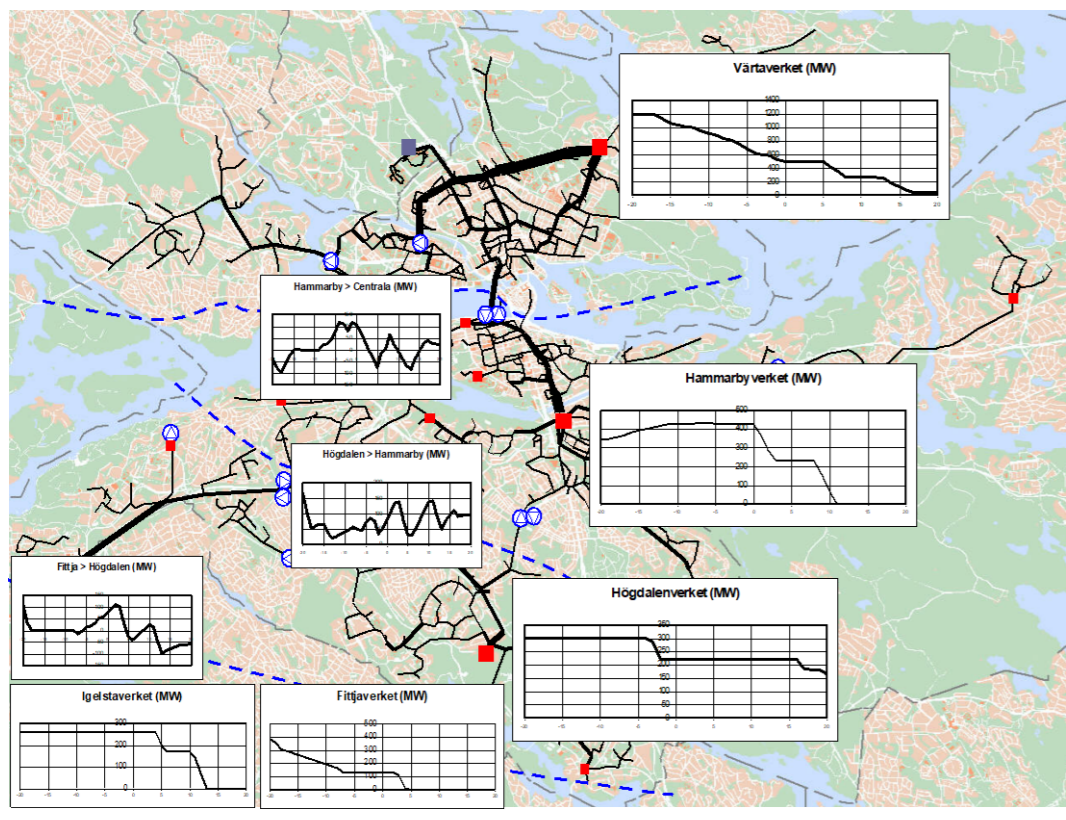
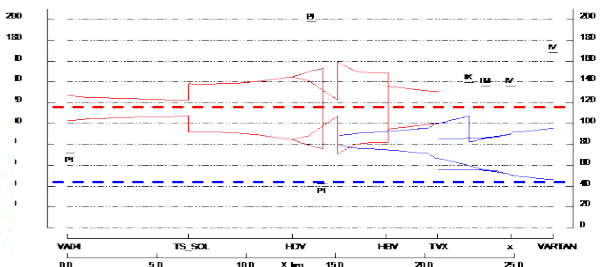
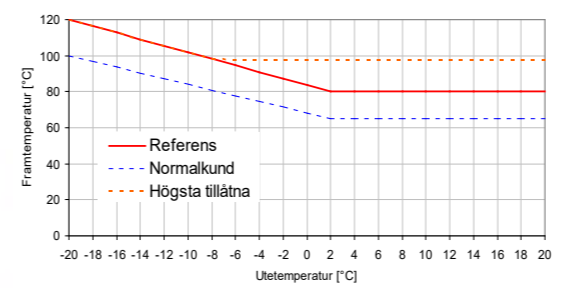
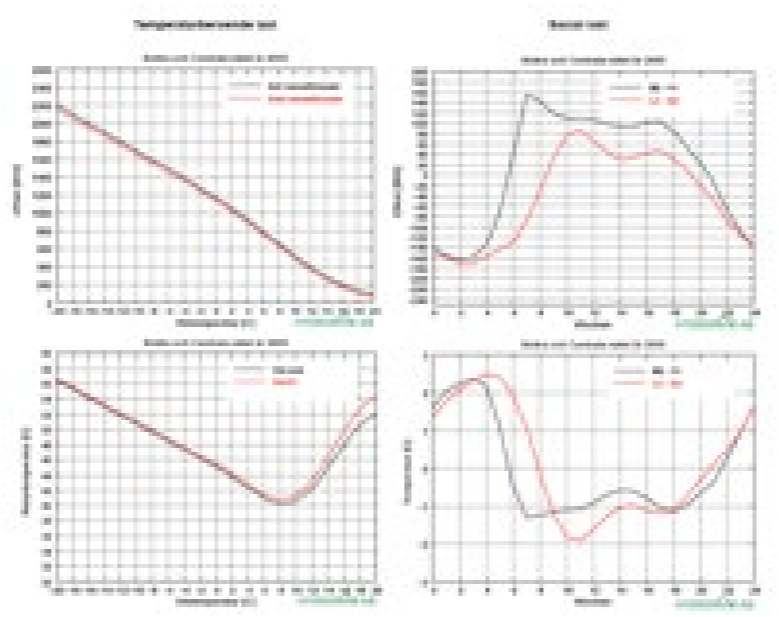
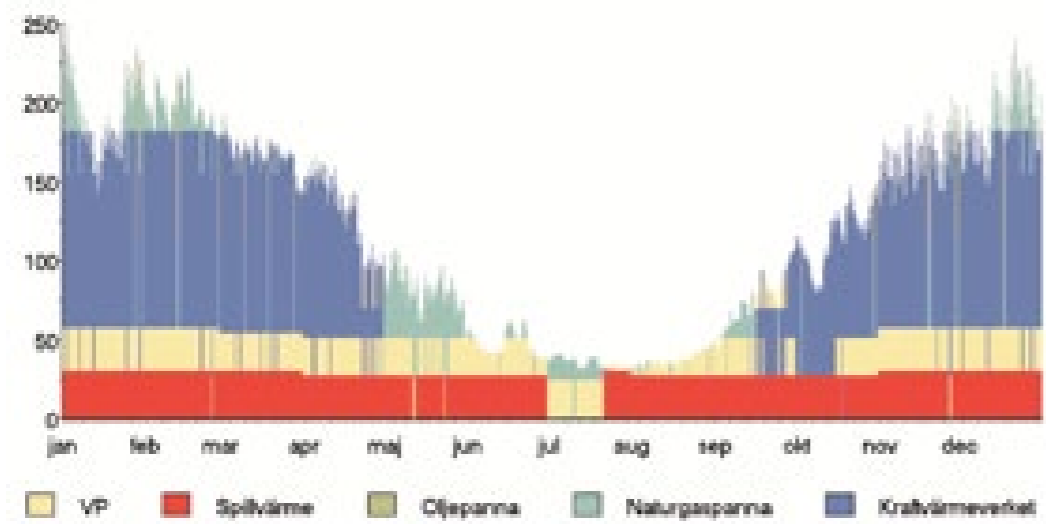


- Demand Assessment (inc. forecasting)
- Resource Assessment (inc. forecasting)
- Tariff Assessment (inc. forecasting)
- Scenario definition
- Scenario Analysis
- Technical, Financial, Environmental and Institutional benefit analysis
- Sensitivity Analysis
- Preparation of Energy Plan / Roadmap

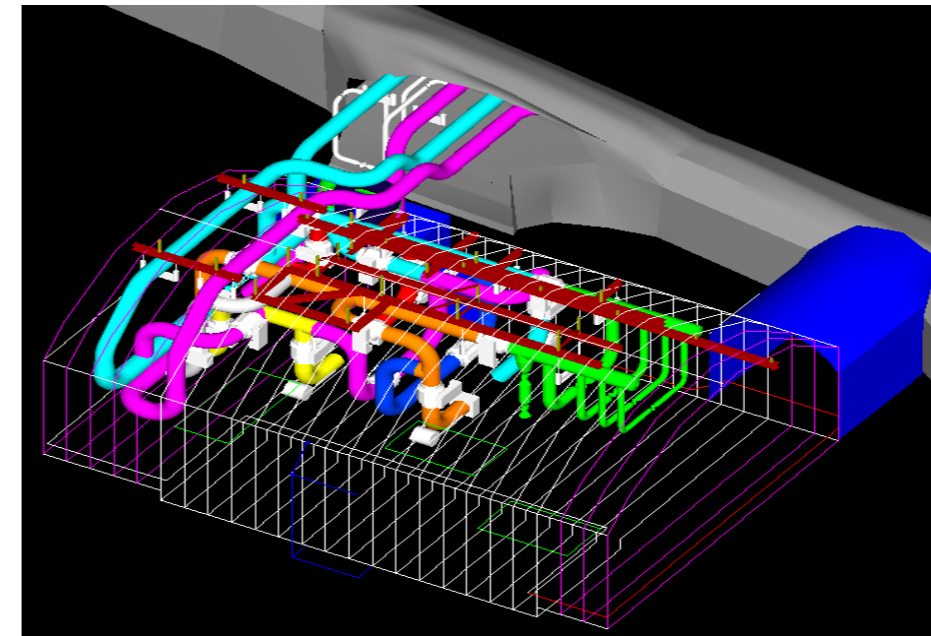
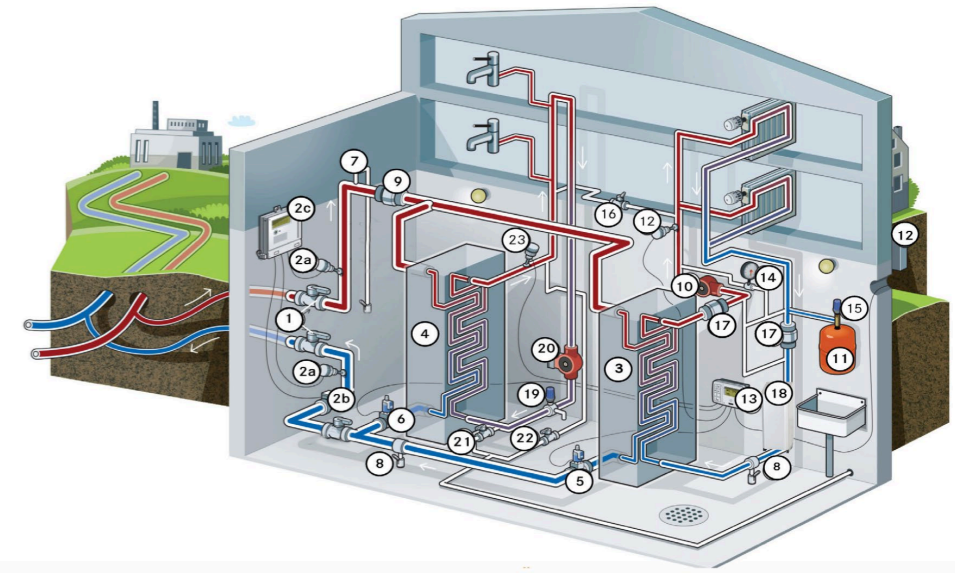
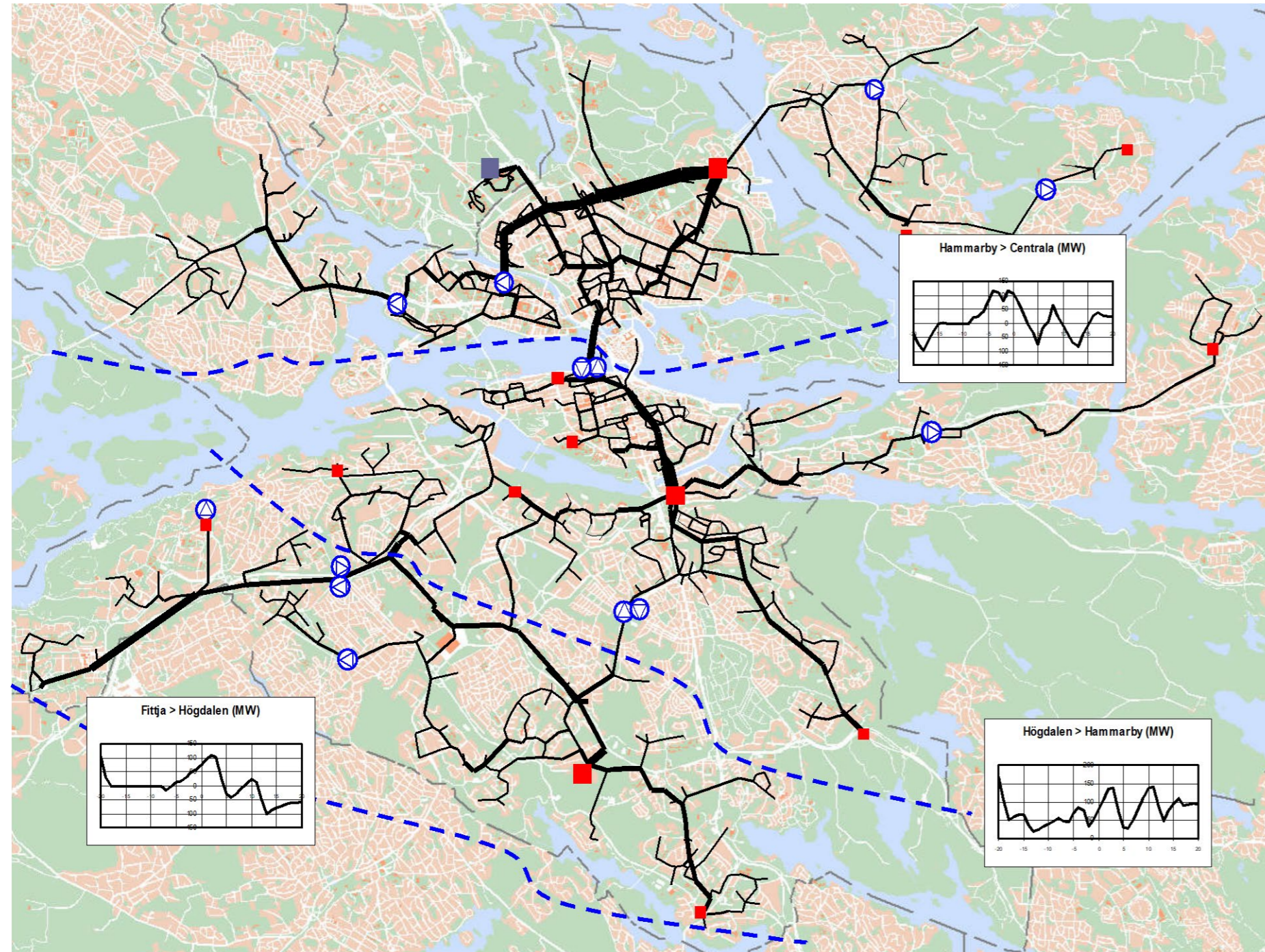


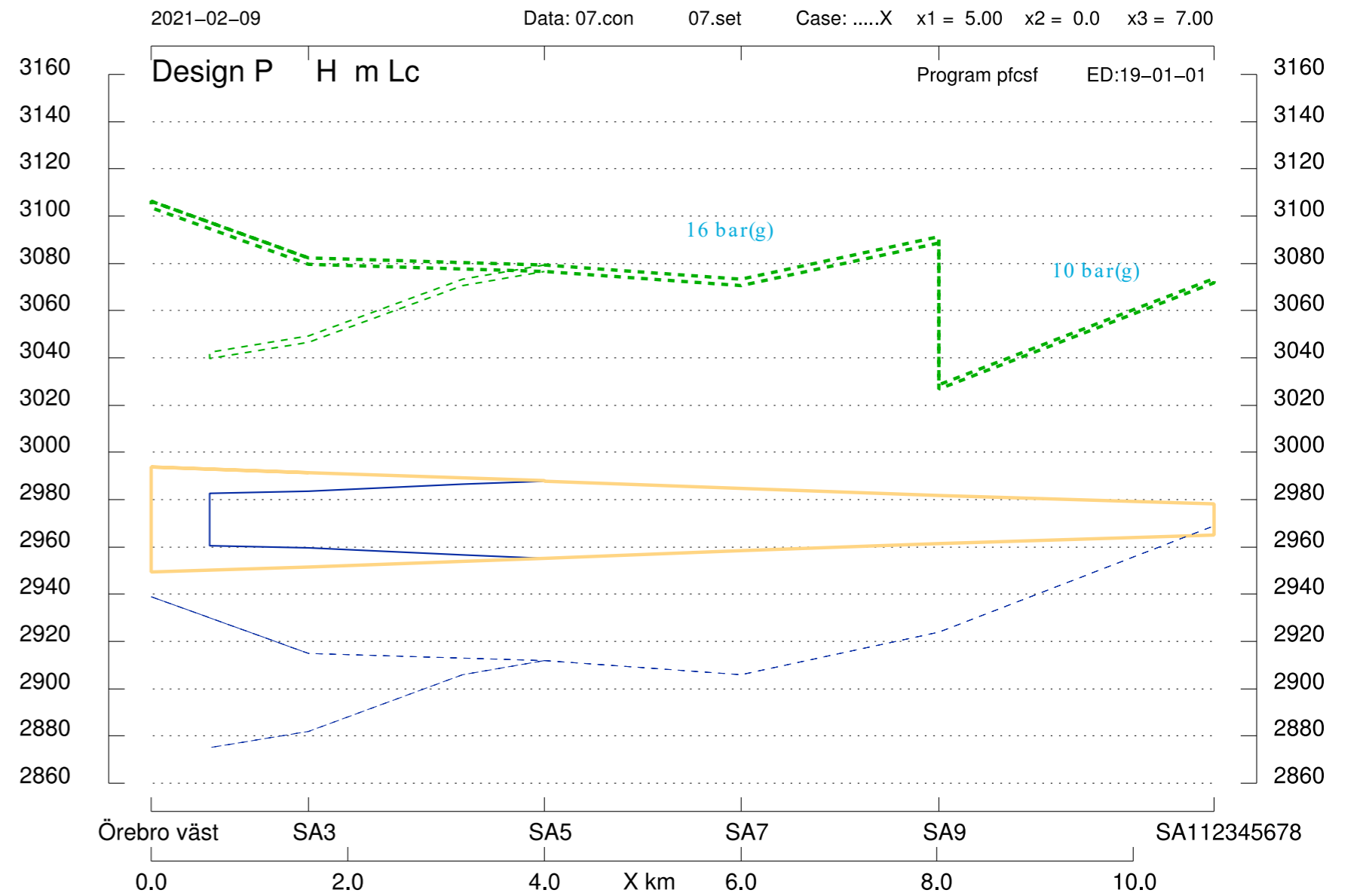
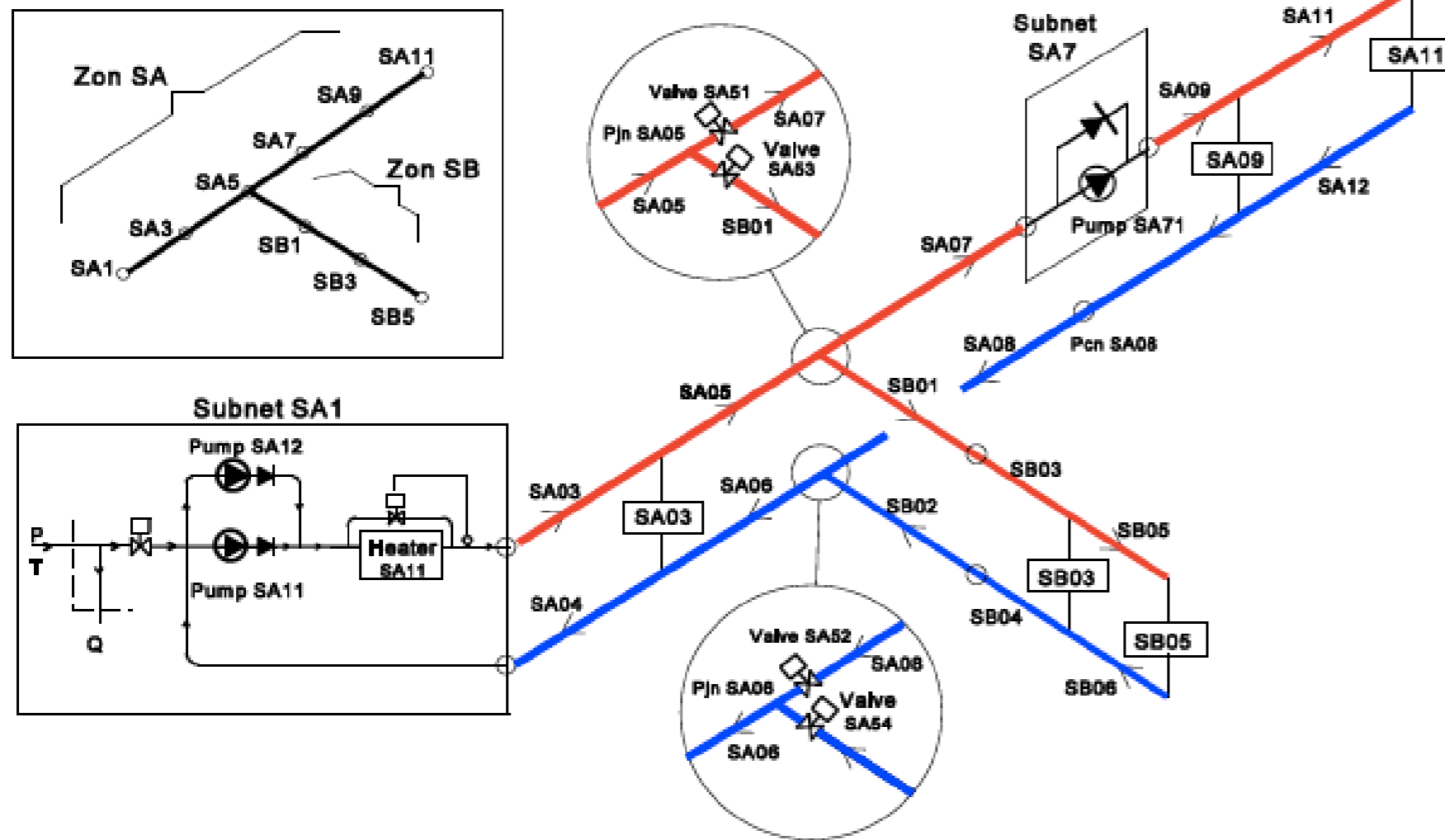
Source: STRATEGO project

Heat Networks Design

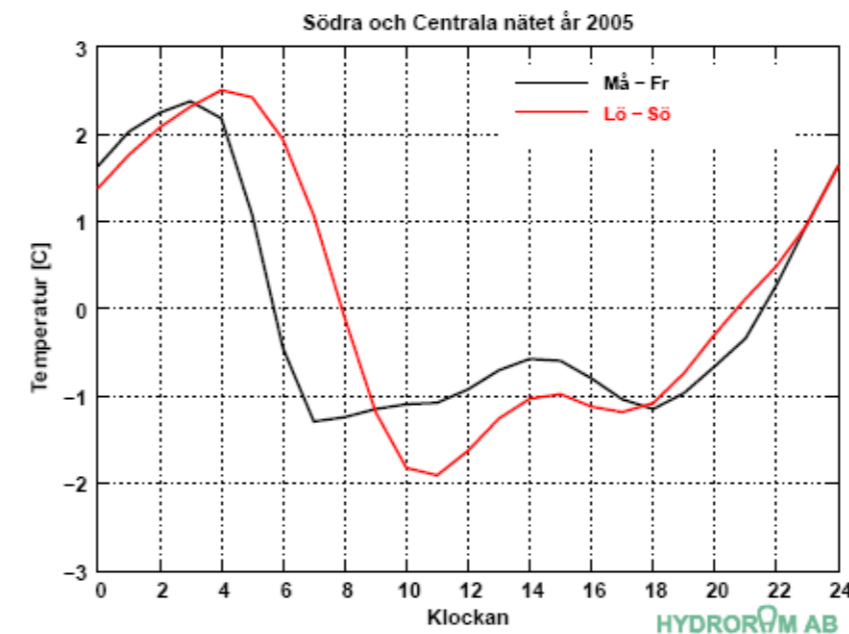
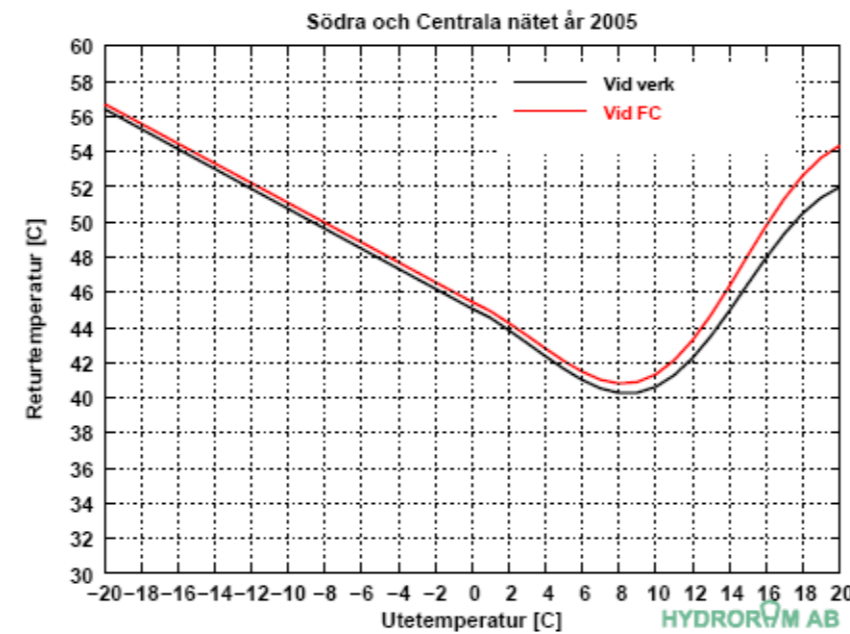
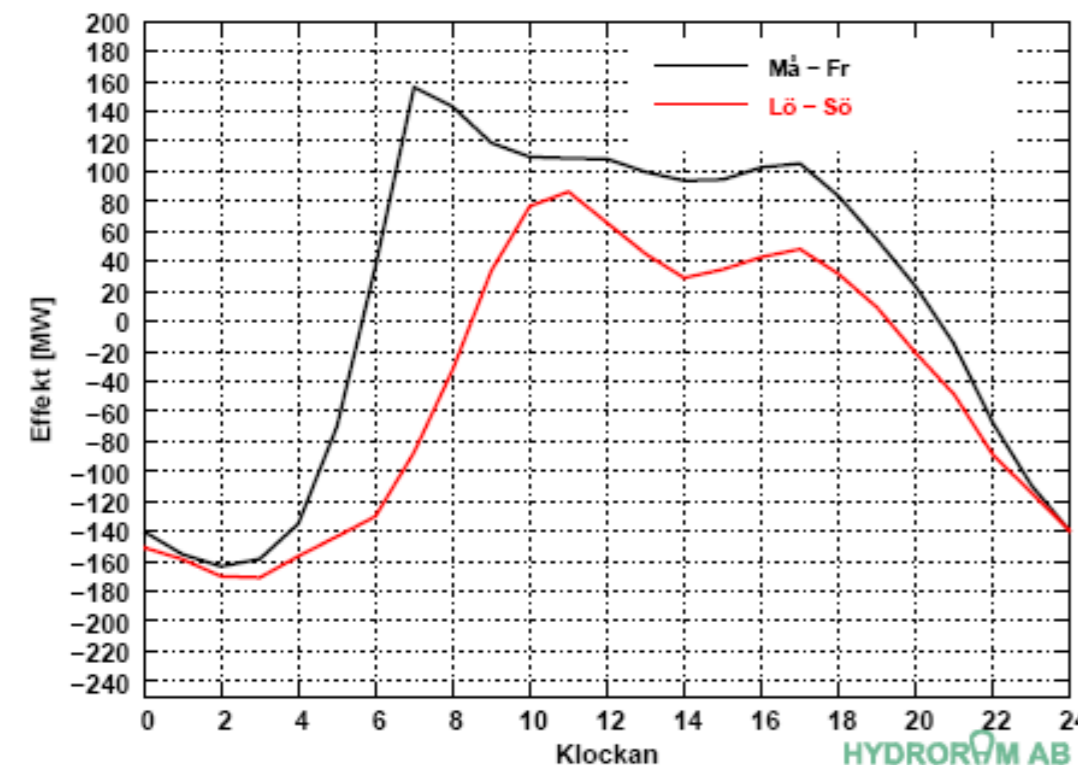
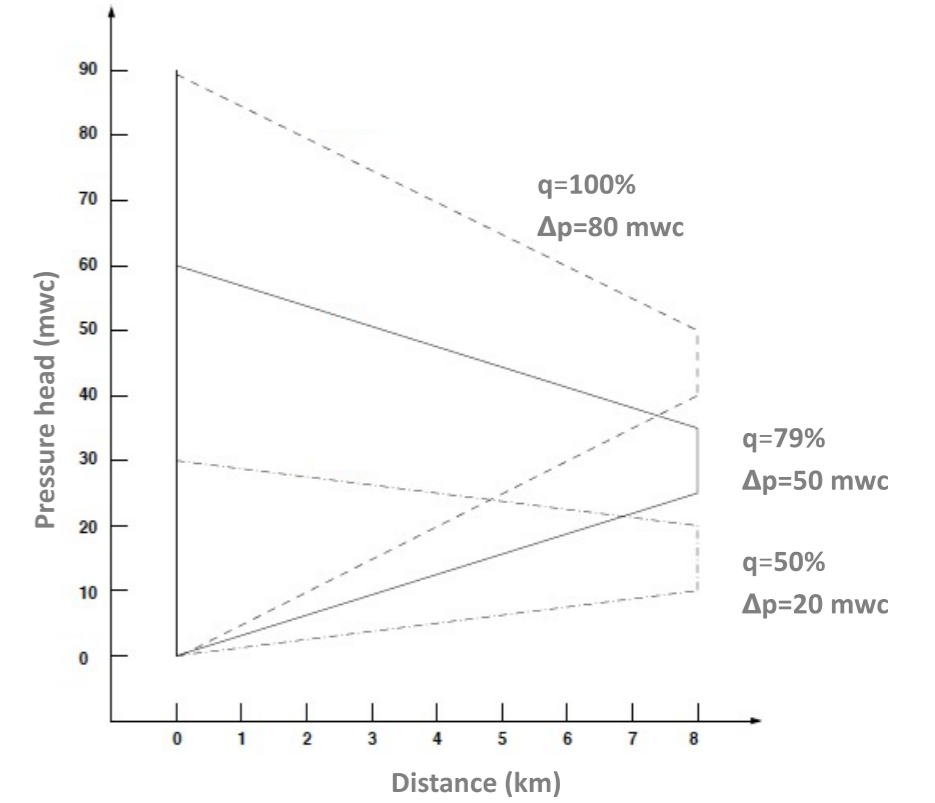
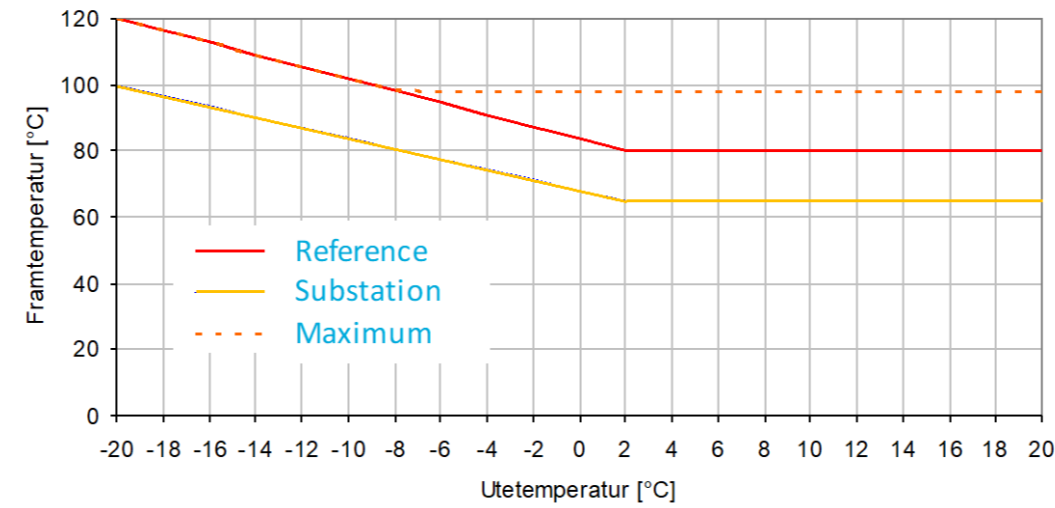
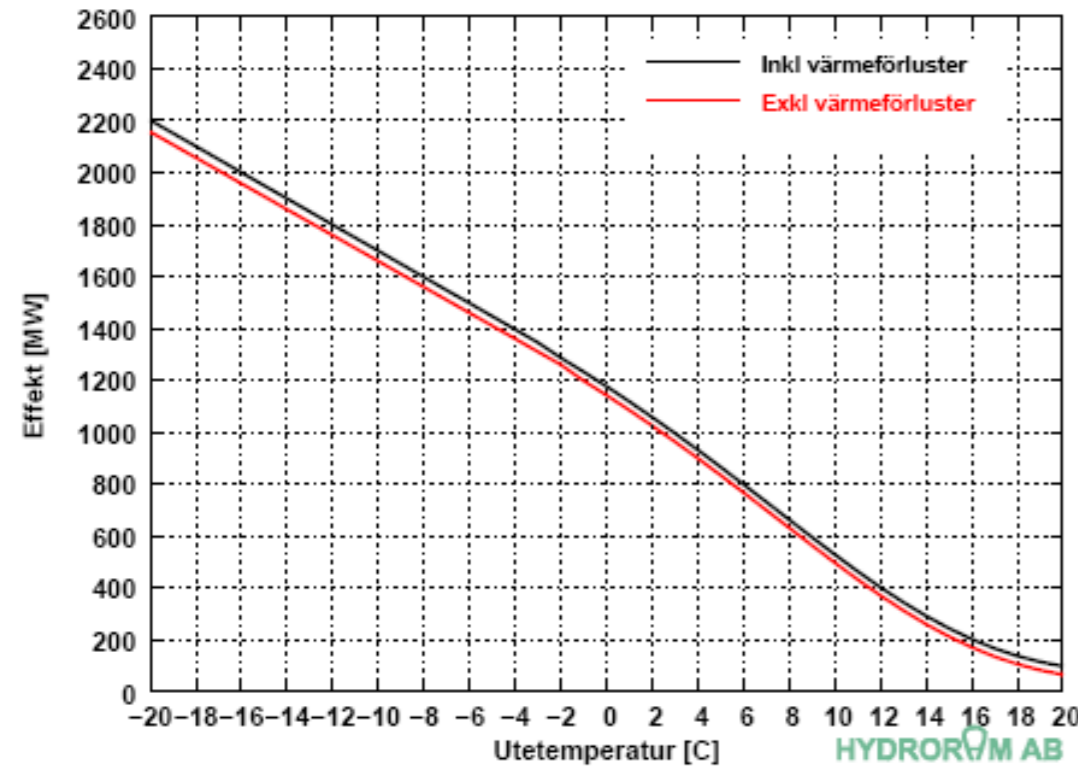


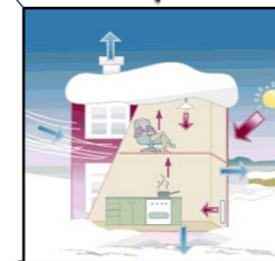
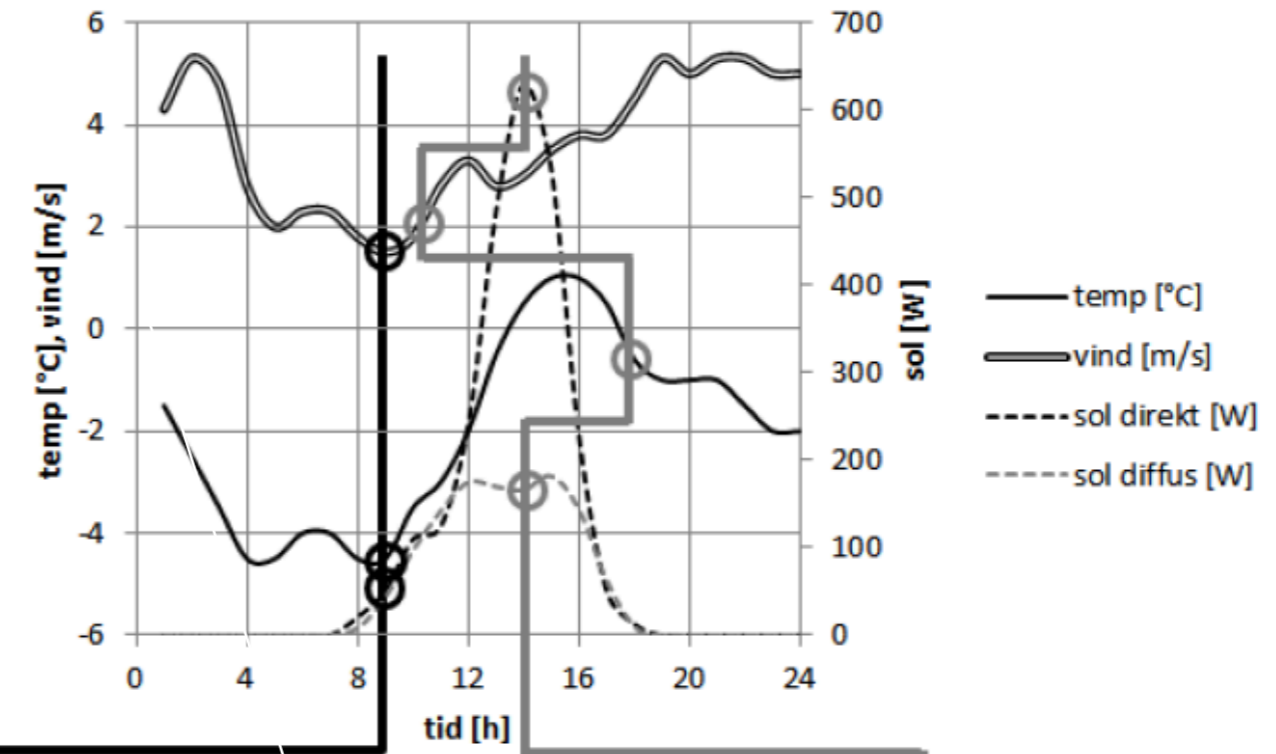
Heat Networks District Heating System

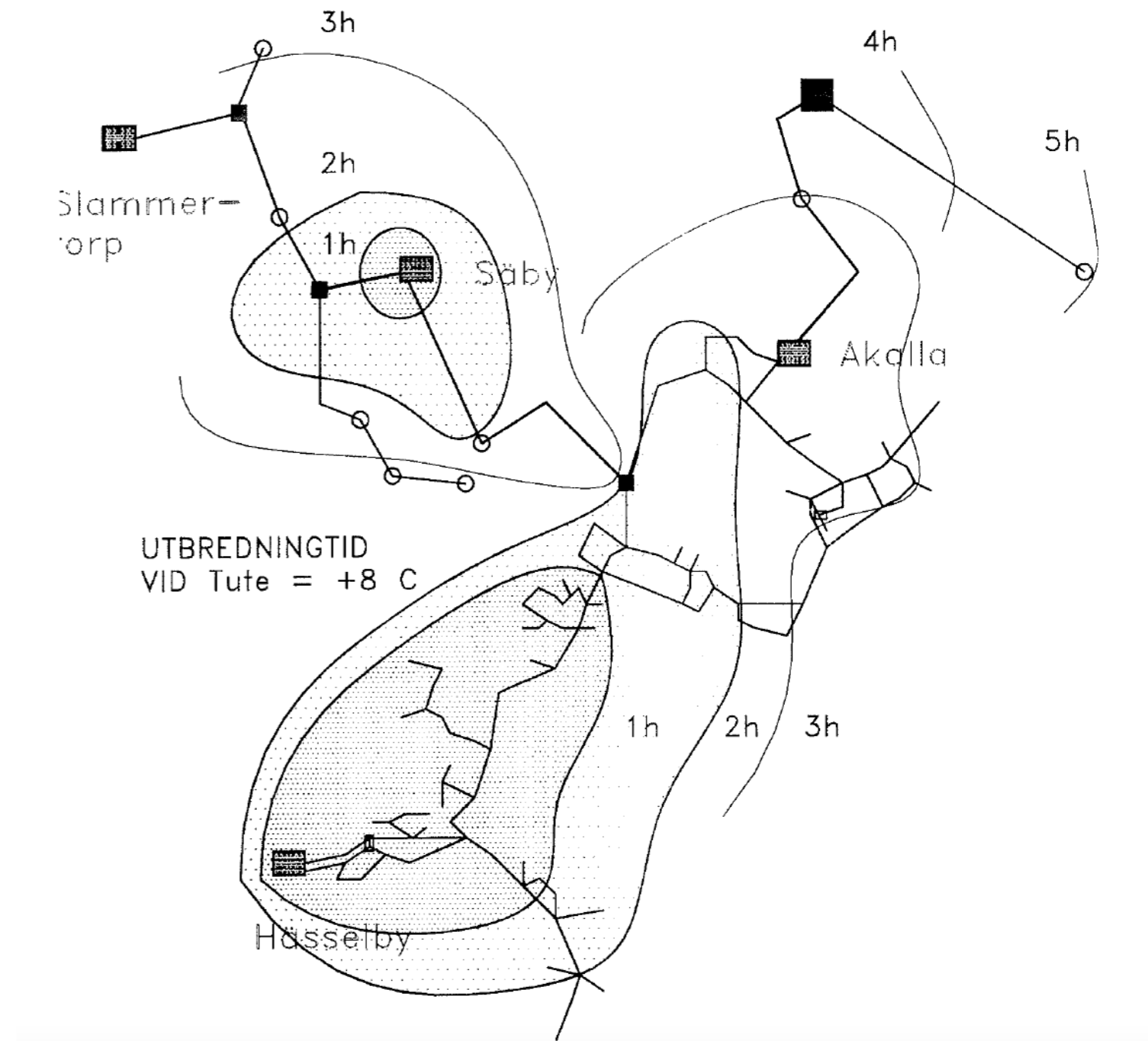
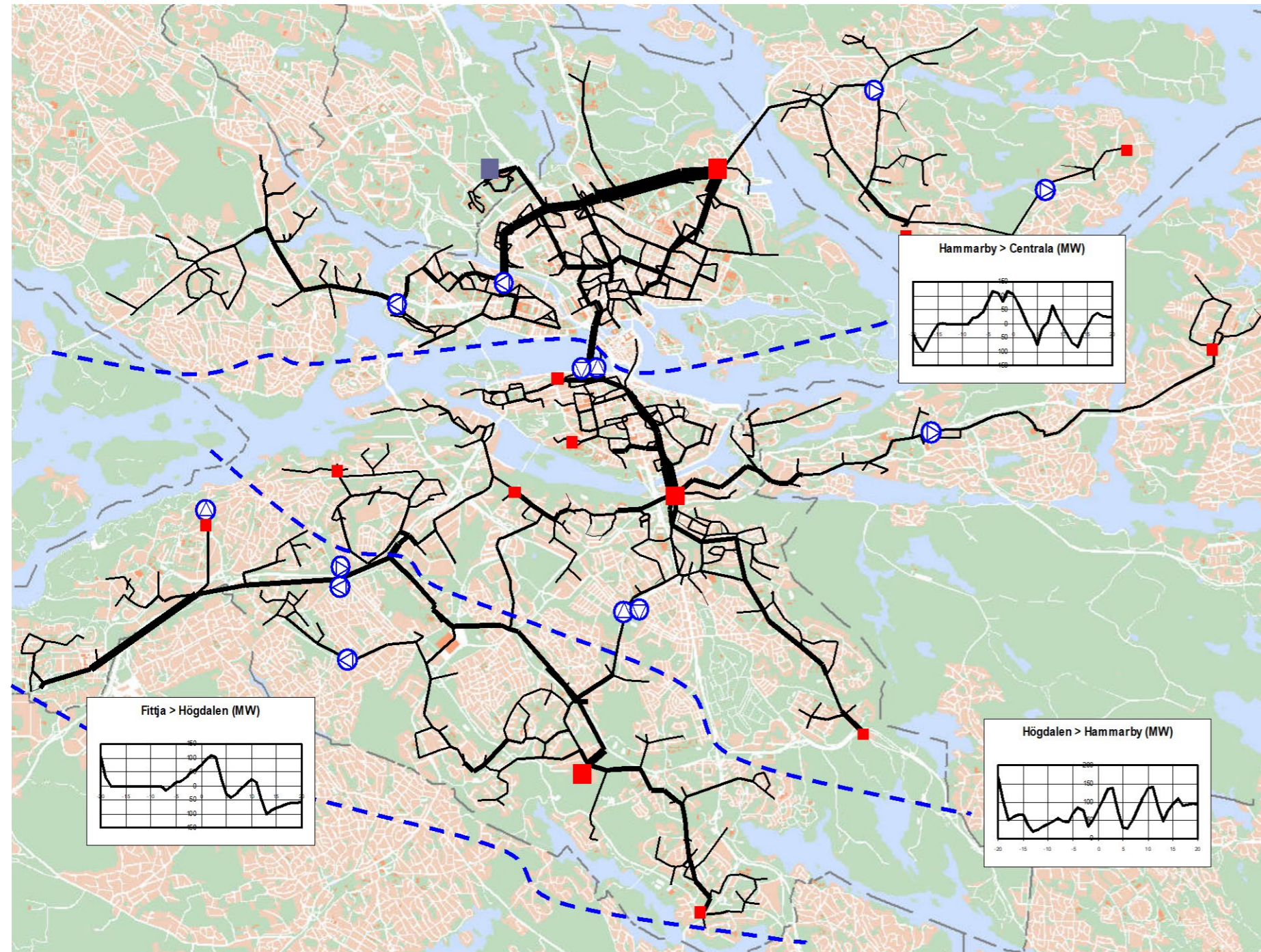


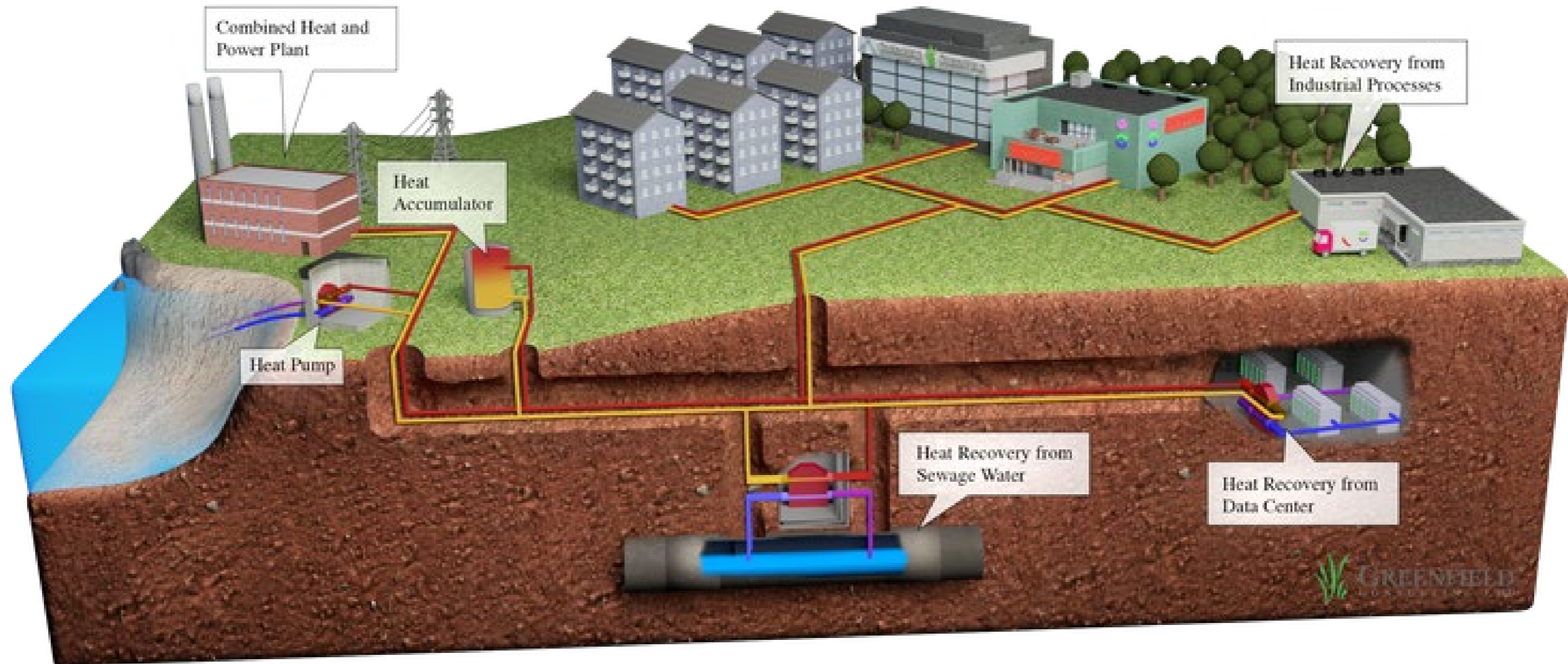


Heat Networks District Heating System



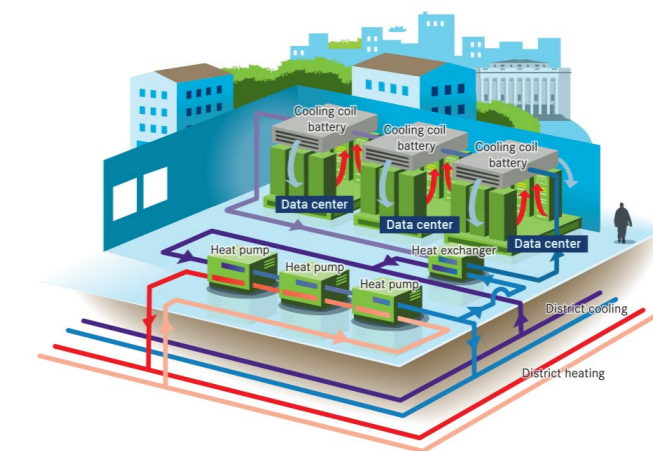
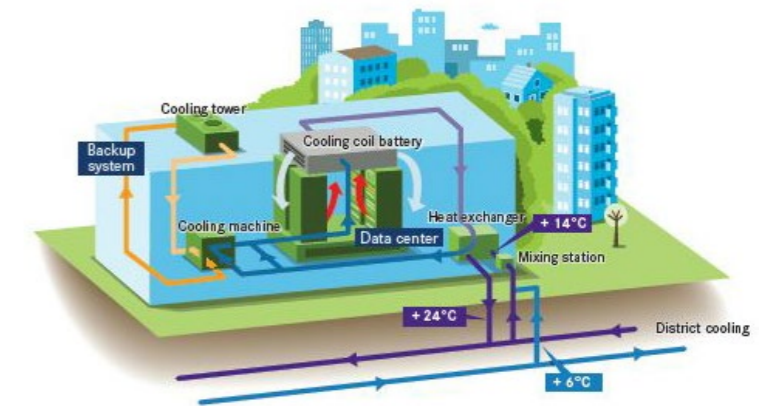
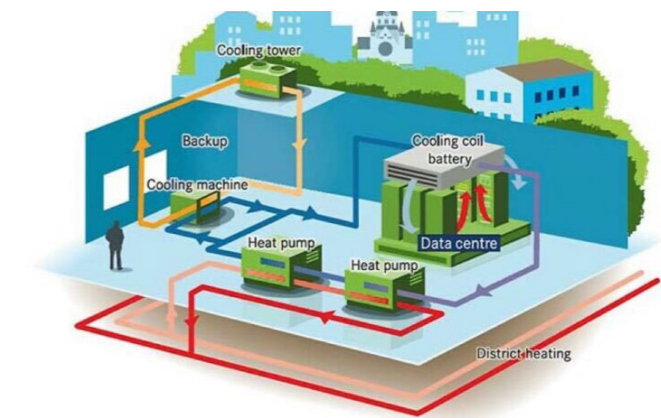
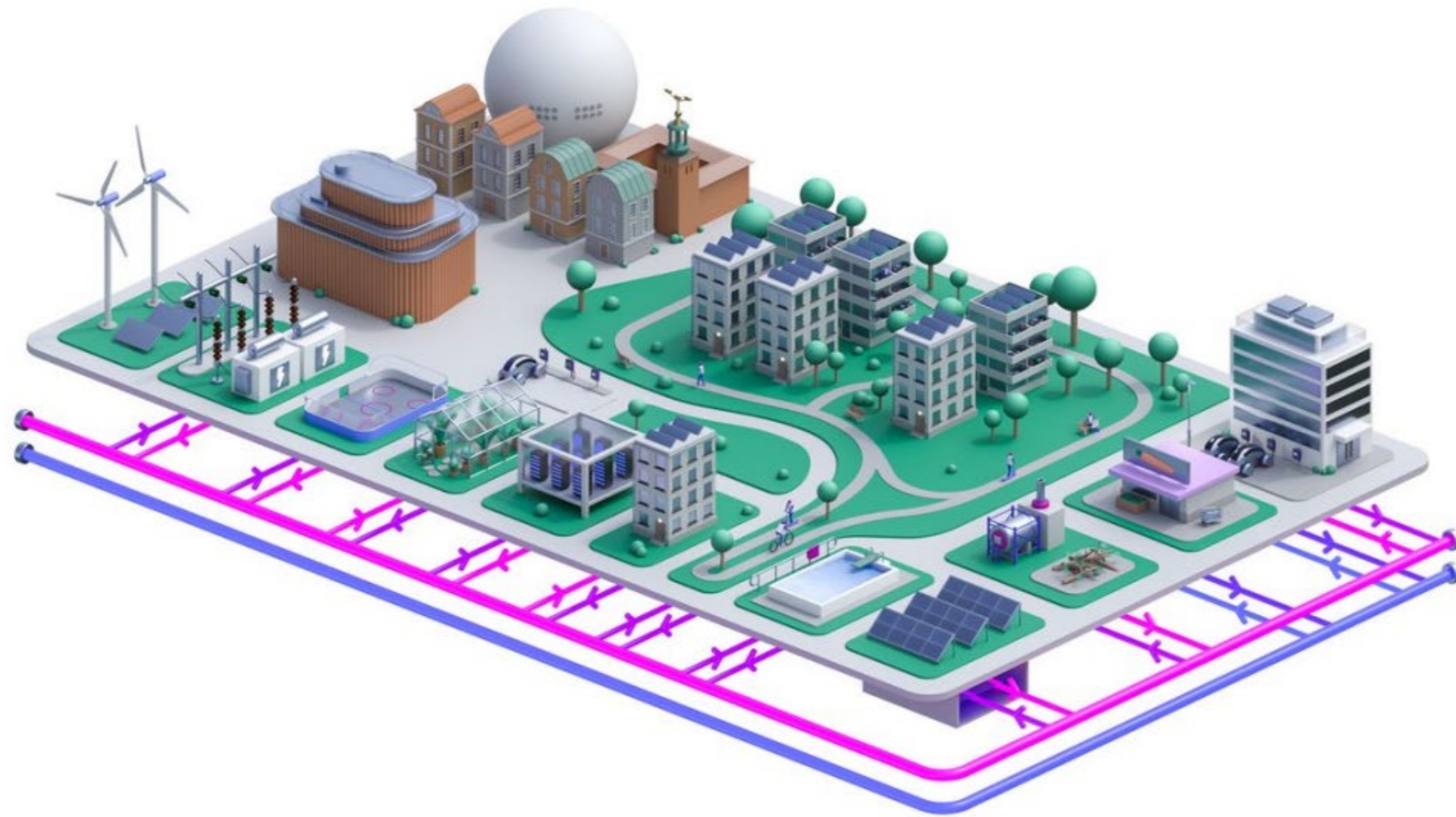


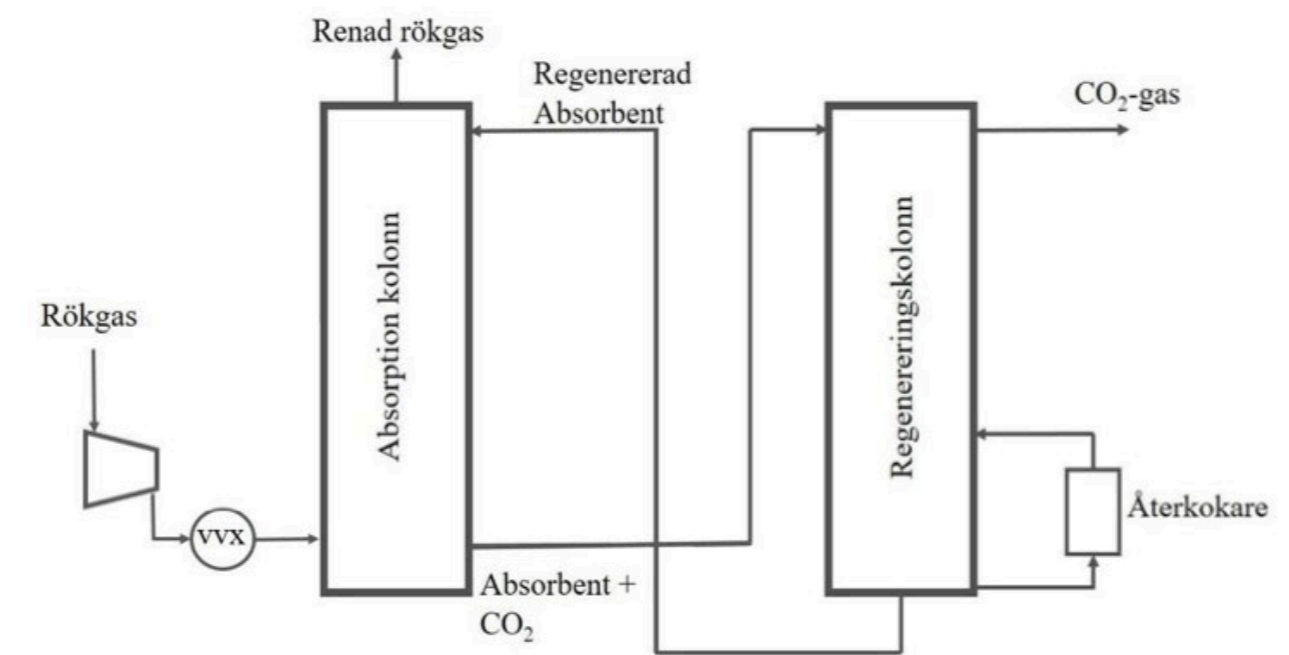
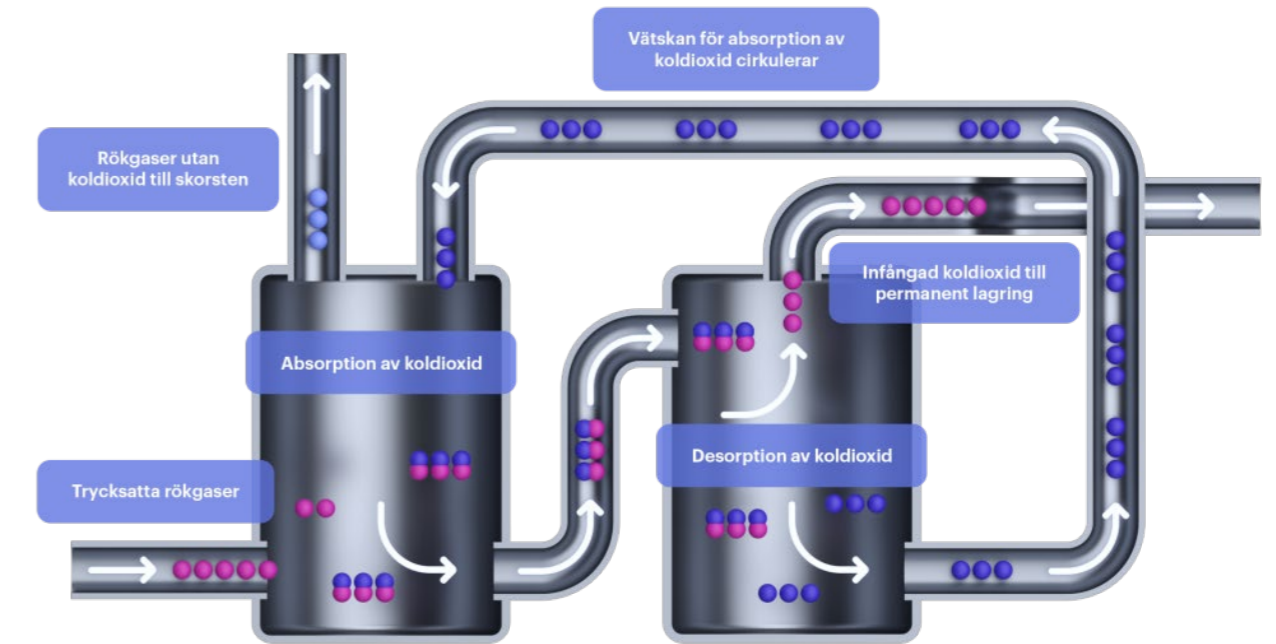
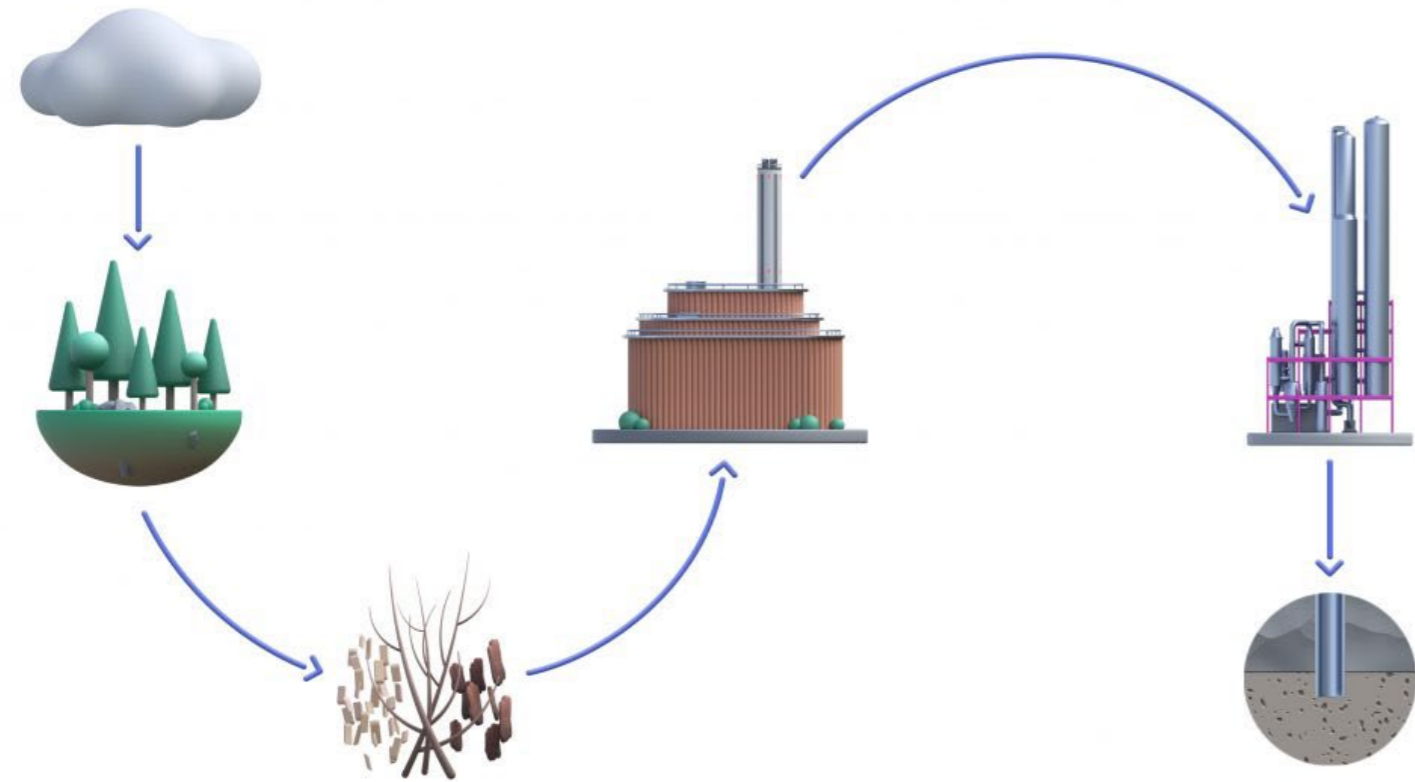




Heat Networks

Extended Heat Recovery, Prosumers and Energy Symbiosis





Purpose: Power- vs. Heating optimization
Seasonal vs. short-term
Cooling and/or Heating

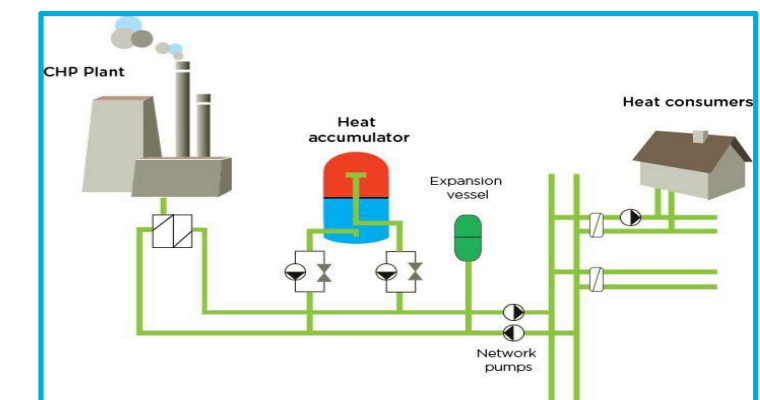
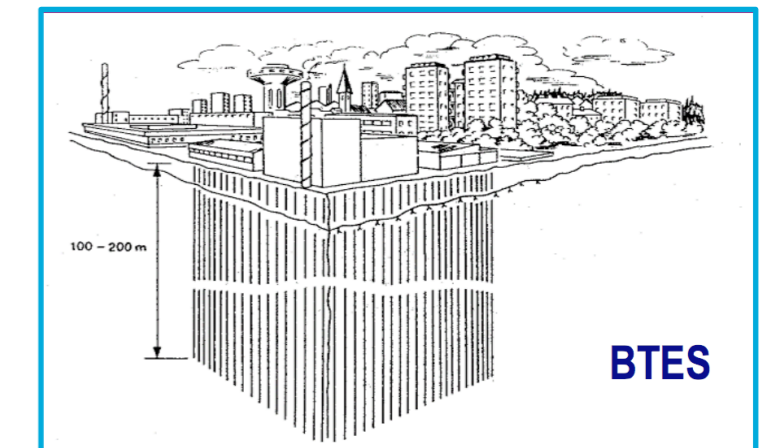
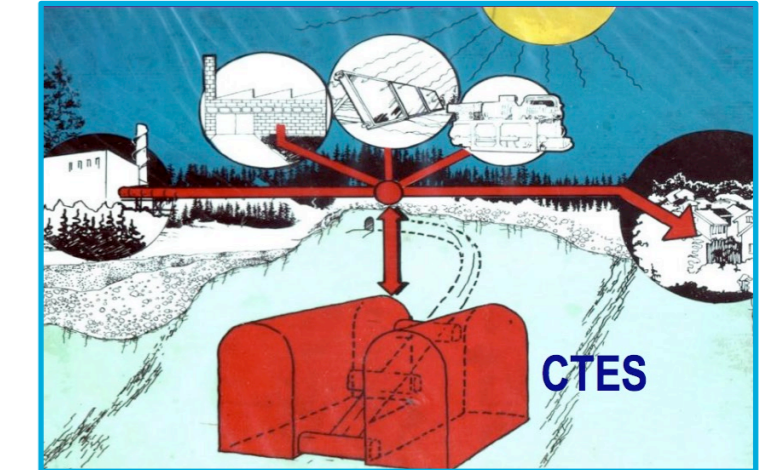
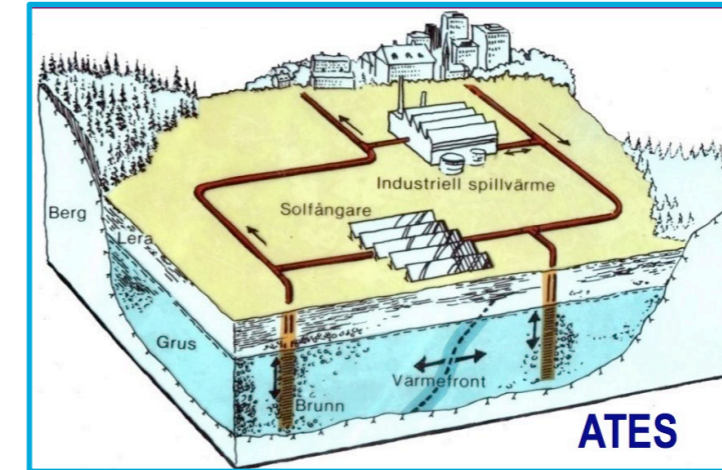
Type: Sensible vs. UTES vs. PCM

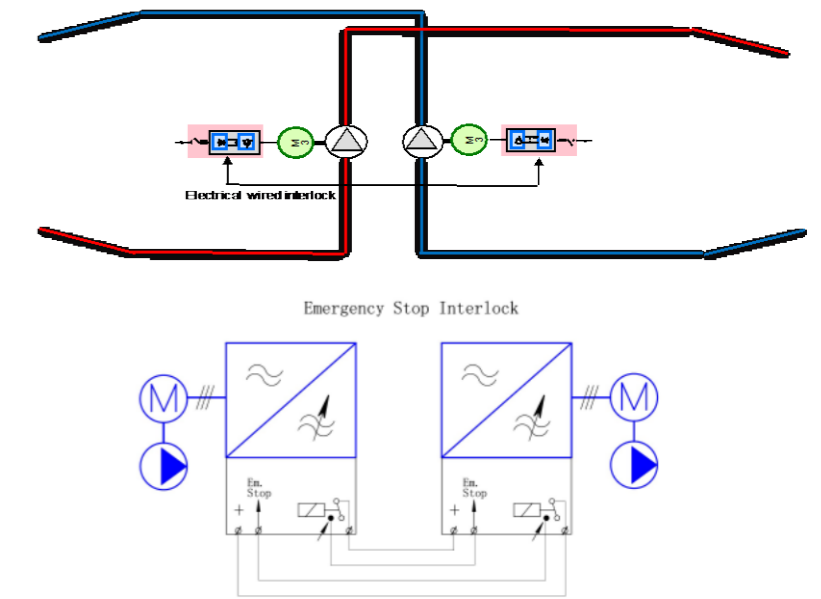
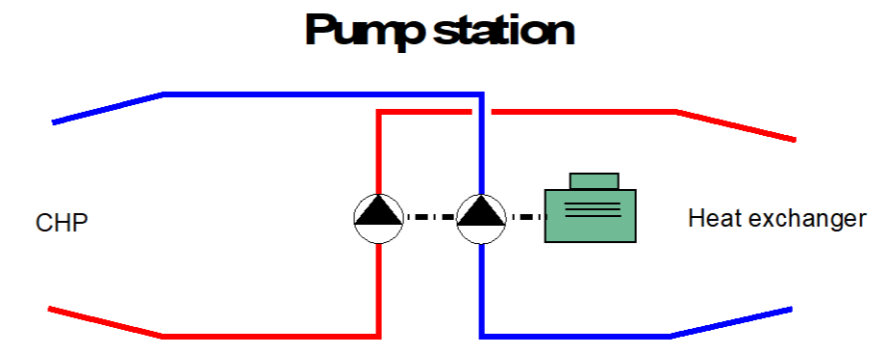
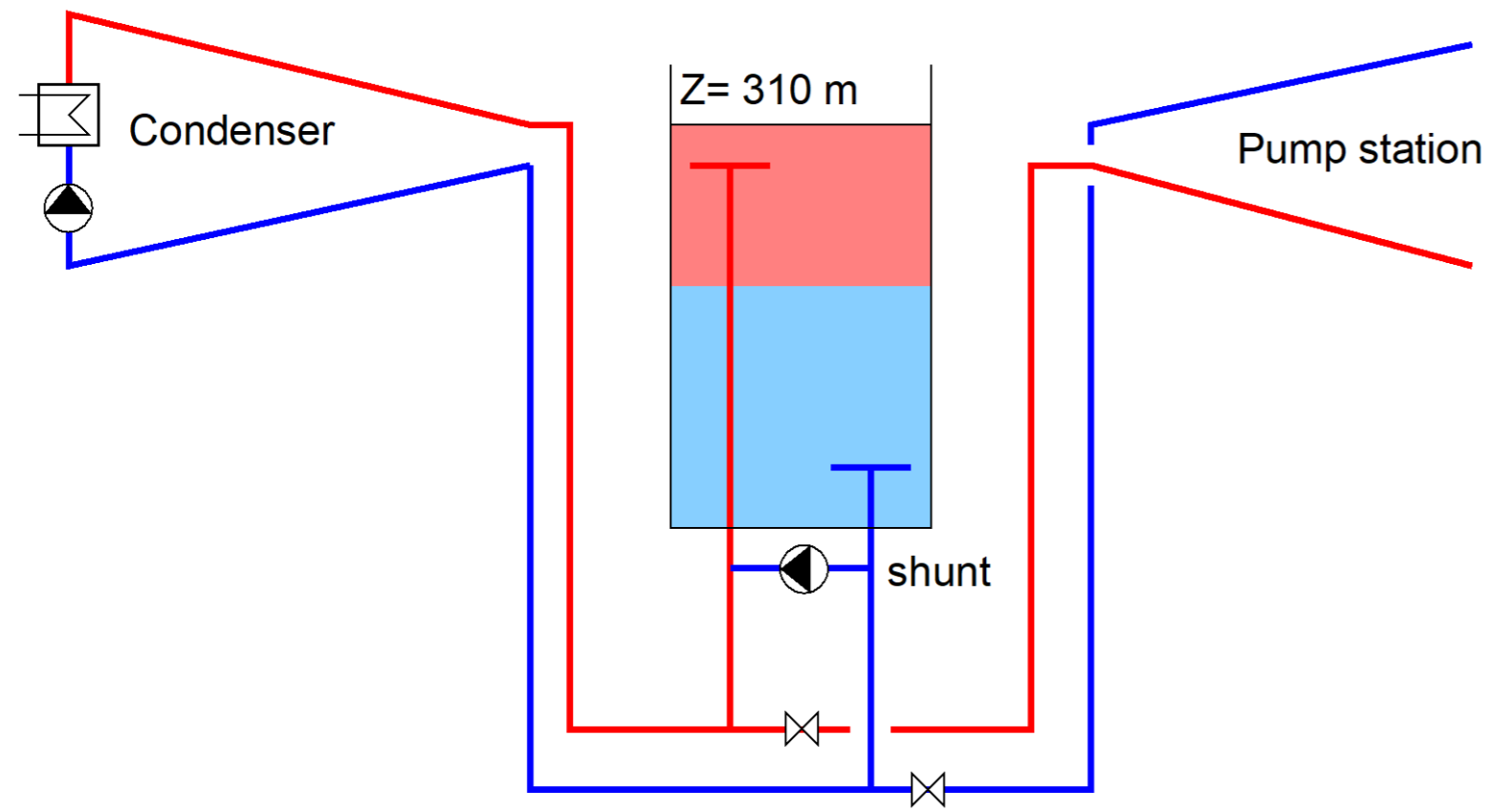
Location: Centralized vs. Distributed

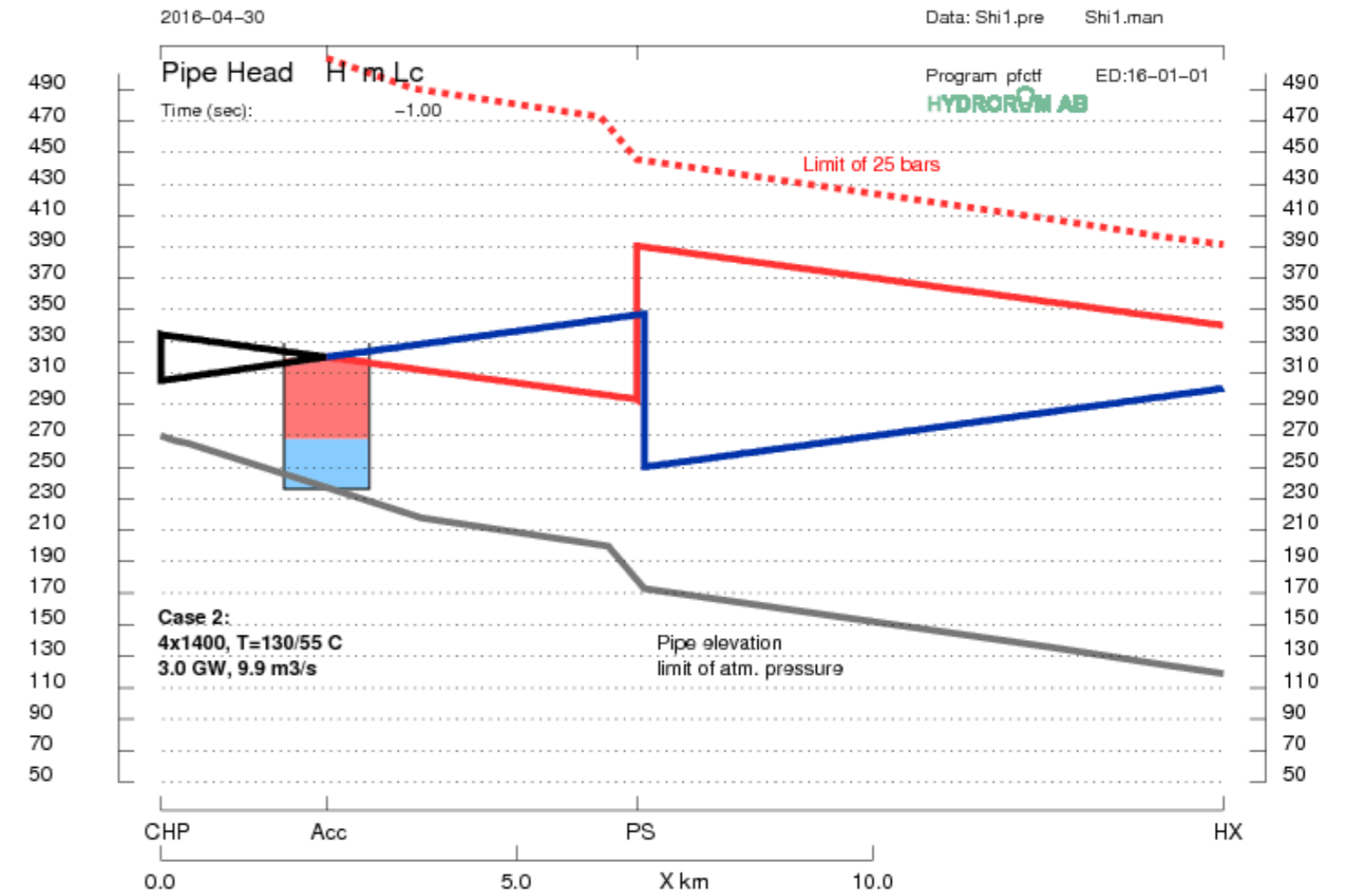
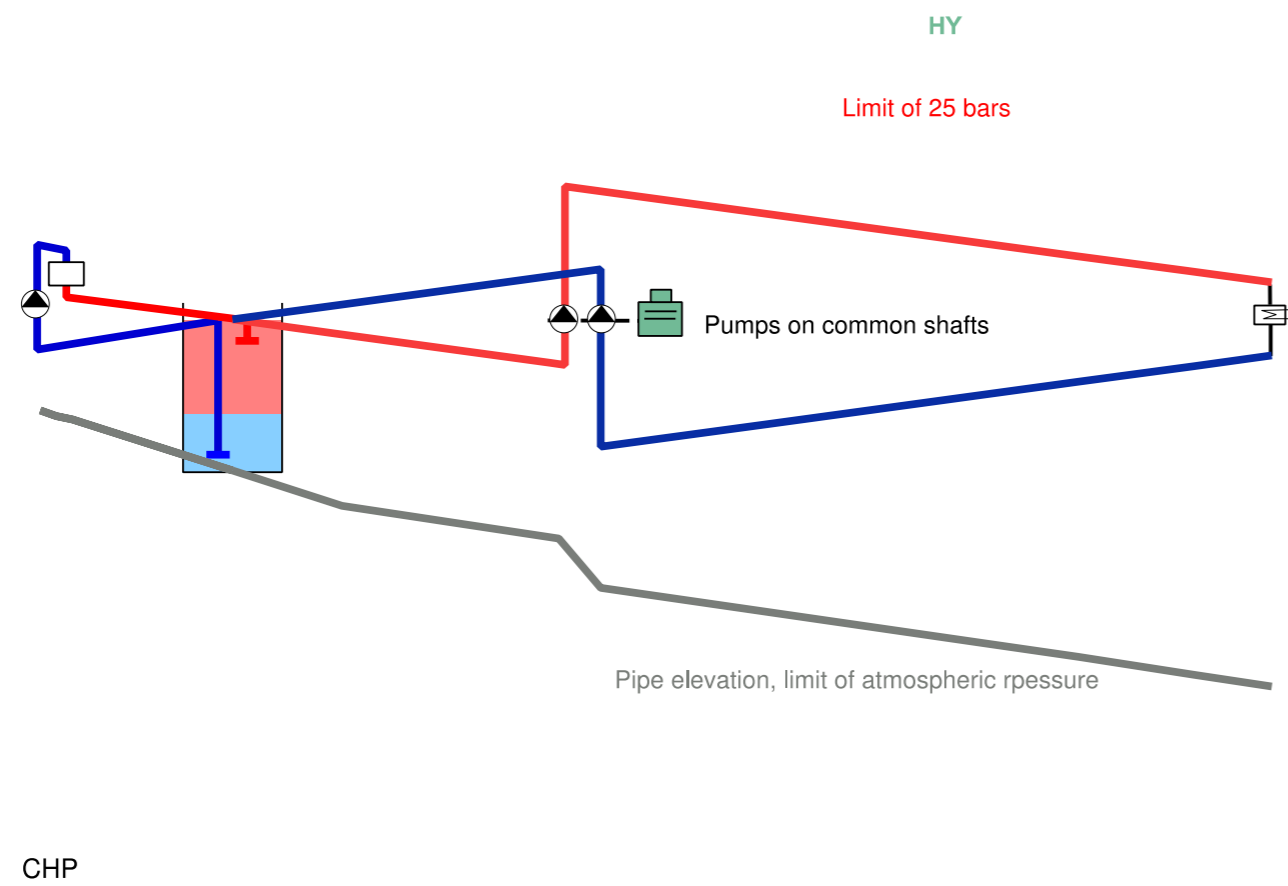
Connection: Direct vs. Pump/throttle vs. HX

Capacity: Energy (MWh – Volume)
Heat Power (MW – pump capacity)

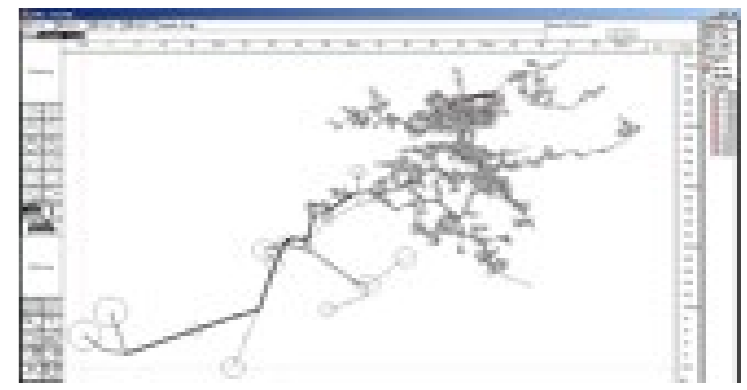
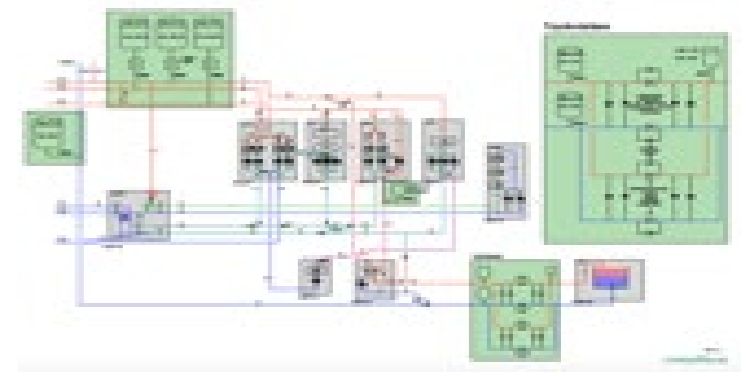
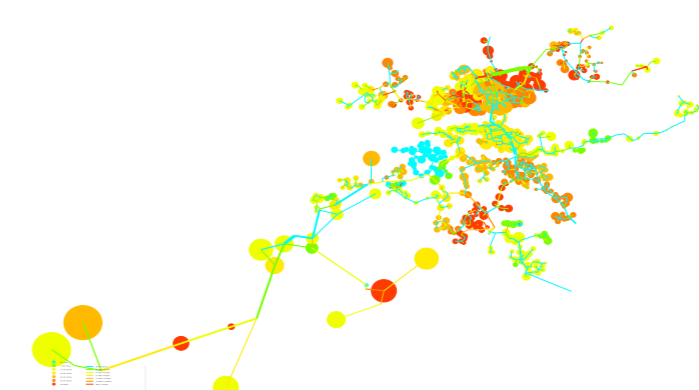
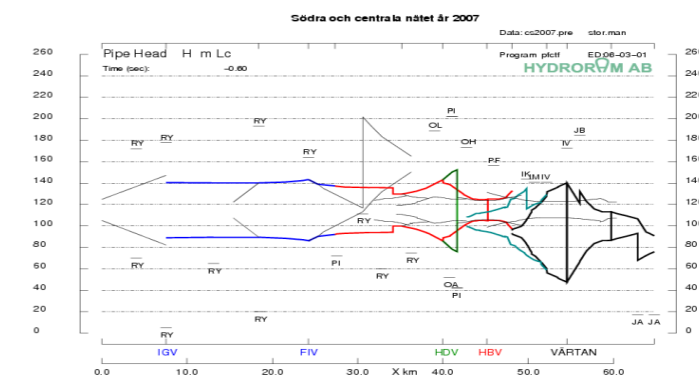
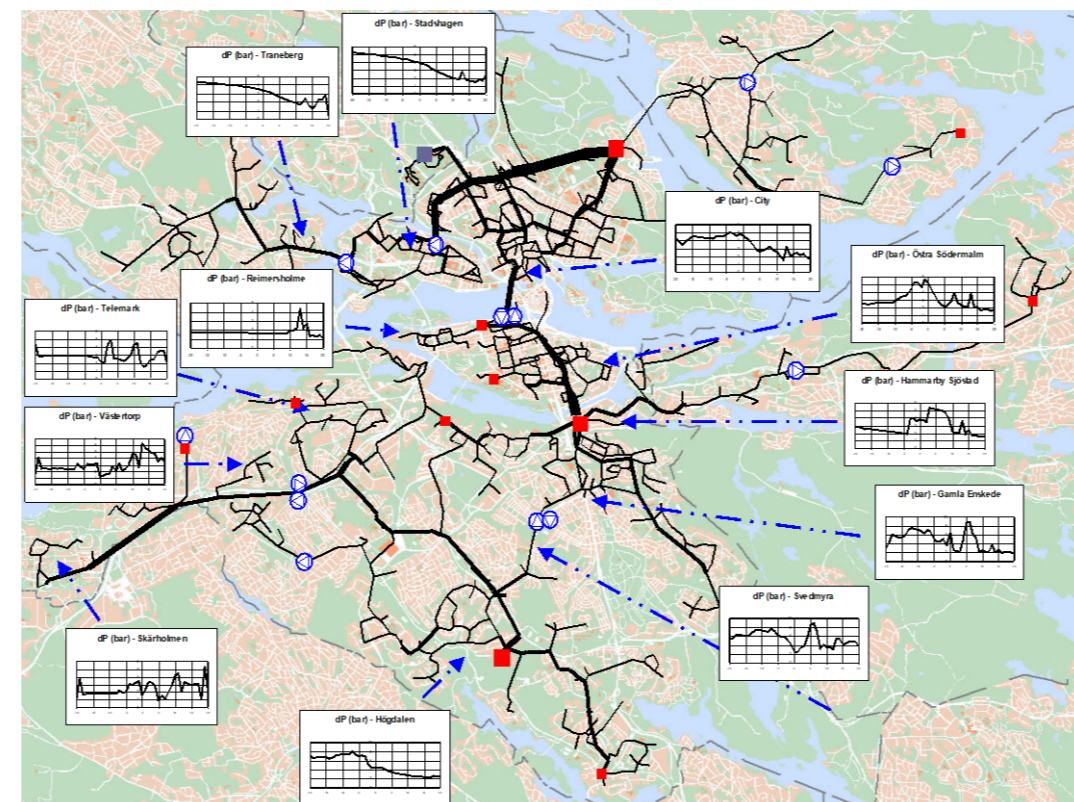
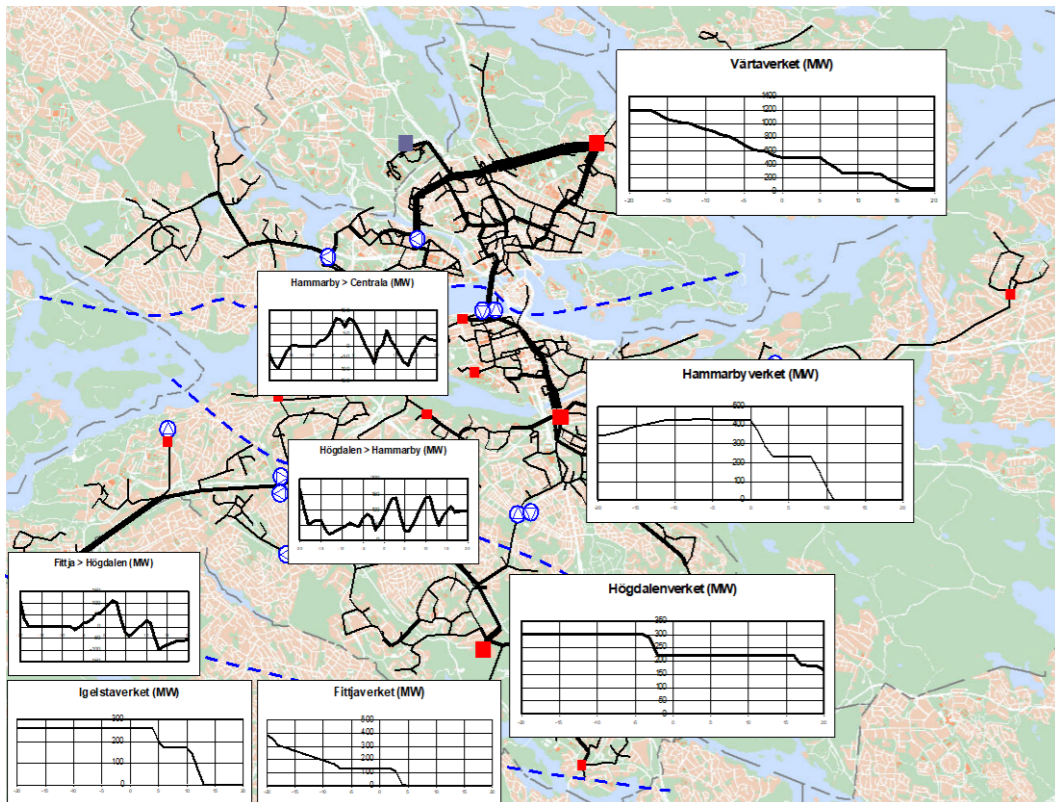
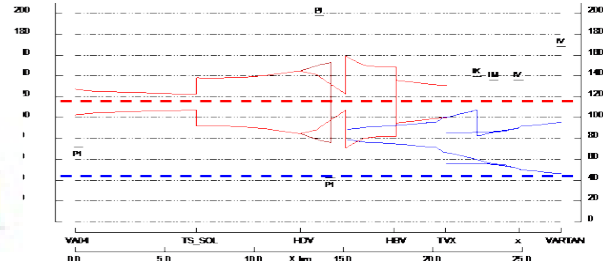
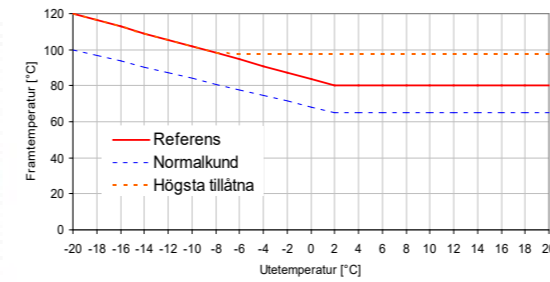
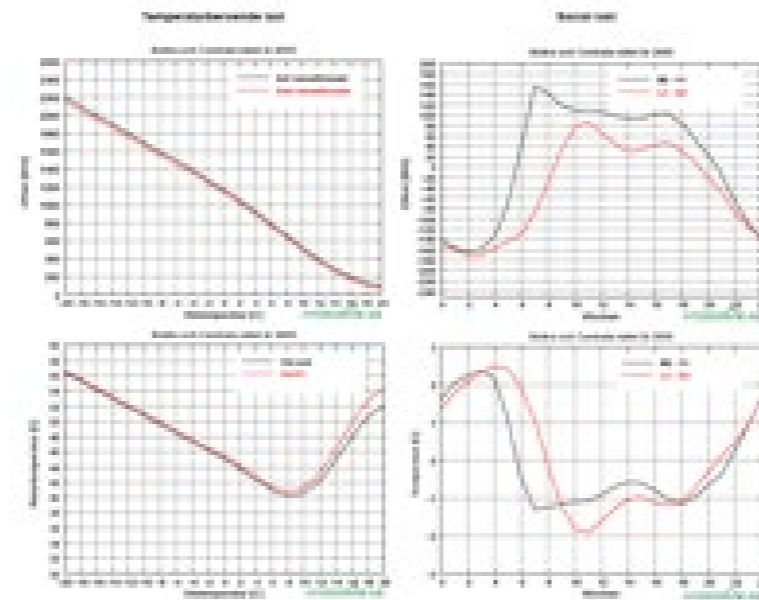
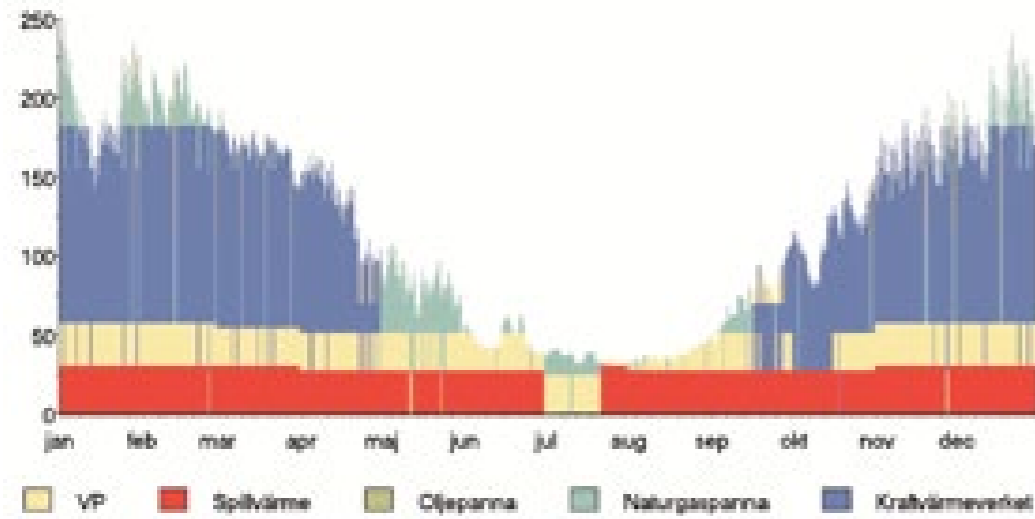
Dimensions: Height (pressure level)
Area (storage capacity)

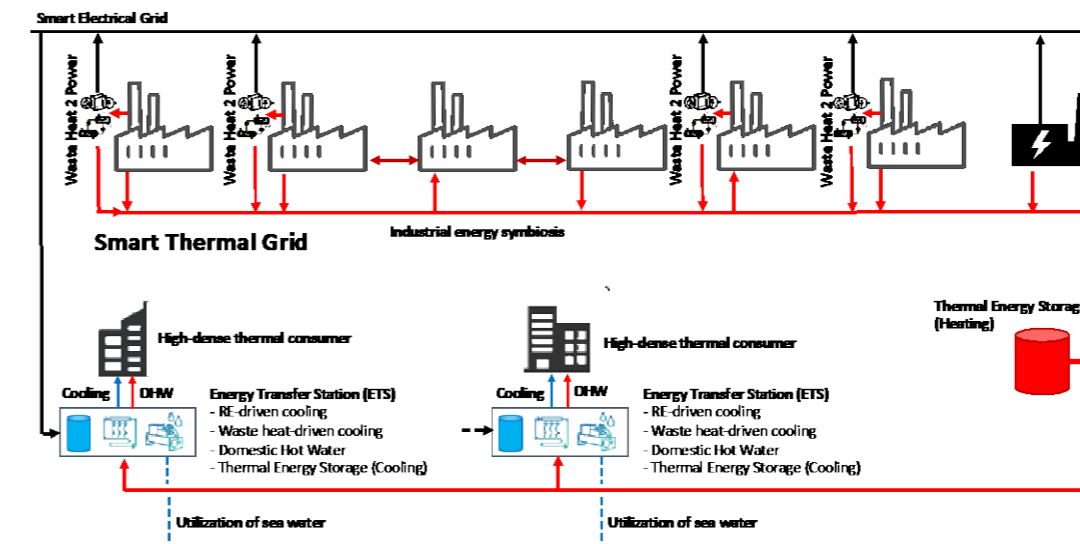






Heat Networks Design





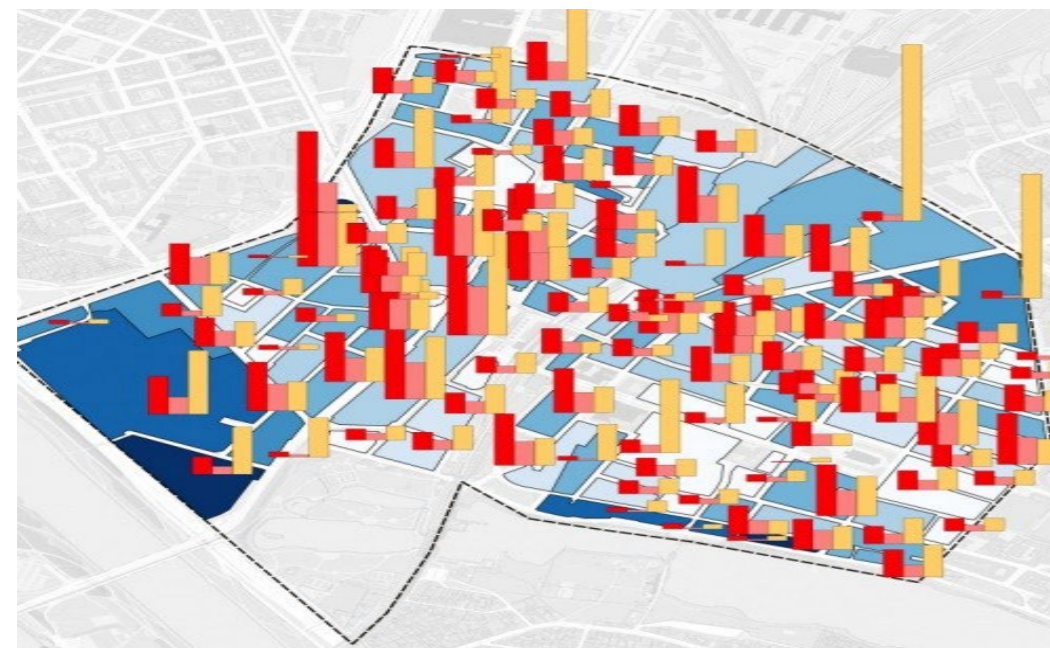
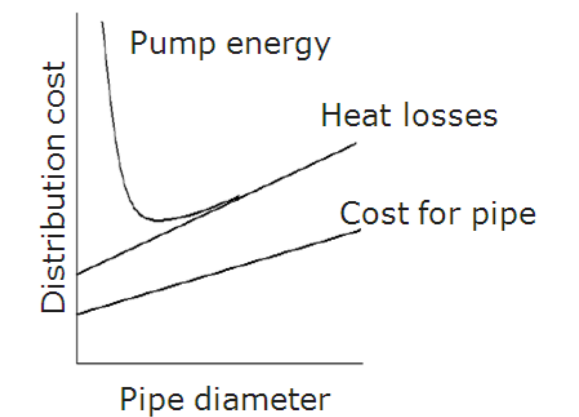
Heating demand density (GWh/km²)

Network cost (\$/km_{pipe})

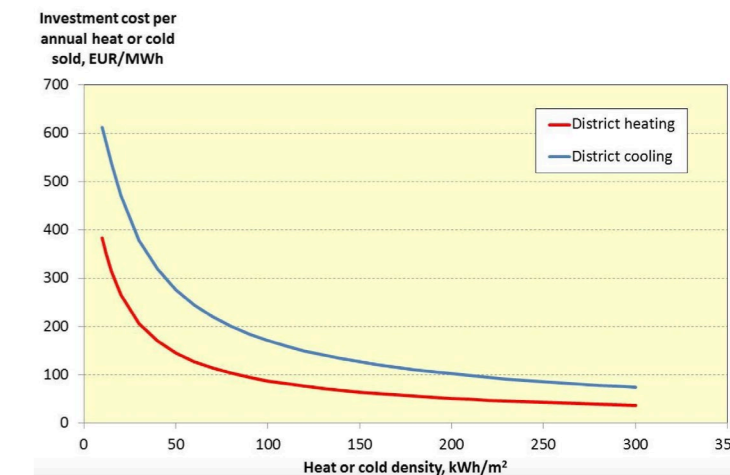
Production cost (\$/MW_{cool})

...

Optimal pipe dimension



- Demand Assessment (inc. forecasting)
- Resource Assessment (inc. forecasting)
- Tariff Assessment (inc. forecasting)
- Scenario definition
- Scenario Analysis
- Technical, Financial, Environmental and Institutional benefit analysis
- Sensitivity Analysis
- Preparation of Energy Plan / Roadmap



Source: STRATEGO project

Type of area	Linear heat density GJ/m/y	Investment cost, green field area €/house	Investment cost, prebuilt area €/house
Inner city	15	1.400	1.950
Outer city	10	1.600	2.050
Park area	5	2.300	2.650

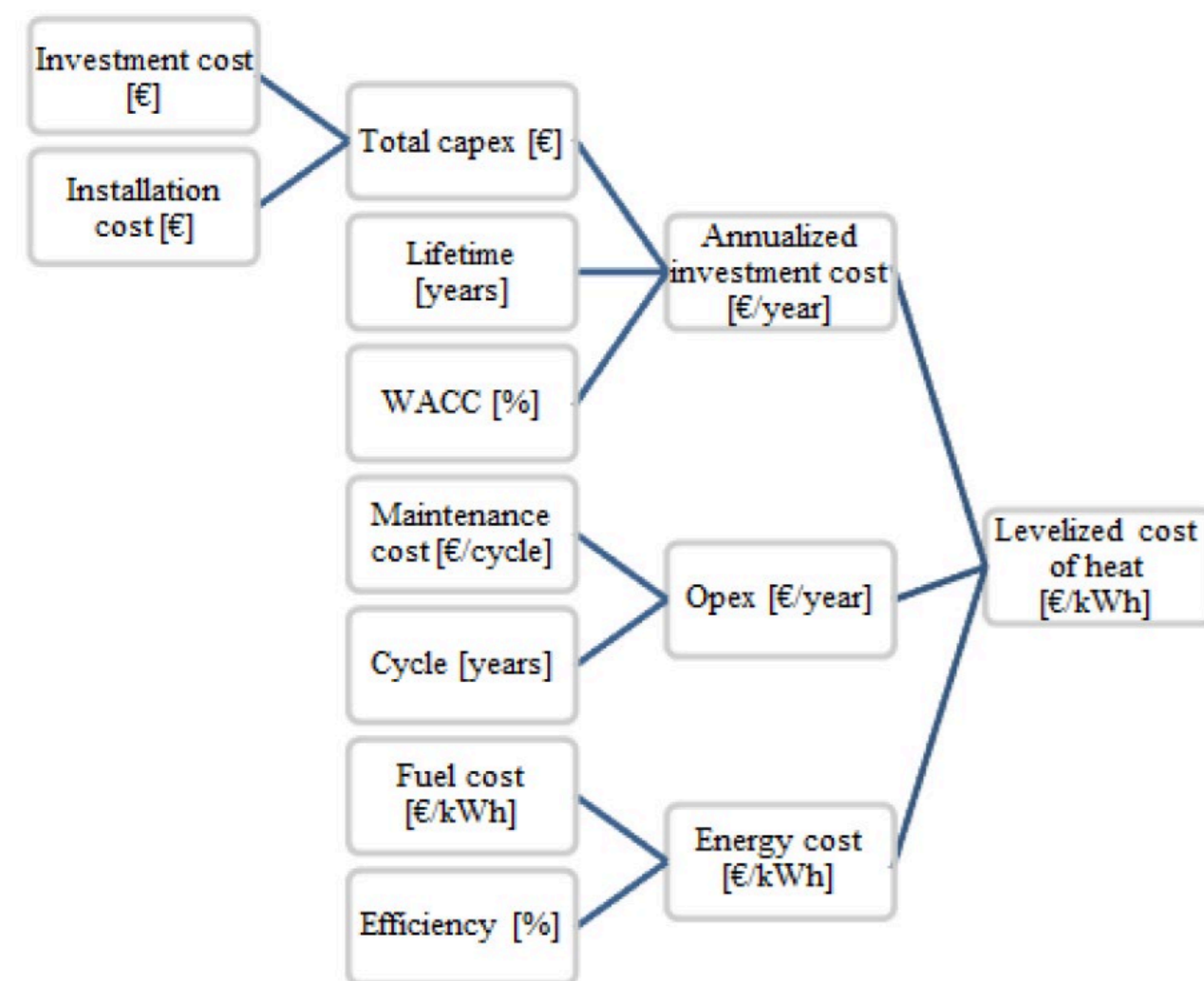
Distribution network investment costs

	Inner city	Outer city	Park area
Low energy buildings	0.050 €/kWh	0.051 €/kWh	0.060 €/kWh
Heat losses in network			
Low energy buildings	10%	20%	25%
Heat loss in consumer installation	2%		

Distribution grid and consumer installation cost per kWh

Heat plant type	Specific investment costs	Operating and maintenance cost	Efficiency	Technical lifetime
Centralized gas boiler	0,06-0,12 M€/MW	2-5% of investment costs	97-105%	20
Low temperature geothermal	1,7-1,9 M€/MW	2,5% of investment costs	100%	25
Biomass boiler, wood chips	0,3-0,7 M€/MW	1,8-3% of investment costs	108%	20

Heat plant cost table



Country	Inner city				Outer city			
	Gas boiler	Biomass boiler	Geothermal plant, low temperature	CHP Surplus / waste	Gas boiler	Biomass boiler	Geothermal plant, low temperature	CHP Surplus / waste
Bulgaria	0,091	0,109	0,142	0,066	0,097	0,117	0,155	0,069
Denmark	0,126	0,109	0,144	0,066	0,137	0,117	0,157	0,069
Finland	0,106	0,106	0,143	0,066	0,114	0,114	0,156	0,069
Ireland	0,099	0,108	0,146	0,066	0,106	0,116	0,160	0,069
Italy	0,094	0,097	0,149	0,066	0,100	0,104	0,163	0,069
Latvia	0,092	0,104	0,145	0,066	0,098	0,112	0,158	0,069
Lithuania	0,103	0,102	0,145	0,066	0,110	0,110	0,158	0,069
Portugal	0,097	0,095	0,145	0,066	0,104	0,101	0,158	0,069
Slovakia	0,100	0,107	0,146	0,066	0,108	0,115	0,160	0,069
Slovenia	0,112	0,106	0,144	0,066	0,121	0,114	0,157	0,069
Sweden	0,117	0,110	0,143	0,066	0,126	0,118	0,156	0,069
United Kingdom	0,086	0,106	0,145	0,066	0,092	0,114	0,158	0,069

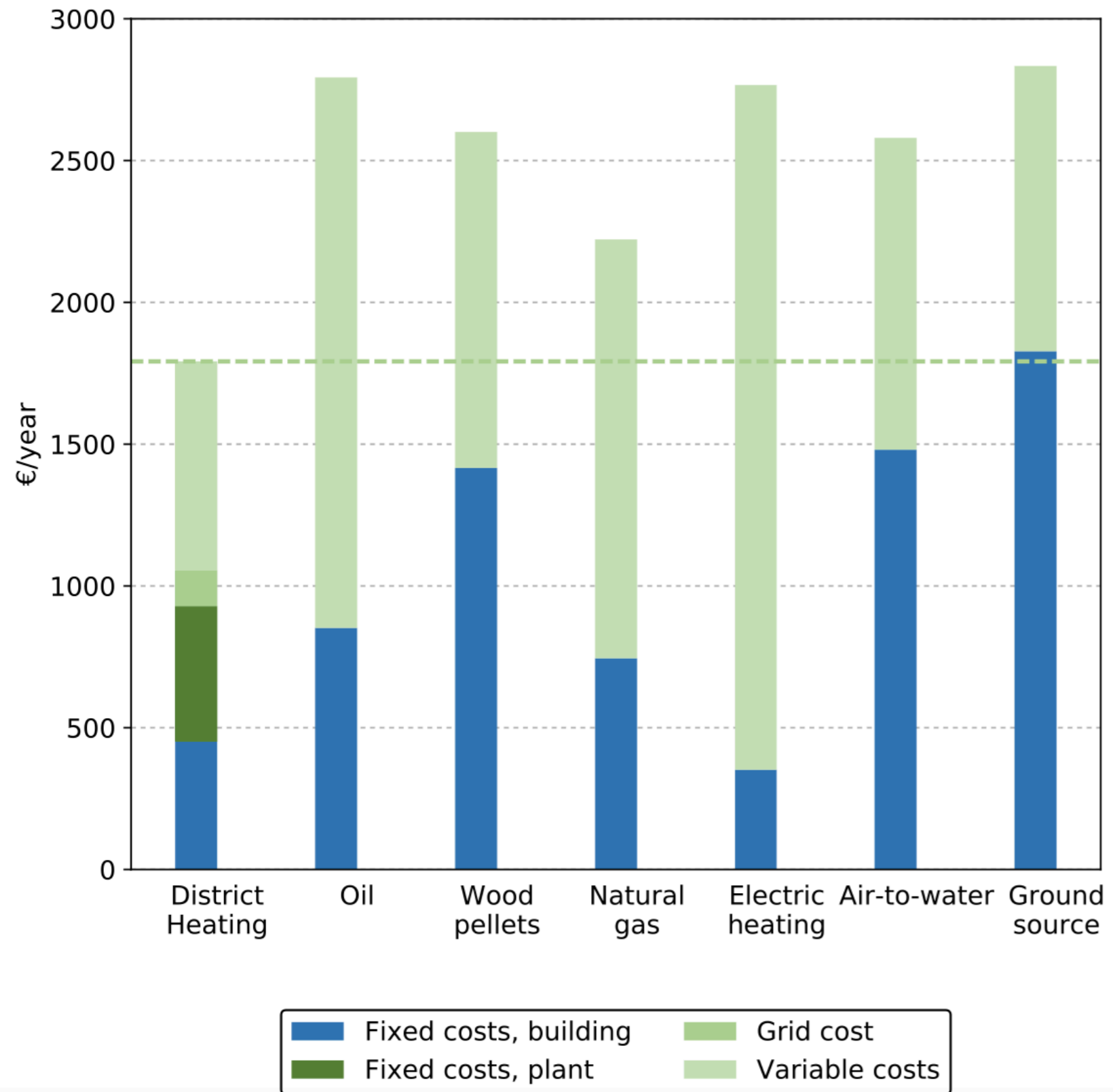
Cost of heat from different DH schemes for low energy buildings in €/kWh

Country	Gas boiler	Air source heat pump	Ground source heat pump	Solar thermal*	Electrical boiler
Bulgaria	0,116	0,161	0,199	0,121	0,118
Denmark	0,173	0,216	0,249	0,129	0,284
Finland	N/A	0,173	0,210	0,122	0,156
Ireland	0,129	0,193	0,228	0,125	0,216
Italy	0,156	0,194	0,229	0,126	0,218
Latvia	0,115	0,174	0,210	0,122	0,156
Lithuania	0,123	0,170	0,207	0,122	0,147
Portugal	0,141	0,188	0,223	0,125	0,199
Slovakia	0,120	0,184	0,220	0,124	0,188
Slovenia	0,148	0,178	0,214	0,123	0,170
Sweden	0,180	0,191	0,226	0,125	0,209
United Kingdom	0,128	0,187	0,222	0,124	0,196

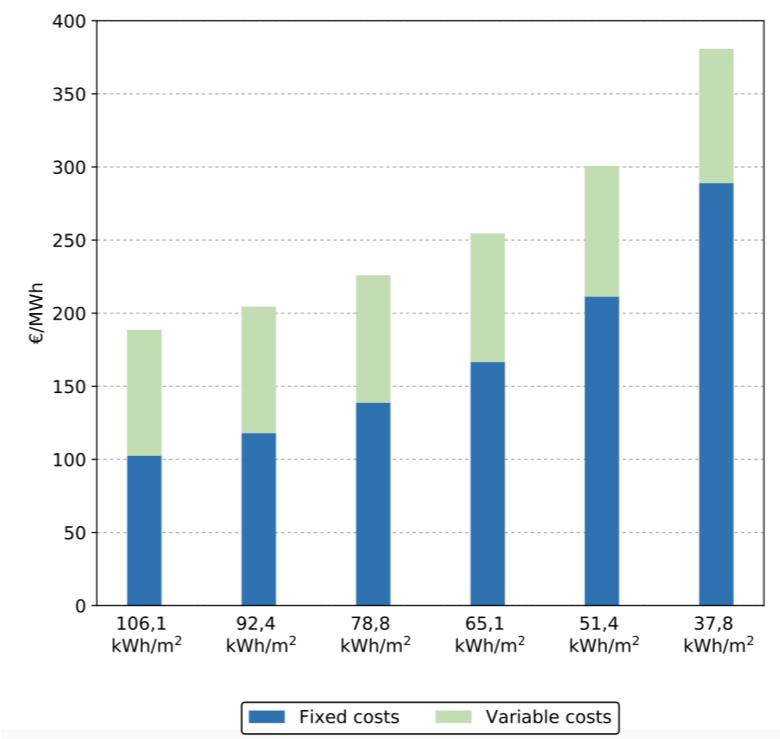
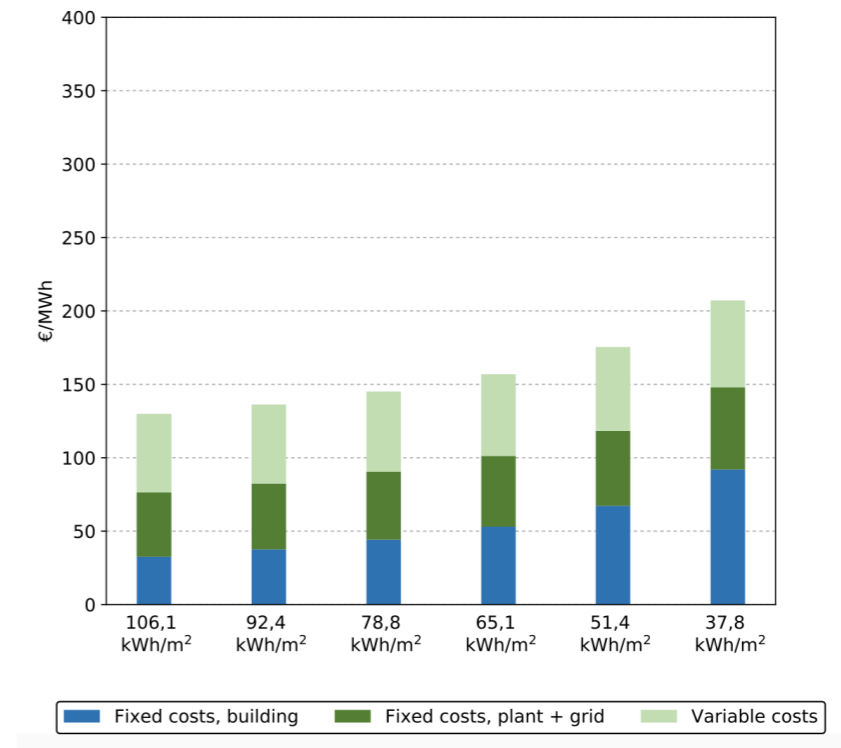
Cost of decentralized heating solutions in €/kWh

Heat Networks

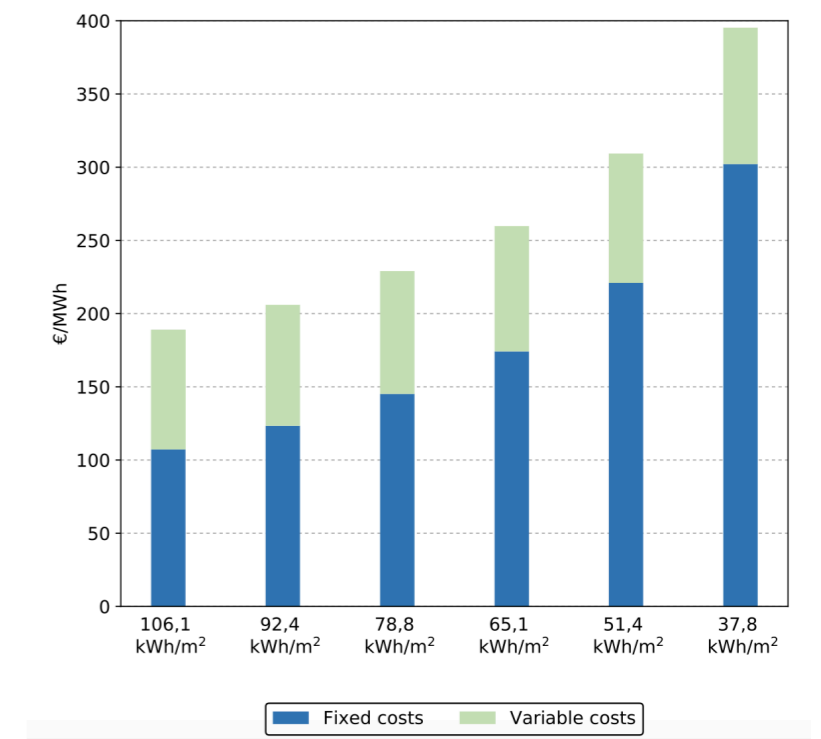
Cost of District Heating and its competitiveness



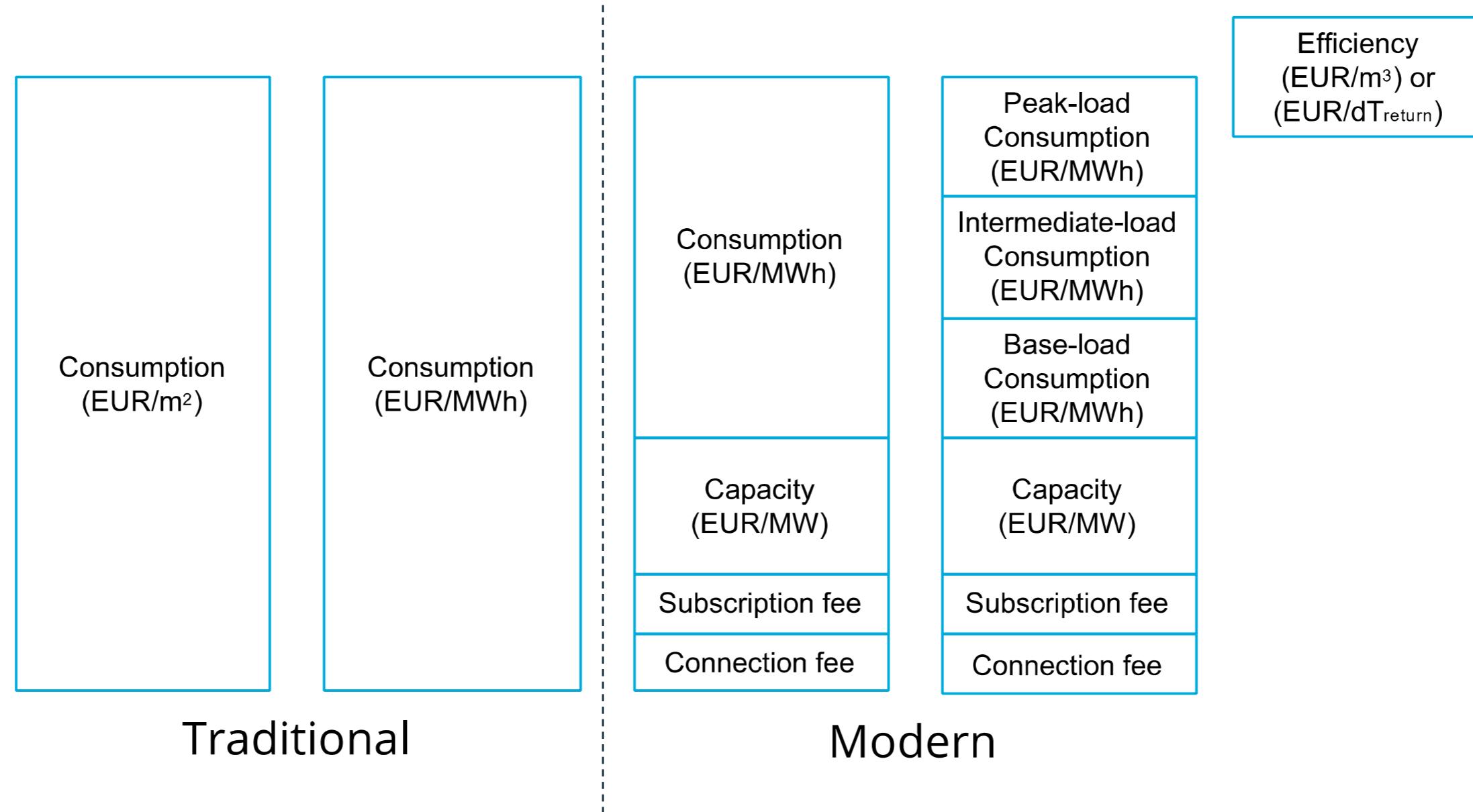
District Heating



Individual wood pellet boiler



Individual air/water heat pump



The regulatory schemes in the district heating sector worldwide can be simplified and divided in three (3) categories: i) Social Regulation, ii) Market regulation, and iii) Economical regulation. Some countries are in transition from social regulation towards economical regulation.

Social regulation	Market regulation	Economical regulation	In transition
<ul style="list-style-type: none"> - Public sector dominates ownership - Social objectives - Often subsidized - Minimal regulation required - Focus on heat supply - Lack of incentives for modernization and energy efficiency - Not attractive for private sector 	<ul style="list-style-type: none"> - Limited influence by government - Minimal regulations - Need for customer protection - Attractive for private actors - Development of district heating systems are market driven. - Incentives for EE and modernization - Attractive for private sector 	<ul style="list-style-type: none"> - High influence from government - Sophisticated regulatory framework and organization - High admin. cost - Reasonable pricing applied - Incentives for energy efficiency and modernization through regulation - Attractive for private sector - Suitable for PPP 	<p>China Belarus Uzbekistan</p>
<p>Russia Kazakhstan Mongolia</p>	<p>Finland Sweden Turkey</p>	<p>Denmark Lithuania Poland</p>	

The most common business models in district heating sector can be divided into three (3) main categories: i) “Wholly public” business model, ii) “Hybrid public and private” business model, and iii) “Private” business model. Below the characteristics of the three business models.

Type	Public sector control	Description
Wholly public	High	<ul style="list-style-type: none"> - Public sector demonstrating district heating - Public sector to improve cash flow - Public sector lower tariffs, allowing low IRR - District heating to meet social objectives
Hybrid public and private	Medium	<ul style="list-style-type: none"> - Public-private joint venture - Concession agreement - Community-owned not-for-profit/cooperative
Private	Low	<ul style="list-style-type: none"> - Privately owned project with public facilitation