



The UKDEA

Response to the

OFGEM ECO 2.2 Consultation

January 2014

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ABOUT THE UK DISTRICT ENERGY ASSOCIATION

The partners, owners and operators of the largest district energy schemes in the UK have aligned themselves in the creation of the UK District Energy Association (UKDEA); with the aim of not only promoting district energy as a means to deliver significant carbon savings, but also to establish a direct link between the main political parties and the industry's small market base.

The Association is a not for profit, non-trade association of companies and public sector organisations involved or interested in district energy schemes of all sizes, from community based 'micro district energy' schemes to city wide district heat energy networks. The UKDEA has attracted leading players in the industry with a current membership comprising around 90 organisations.

Through Full and Associate membership, the UK District Energy Association's aim is to represent current and potential owners, developers, consumers, partners, operators, product suppliers and interested parties of District Energy schemes throughout the UK.

The UKDEA welcomes this opportunity to respond to this consultation issued by OFGEM on ECO2.2. We have chosen to respond to Question 3 which directly relates to members of our association.

Question 3:

a) Do you agree with our preferred approach (Option 1) for calculating the lifetime for multi-fuel DHS upgrades? Please provide reasons for your answer.

We agree that your approach is fair as this not only considers the life time of each generator and the proportion of heat supplied but also the carbon benefits which are provided by this generator and as a result produces a weighted calculation which reflects this. We believe that Option 2 is too simplistic and would be used in an engineering evaluation where the carbon intensity of the different heat sources was not relevant which clearly it is for ECO2.

b) If you do not agree with Option 1, do you agree with any of the other proposed options for calculating the lifetime for multi-fuel upgrades? If not, can you propose an alternative approach for calculating the lifetime for multi-fuel DHS upgrades?

See above

c) Do you have any further comments or suggestions relating to this policy area?

We have no further comments.

As the UKDEA is committed to enabling greater use of district energy where this is beneficial, we welcome any opportunities to engage further on this or any other district energy related work stream.

Please do not hesitate to contact us.

Appendix 1: Current UKDEA Member List

UKDEA Members

AECOM Limited
Altecnic Limited
AMCO Pipe UK Limited
Birmingham City Council
Bizcat AB
City & County of Swansea
Clarke Energy Limited
Cofely District Energy Limited
Complete HVAC Services Limited
Coventry City Council
CPV Limited
Desmi Limited
Diehl Metering Limited - Sappel
DWF
E.ON Energy Solutions Limited
Econergy, a British Gas Company
EDF Energy Limited
Edina UK Limited
ENER-G Switch 2 Limited
Energy Gap Limited
Eneteq Services Limited
EnviroEnergy Limited
Evinox Limited
FES Renewables Limited
Fichtner Consulting Engineers Limited
Finning (UK) Limited
Frontline Energy & Environmental Limited
Gardiner & Theobald LLP
GEA PHE Systems Limited
Gebwell Oy Limited
Grant Thornton LLP UK Limited
GT Energy Limited
GTC/Brookfield Utilities UK
Helec Limited
HSF B.V.
INPAL Energy Limited
Insite Energy Limited
Institute of Energy, Cardiff School of Engineering, Cardiff University
International Construction Design & Management Limited
ITM Power PLC
Itron Limited
Junifer Systems Limited
Kantor Energy Limited
L&Q Energy Limited
Leicester City Council
Linn-Energy Limited
LOGSTOR A/S
MVV Environment Limited
Newcastle City Council

**Newport City Homes Limited
Orchard Partners (London) Limited
Oxford Renewables Limited
P T Contractors Limited
Peel Utilities Limited
Pegler Yorkshire Group Limited
Pipe 2000 Limited
Prepago Platform Limited
REHAU Limited
RK Civil Engineers Limited
SAV Systems Limited
Secure Meters (UK) Limited
SET ehf
Shetland Heat Energy & Power Limited
SK Solar Solutions Limited
Southampton City Council
Star Renewable Energy Limited
SW Energy Limited
SWEP International Limited
T Brown Group Limited
Thameswey Limited
Thermafex Isolatie BV
University of East Anglia
Veolia Environmental Services Limited
Viridor Waste Management Limited
Watts Industries UK Limited
Woodward Energy Consulting Limited
Wragge Lawrence Graham & Co**