



The UKDEA

Response to the

**Findings of the our review of the Fuel Poor
Network Extension Scheme**

Issued by OFGEM

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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 Government, GLA 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 over 100 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 RESPONSE TO THE FUEL POOR NETWORK EXTENSION SCHEME

The UKDEA welcomes this opportunity to respond to this consultation by OFGEM on the Fuel Poor Network Extension Scheme/

Q1 Questions 1: Do you agree with our assessment of revised connections target for the GDNs for the Scheme?

Due to the extensive period over which these targets will be in force and the extensive consultation and feedback which was received by OFGEM with respect to the benefits from and the potential to connect district heating schemes under this Scheme we are disappointed with OFGEM's lack of a specific target and OFGEM's response as set out below

Based on the information submitted by the GDNs, we think it is not appropriate to include district heating connection in the total connections targets for each GDN for the Scheme for RIIQ-GD1. This is because NGGD, WWU and NGN are likely to make either no connections or a very low number of such connections. They highlight lack of experience of delivering district heating projects, uncertainty over funding and lack of interest as some of the reasons why it is difficult to forecast a greater number of connections with certainty. On this basis, we believe it is not appropriate to set targets for district heating connections. Even though we are not setting a specific target for district heating connections in RIIQ-GD1, we do continue to believe it is appropriate for the Scheme to cover district heating where it is beneficial for fuel poor and vulnerable households.

We do not understand how the GDN's will be motivated to explore this potential if targets are not set, as these will be continually be seen as projects which are too complex and therefore not considered. Whilst we acknowledge OFGEM's view that “it is appropriate for the Scheme to cover district heating where it is beneficial for fuel poor and vulnerable households” we do not see how this outcome will actually achieve the delivery of schemes for these consumers and we would encourage OFGEM to consider again a mechanism by which this can be encouraged, monitored and delivered.

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**