

# Amy Tickell

## Heat of Heat in Buildings Investment

### Scottish Government



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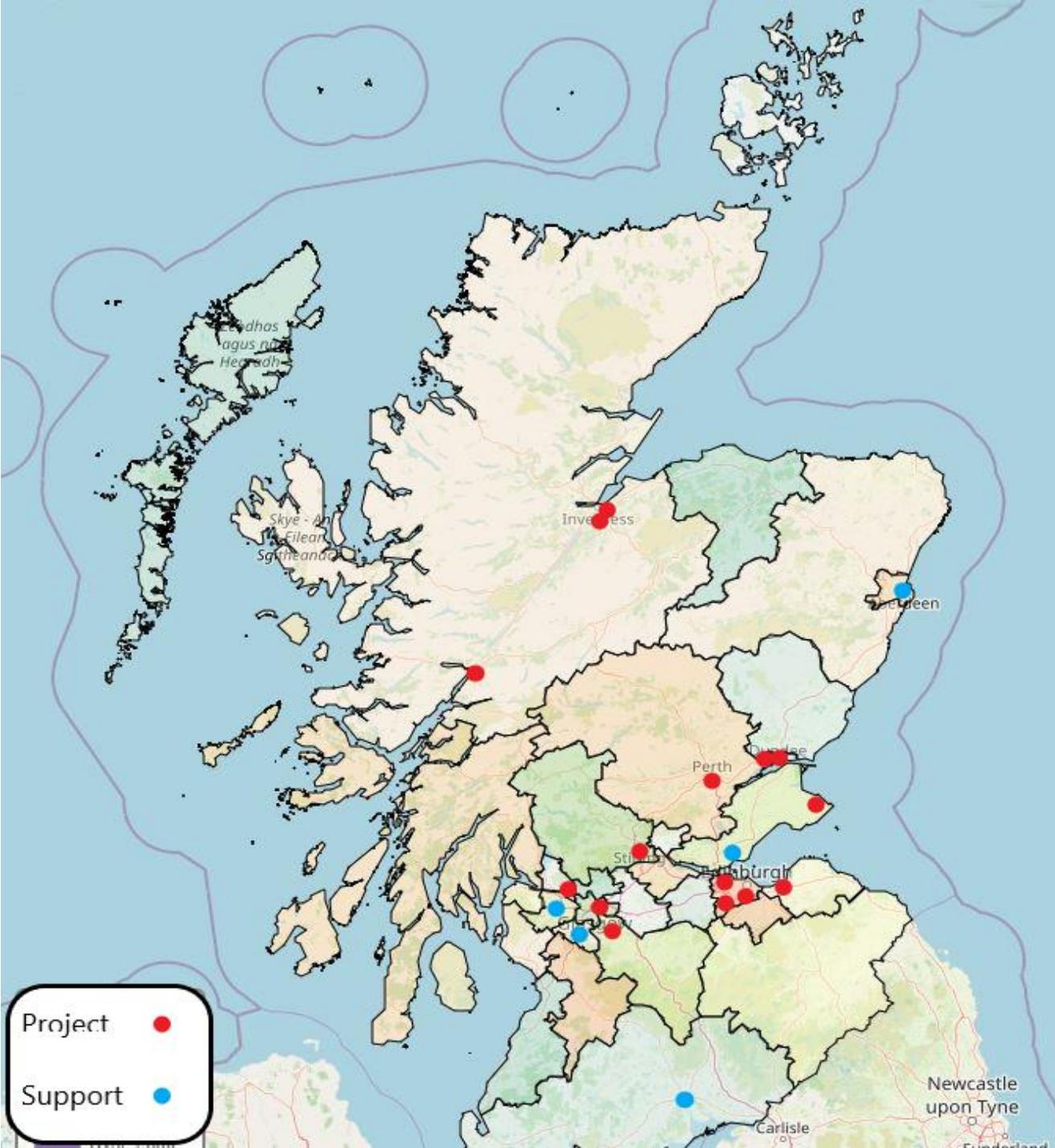




# Heat Networks Support Unit

- The **Heat Network Support Unit (HNSU)** offers **advice, guidance and grant funding to local authorities** and wider public sector for the pre-capital stages of heat network project development.
- Partnership between **SG, Scottish Futures Trust** (commercial experts) and **Zero Waste Scotland** (technical experts) as core partners.
- **Grant funding is available** to cover:
  - 100% of a detailed feasibility study (access to consultants also available)
  - 50% match funding for OBC and commercialisation costs
- Currently **supporting 15 projects** across Scotland
- High interest & limited funding for FY23/24 - applications are encouraged as soon as possible.





## Heat Network Support Unit – Projects and Support to date

- 15 projects actively supported through grant funding and capacity building functions.
- Projects across Scotland spanning 10 Local Authority areas
- 13 projects in Detailed Feasibility Stage
- 2 projects in OBC stage
- Capacity building to organisations in additional 4 Local Authority areas to identify and initialise projects



# Scotland's Heat Network Fund

- On 21<sup>st</sup> of February, we launched Scotland's Heat Network Fund
- This fund builds on the highly regarded Low carbon Infrastructure Transition Programme which is now closed.
- Total budget of **£300 million** capital for the length of this parliament- grant to be drawn down by March 2026
- Grants for the funding gap of the project up to 50% of the eligible capital costs
- Projects must demonstrate alignment with key policy objectives including the **reduction of GHG emissions** and **eradicating fuel poverty**
- This fund is open throughout the year and will run through this parliamentary session.



# Supported Heat Network Projects



The **Millerhill Low Carbon District Heating Project** will install a low carbon district heating network at the new, emerging town of Shawfair which uses heat from the Millerhill Energy from Waste plant to deliver heat to the first plots of the Shawfair development. The new joint venture ESCO between Midlothian Council, Vattenfall Heat UK, Midlothian Energy Limited has now been established and will deliver the heat network with a heat on date in 2024 and a **grant from the Scottish Government of over £7m.**

**Renfrewshire Council** is supplying heat to its AMIDS site through a first of its kind in Scotland, fifth-generation heat network. Heat pumps at each building upgrade this heat to suitable levels for heating and hot water. The network provides a cost-effective route to low carbon heating, an attractive proposition for major manufacturers locating at AMIDS and over time, it will fund its own running and maintenance, being future-proofed to supply further developments nearby. **This project was made possible with £3.1m of grant funding from the Scottish Government.**



# Scottish Central Government Energy Efficiency Grant Scheme

- The scheme offers capital grant funding support to enable the delivery of heat decarbonisation and energy efficiency projects across the public sector.
- This funding is targeted towards Scottish Central Government organisations that have previously had limited access to borrowing funds for this type of work.
- The fund also provides resource support to build a pipeline of investment-ready projects in future years.
- Up to £5 million worth of capital funding, and up to £60k worth of pre-capital funding per applicant per year.
- As a minimum, the Scottish Government will invest capital funding support of £30 million and resource funding support of £1.5 million in 2023/2024.



**NHS Orkney** commissioned a comprehensive feasibility to identify a strategy and the specific measures required for various properties in their estate. This feasibility has led to a capital project delivering insulation, window upgrades and the installation of solar PV, ASHP's, storage heaters and wind turbines. Anticipated overall energy consumption savings of 274,000 kWh. This has been funded through a grant from the **Scottish Government of over £3.9m**



**Loch Lomond and the Trossachs National Park Authority** are installing seven ASHPs and solar PV at its Carrochan Headquarters Building. The funding is also supporting various mechanical and electric upgrades across the estate, including upgrades to supply cables to ensure that the sustainable technologies being implemented are functional and that spare electricity can successfully be transferred back to the grid. It is expected that this project will see annual energy consumption savings of 910,000kWh. This has been funded through a grant from the **Scottish Government of over £1.1m**





# Social Housing Net Zero Heat Fund

- The SHNZHF has been designed to accelerate the delivery of energy efficient, zero emission heating systems to social housing projects across Scotland.
- The SHNZHF is making at least £200 million available to registered social landlords (RSLs) through a blended model of capital grant funding with loan funding available as partial match, to help install zero emission heating systems and improve energy efficiency in social housing during this parliament.
- The continuation of the Social Housing Net Zero Heat Fund will support social housing landlords across Scotland to take forward projects to deploy zero emissions heat, improve energy efficiency and reduce fuel poverty.
- This fund is for the retrofit or refurbishment of existing housing stock and is not for new build social housing



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- Glasgow based housing association, NG homes have received over £3.5m funding from the Scottish Government through the Social Housing Net Zero Heat Fund, and the District heating Loan Fund to deliver a district heat network on their Carron Housing Estate.
- Communal Air Source Heat Pumps have been installed and serve 7 tower blocks consisting of 314 flats, replacing inefficient and expensive storage heaters.

- This project is anticipated to see a reduction in their energy bills of up to 40%.
- Tenants will be directly responsible for the management decisions in relation to operation and maintenance of the heat network including setting tariffs.

