

BIOMASS HEAT IN THE CONTEXT OF WIDER BIOENERGY DEVELOPMENTS

FUNDING LANDSCAPE



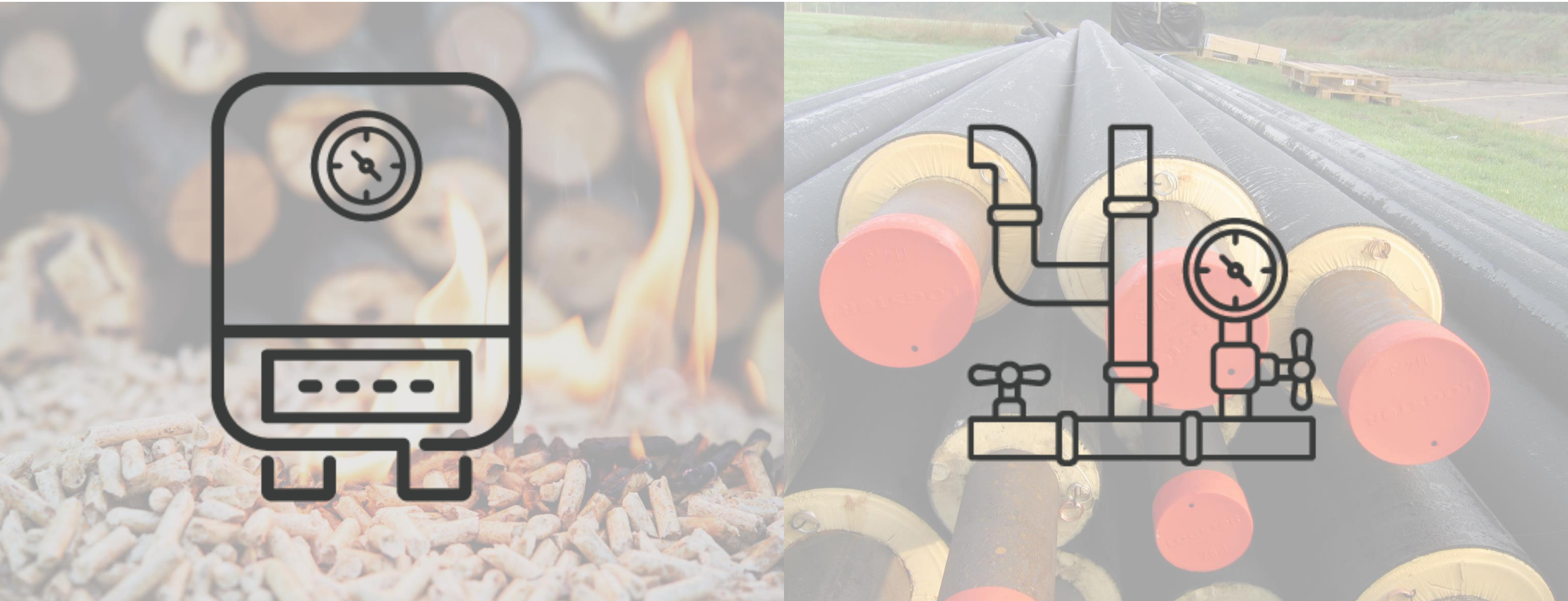
Gemserve

MAKING THINGS THAT MATTER WORK BETTER FOR EVERYONE

FUTURE FOR BIOMASS HEATING

“Biomass will likely have a role in heating in certain properties such as off-gas grid homes that are not readily suitable for heat pumps”

INDIVIDUAL BOILERS OR HEAT NETWORKS



■ BOILER UPGRADE SCHEME

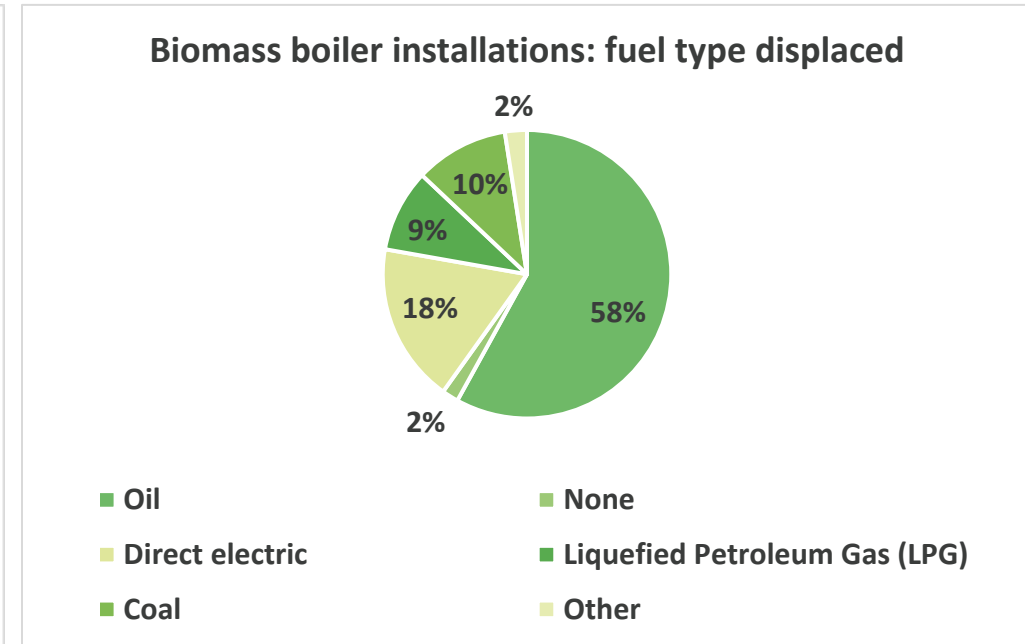
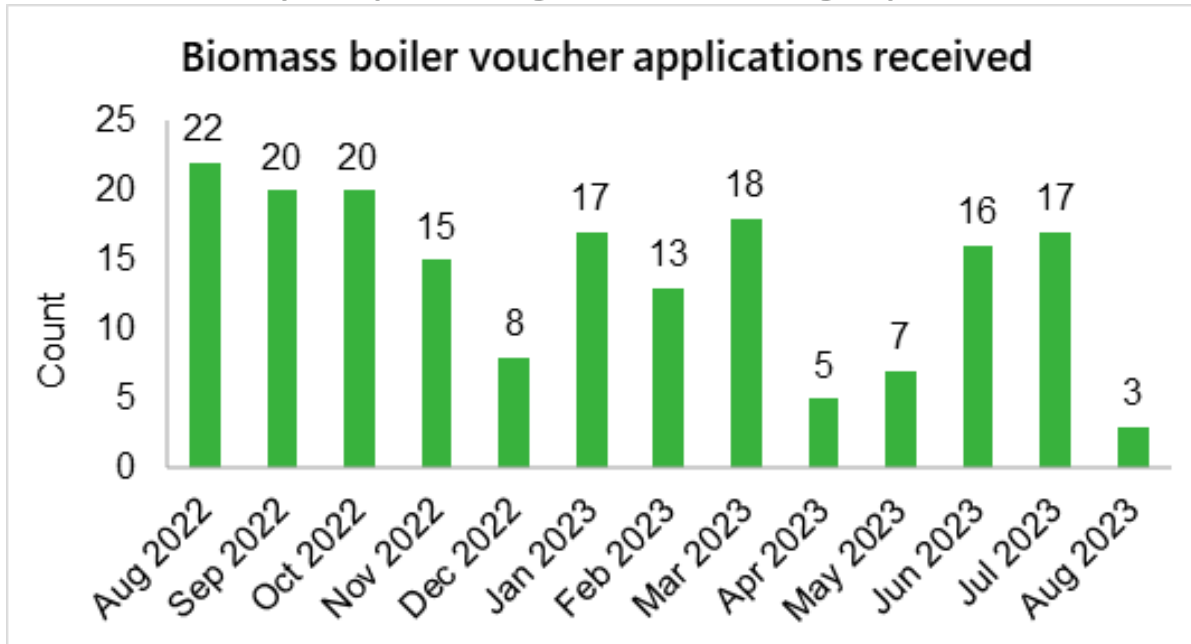
- Replaced the domestic and non-domestic RHI.
- £450 million of grant funding is available over three years from 2022 to 2025.
- Opened in May 2023.
- £5,000 available for biomass boilers.
- Recently announced increase for heat pumps from 23rd October.
- Rural households or businesses off the gas grid are eligible (excluding self-build, new build or social housing).



SO HOW IS IT PERFORMING?



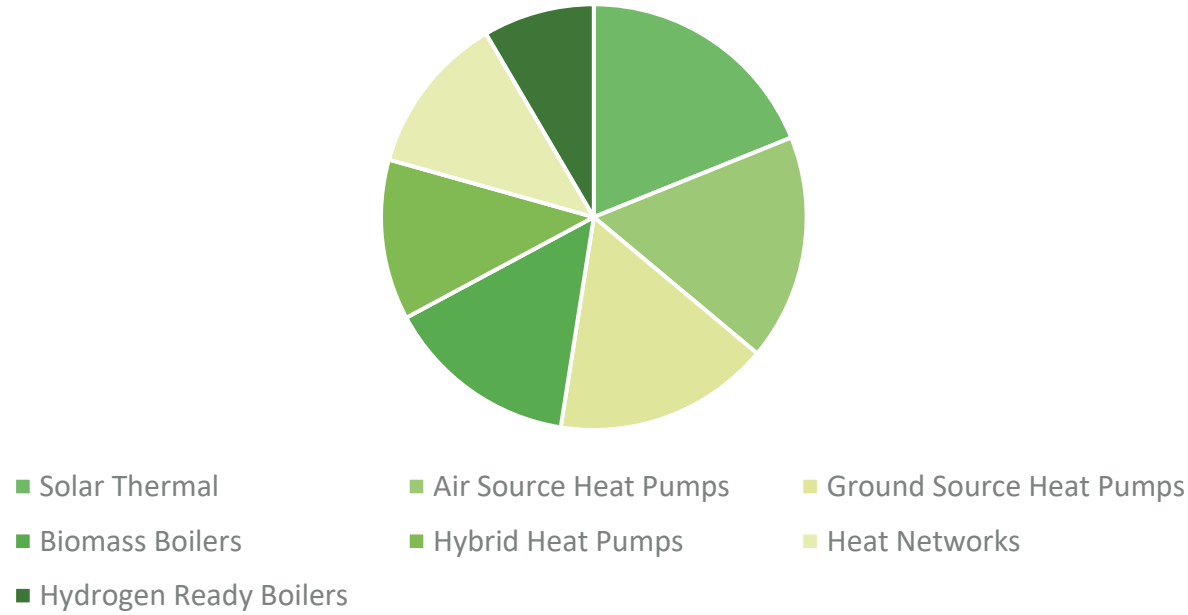
- Only 43% of the budget for year 1 and ~11% of year 2 budget has been allocated so far.
- £450 million of grant funding is available over three years from 2022 to 2025.
- Less than 1% of applications are for biomass systems.
- Mostly replacing oil heating systems.



■ IS AWARENESS OF BIOMASS DECLINING?



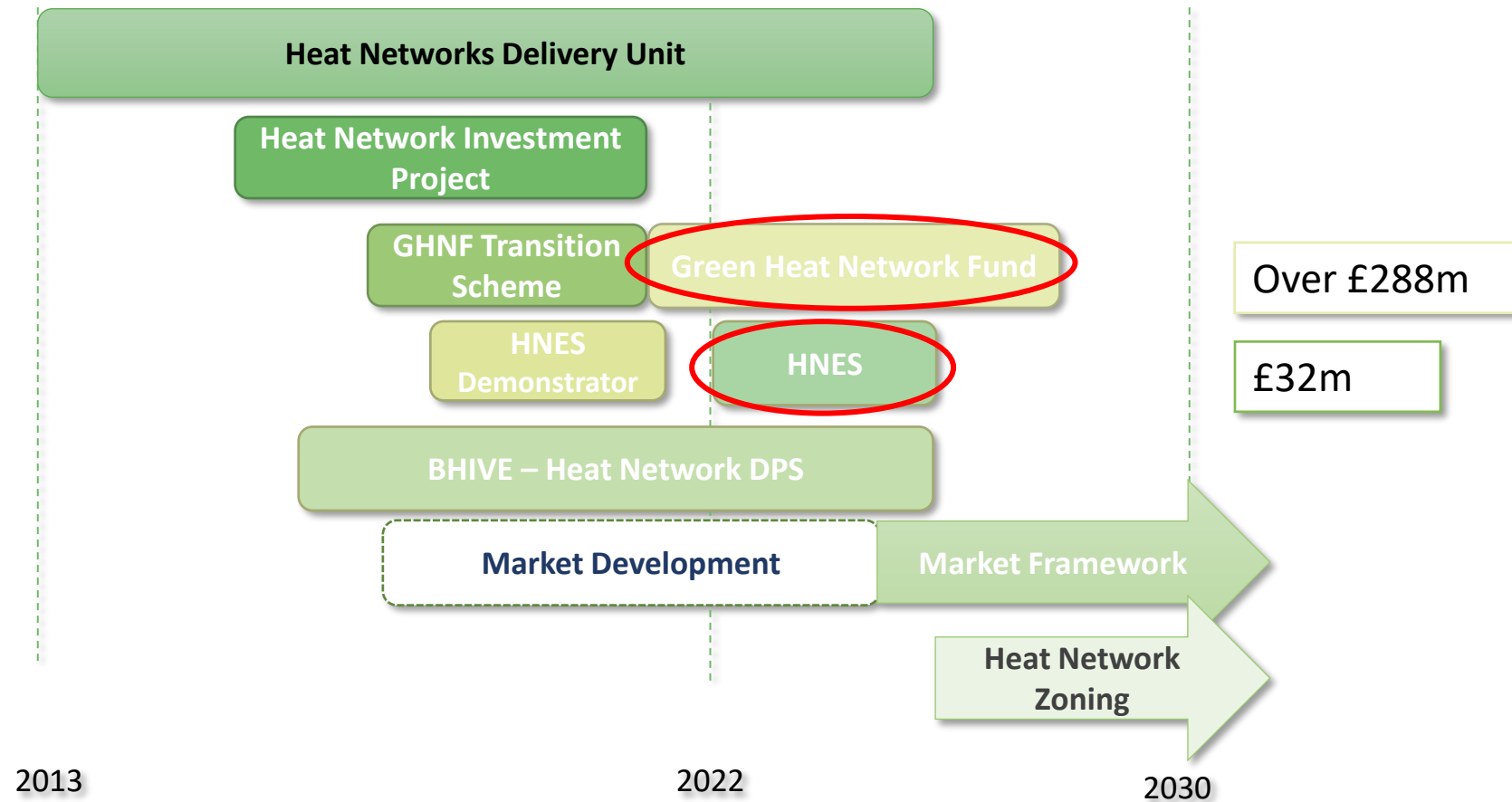
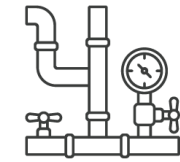
Awareness of different heating systems



Between Winter 2021 and Winter 2022, there have been some decreases in overall levels of awareness of biomass boilers (from 62% to 59%).



HEAT NETWORKS TRANSFORMATION PROGRAMME

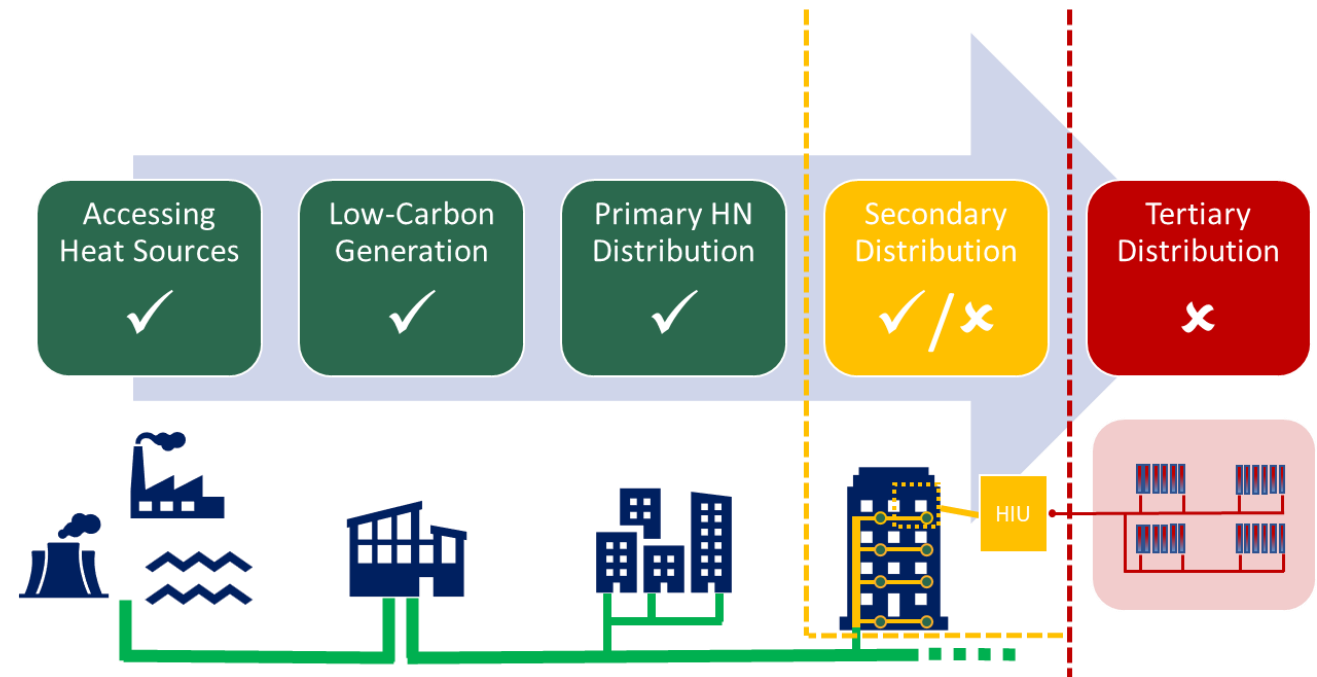


GREEN HEAT NETWORK FUND

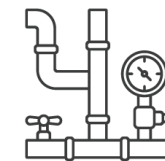


Over £288m of grant funding available until 26/27;

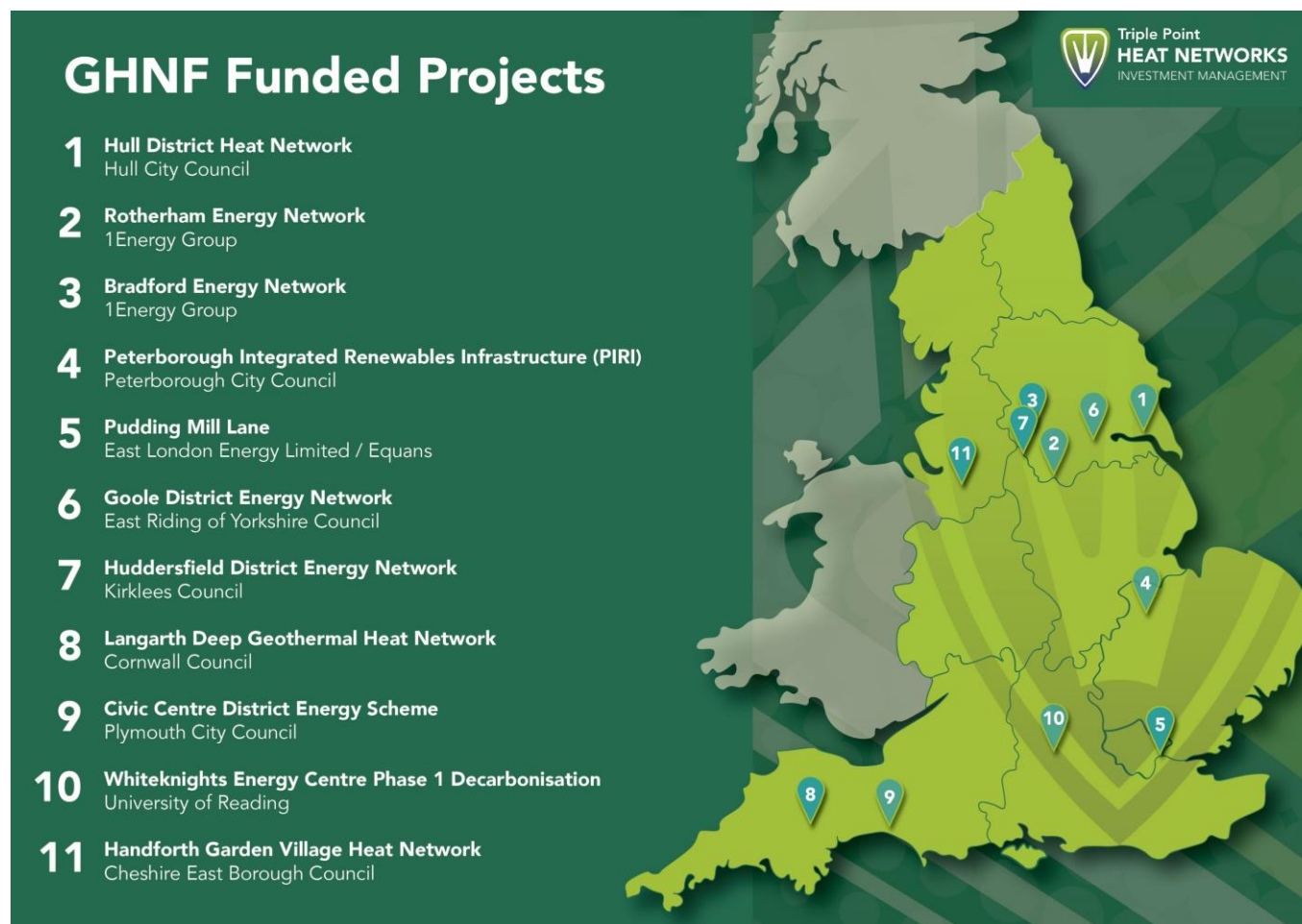
- New low carbon heat networks and the decarbonisation and expansion of existing networks
- Commercialisation and Construction or Construction only projects
- Eligible projects in England
- Public, private and third sector organisations
- Min. 100gCO₂e/kWh thermal energy delivered to consumers
- For rural (off-gas-grid) networks, a minimum number of 100 dwellings connected.



GHNF STORY SO FAR



- Currently assessing Round 6 projects.
- Highly popular scheme.
- Round 7 is open for applications.
- Awards of over £100 million announced to date.
- None are using biomass.



BRISTOL REDCLIFFE HEAT NETWORK

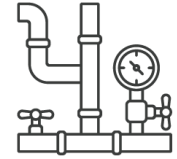


HNIP AWARD: £3,600,000 OF GRANT FUNDING
FOR COMMERCIALISATION AND CONSTRUCTION

- Original network utilised biomass boilers and completed in 2016 and supplied 700 social housing properties.
- The first energy centre incorporates a 1 MW wood pellet boiler, thermal storage and 4 MW gas boilers.
- Funding secured in HNIP enabled expansion and installation of second low carbon energy centre with water source heat pump and geothermal technology.



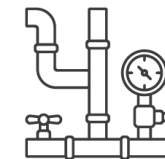
Heat Network Efficiency Scheme



1. Reduce carbon emissions by making heat networks more efficient
2. Reduce customer detriment to improve consumer confidence
3. Help prepare the heat network market for sector regulation and technical standards



How much funding is available?



Revenue Grants

Full funding available for procurement or mobilisation of external third-party support to carry out Optimisation Studies.

These studies will assess heat network projects to identify causes of sub-optimal performance and recommend costed intervention or improvement measures.

Up to £2m across FY23/24 and FY24/25

Capital Grants

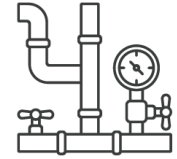
Part funding
(up to but not including 50%)
available for the delivery (installation) of eligible intervention / improvement measures.

Up to £30m across FY23/24 and FY24/25

- Projects can apply for funding across both financial years, but must spend all funding within each allocated financial year
- Match funding does not have to be spent at the same time as grant funding
- Revenue funding for FY23/24 has all been allocated, however applications can still be submitted for spend in FY24/25. Projects can start before April 2024 but funding can't be claimed until 1st April 2024

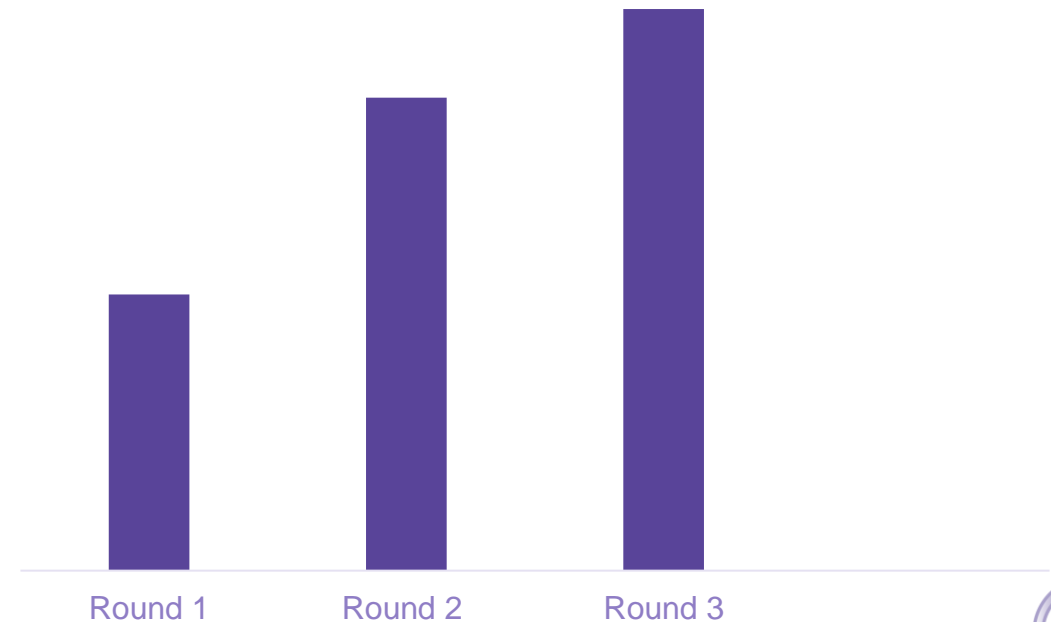


HNES story so far



- Awards to funded projects announced.
 - Demo – 39 projects
 - Round 1 - £13.9 million
- Increasing number of applications for biomass heat networks (6% to over 12%).

Proportion of applications for heat networks with biomass systems





THANK YOU FOR LISTENING

ANY QUESTIONS?



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