

# Heat Beyond 2021 - Does Biomethane Have a Role to Play?

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# Clean Growth Strategy frames Heat Initiatives

- Clean Growth Strategy identifies heat as the most difficult decarbonisation challenge facing the country
- Heat accounts for almost half of our energy use and around a third of our carbon emissions.
- Meeting the 2050 commitment of reducing emissions by 80% on 1990 levels means to decarbonise nearly all building heat and most industrial heat

Over next few years :

- testing different ways to heat decarbonisation
- supporting more take-up of low carbon heating, where it is cost-effective to do so
- Government / BEIS has a number of important programmes and projects to that end:
  1. Funding for the Renewable Heat Incentive scheme is rising from £430 million in 2015/16 to £1.15 billion in 2020/21 (confirmed November 2015)
  2. Committed £320 million in capital support under the Heat Networks Investment Project.
  3. Committed in CGS to phasing out high carbon fossil fuel heating in off gas grid buildings, starting with new build during the 2020s



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# Status of RHI Reform

## I. Current Reform - Package 2

- Regulations laid 19.3., withdrawn and re-laid
- Cleared JCSI
- Commons debate passed on 23.4.
  - main questions around AoR, TGs and limit on Very Large Plant
- Lords debate scheduled for 9.5.
- Coming into force requires Sec of State signature
- Ofgem readiness for roll-out – IT for TGs, shared-ground loops, Guidance document update
- TG regulations applicable on first working day following signature of regulations

## Further Reform - Package 3

- Requires government response : Reform of metering data estimates, replacement plant, environmental permitting, biomethane, AoR, large plant, multiple sites
- Devolved governments: clearance from Scottish Gov., consultation with Welsh Gov.
- Negative parliamentary procedure – simplified process
- Possible different timings for proposed measures



# “A future framework” & “HSOP”

## I. “A Future Framework” - Call for evidence

- Deadline 11 June
- To be followed by consultation later this year
- Focus: off-gas grid & new-built, phase out of fossil fuels

## II. Heat Network Investment Programme

- Pilot ran from October 2016 to March 2017
- helped to design the main scheme which is expected to launch by the end of 2017
- ITT published and procurement of delivery agent under way

## III. “Heat Strategic Options”

- Potential long-term options for decarbonising heat – 2050 – and what has to happen on the way
- No consensus on best way to decarbonising heat at scale
- There are options with potential – including heat networks, heat pumps, hydrogen and biogas
- Work ongoing to exploring alternatives and technologies
- Phase 1: expand evidence base
- Clean Growth Strategy : stated intent to publish initial findings from Studies:  
<https://www.gov.uk/government/collections/heat-pump-research>
- Publish report on this review of the evidence in summer 2018



# What Role for Biomethane?

*Some thoughts:*

1. It's early days ?
2. "Heat" is recognised as important – and work is ongoing
3. AD / Biogas is needed – very much so?
4. There is no money ?
5. "Heat" has to become cost competitive ?

