

District heating opportunities in Perth & Kinross Council

- Stakeholder Engagement Event

June 22, 2016

Venue: Birnam Institute, Dunkeld

Event Summary

Scotland has a commitment to deliver 11% of its heat from renewable sources by 2020. This presents a real opportunity to develop the Heat Industry in Scotland and bring about both economic growth and reduce carbon emissions. This event will allow the developing Scottish District Heating supply chain to identify opportunities in Perth and Kinross to meet, share knowledge and expertise and to forge future collaborations to help reach Scotland's renewable energy targets and deliver the Council's ambitions for sustainable, low carbon energy.

Photos



The project "Multi level actions for enhanced Heating and Cooling plans – STRATEGO" (IEE/13/650/SI2.675851) is co-funded by the Intelligent Energy Europe Programme of the European Union and the Scottish Government.
Project website : www.stratego-project.eu

Attendees

Those highlighted in green either gave a presentation or facilitated one of the table discussions.

Name	Organisation
Adam Baxendine	Savills
Adam Swainbank	Scottish Enterprise
Ailie Callan	SEPA
Alexander Dewar	Dupplin Estate
Andrew Ballantine	Perth & Kinross Council
Athol Tracey	A & J Stephen
Carolyn Deasley	SNH
Charlie Drysdale	Pinnacle Power
Christian Koch	BRE
Conor Byrne	Springfield Properties
Dave Park	Vital Energi
David Mackay	SCARF
David Stobbs	Springfield Properties
David Westwood	Biz Cat UK
Duncan Macrae	Caledonia Housing Association
Eleanor Peters	Home Energy Scotland
Gordon Dick	Zero Waste Scotland
Graham Esson	Perth & Kinross Council
Guy Milligan	HOBESCO
Howard Mapperley	Inventa Partners
Jakki Cosgrove	GS Brown
James Haigh	Bio Geo
John Ferguson	Eco Idea M
John Marsh	Metropolitan
Ken Brady	Energy Saving Trust
Kevin Jackson	Stewart Milne
Marina Fraser	Synergie-Environ
Mark Conway	NHS
Mark Richardson	Ristol Consulting
Martin Macdonald	AJ Stephen
Mary Mitchell	Perth & Kinross Council
Matt Bridgstock	John Gilbert Architects
Mike Thomas	Hwyl Energy Consulting
Neil Kitching	Scottish Enterprise
Osbert Lancaster	Osbert Lancaster
Paul Moseley	Scottish Futures Trust
Peter Marshall	Perth & Kinross Council
Robert Wills	Perth & Kinross Council
Roddy Hamilton	Carbon Trust
Ruth Bush	Stratego
Sarah Perfett	Perth & Kinross Council
Sarah-Jane McArthur	Brodies LLP
Sheena Jamieson	SEPA
Steve Hunt	Ener-Vate
Steven Rankine	Flex Energy

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Agenda and presentations

Time	Session
10:45 am	Arrival, registration, tea/coffee
11:15 am	Welcome & Introduction
Speaker session: Context & opportunity	
11:20 am	Strategic Overview – Peter Marshall, Perth & Kinross Council
11:40 am	Case study: a successful district heating scheme in Scotland – Guy Milligan, HOBESCO
Workshop: Challenges to delivery	
11 :55pm	Stages of district heating development
12 :00	Discussion session : 2030? What went wrong & why?
12:40 pm	Plenary: feedback on main points from each group
Speaker session: Design for district heating	
1:00 pm	Architecture and District Heating – Matt Bridgestock, John Gilbert Architects
1:15 pm	Lunch
Speaker session: Funding, delivery & management	
2:00 pm	Ownership, funding & delivery options – Paul Moseley, Scottish Futures Trust
2:15 pm	Experience of different delivery models in practice – Howard Mapperley, Inventa Partners
Workshop: Getting it right, now	
2:30 pm	Activity in table groups
3:05 pm	Plenary: feedback on main points from each group
3:15 pm	Activity & brief plenary discussion: how confident are we that objectives will be achieved?
3:25 pm	Get tea/coffee and take it to seats for...
Prospects & priorities	
3:35 pm	Reflections from experts and speakers
3:55 pm	Plenary discussion on priorities
4:25 pm	Closing remarks
4:30 pm	END

Minutes of the workshop outputs

Interest And Demand



Issues	Solutions
Confidence/Consistency in Energy Policy - Lack of clarity of energy policy ROI	Carbon Based Incentives
Lack of regulatory regime	
Consumer Education	Introduce Change into Society and Educate
Understanding about district heating -marketing?	-trust?
Collaboration	LA/SG/Private / developers
Joining up actions/all relevant stakeholders "seeing the big picture" Fuel poverty; low carbon; energy security; health	Culture change Co-ordinated publicity /marketing/policy/legislation For both confidence in policy and understanding.
Financial/Commercial Challenges - Linking private and public sector	General procurement route for delivery / operation

Additional sheets not on wall: 1) Interest: lack of clarity of energy policy ROI; integrated development plan to mix heat use. Demand: pricing strategy wrong; lack of consumer education; financial modelling/valuing.
2) Pricing Strategy Wrong



Issues	Solutions
Lack of Investment / Flawed Business Models	(Green) Market Efficiency More knowledge sharing
Partnership Failure	- Agency - Code of Practice commercial (CIBSE)
Over Reliance on Public Sector Delivery	Heat Network Partnership
Policy and Leadership Failure (EU exit)	-EST -SFT -Scottish Ent -Highlands and Islands Enterprise - Scot Gov FACILITATION
	Policy: Carrot and Stick

Feasibility



Issues	Solutions
Policy Environment -planning policy role – supportive? - using public sector estate effectively – anchor loads -> enhances financial viability	Regulation: - Public sector assets / large developments . Planning system: presumption in favour of connection - Heat producers – requirement to use surplus heat (PPC regs) - Carbon taxes – must drive behavioural change
Capturing / valuing benefits - Energy security - -value of a hedge against future fossil fuel prices - - do the public value these? - If not housebuilders wait.	Behaviour Change - Education / awareness - Publicise existing success stories - -more case studes - Create consumer demand – which will influence housebuilders
Brokerage -heat users -heat providers - how to bring together? - incentivised to collaborate?	
Customer experience -standards	-protection -lack of regulation
Consistency/ rigour / quality of feasibility studies	Feasibility studies - More consultation with clients - Ask the right questions - Summary report - avoid delays / re-work – must support decision making process.

Build, operate and maintain



Issues	Solutions
Consistency between design, procurement and operation	Consistency through the process of decision, delivery, operation etc - Holistic contract structure (clear KPIS – for removal too) - Design for optimum, life operation (not Cap Ex) - Robust specifications
Customer perception of choice -demonstrating value	-heat security – confidence - transparency
Whole life approach - Not cheapest capex - Short termism	Independent, non-biased scrutiny - Eg. Inventa partners - OFGEM led – commercial viability/design audit
Walk away mentality -instead of circular economy	-short termism
Knowledge transfer - Design, product specs (we reinvent wheels)	Who? Designer / Operator involved throughout? Bought in the ESCO long term
Convenant Strength of DH provider	Shared Competency Entity - Partnered with industry - -access quality support - Facilitator between different projects
Assumptions	Risk averse design -> over sizing = expensive