

Ground Source Heat Pump Association Webinar Series 2021

Year of the Heat Pump Policy Landscape: Plans and Aspirations

11th February 2021

Welcome! 2021 Year of the Heat Pump!

- ▶ A new year, new plans, lots of opportunity
- ▶ Education and training
 - ▶ From 4 year olds to GCSE level, apprenticeships and beyond
- ▶ GSHPA working groups
 - ▶ Standards, training, policy, marketing & comms
- ▶ Flexibility, aggregation and new connections

The Policy Landscape – Aspirations and Opportunities



Clean Growth Strategy

- ▶ Updated April 2018
- ▶ At the heart of UK's Industrial Strategy
- ▶ Lots of focus on power and transport, some focus on heat
 - ▶ Phase out the installation of high carbon fossil fuel heating in new and existing homes currently off the gas grid during the 2020s, starting with new homes.
 - ▶ Invest in low carbon heating by reforming the Renewable Heat Incentive, spending £4.5 billion to support innovative low carbon heat technologies in homes and businesses between 2016 and 2021

Select Committees

▶ Environmental Audit Committee Oct 2020

Terms of reference

The Committee is inviting written submissions to inform its forthcoming evidence session. These should focus on, but not be limited to:

- What steps can the Government take to increase uptake of heat pumps?
- How can we ensure that the regulatory frameworks in place work together to guarantee heat pumps are used in the most effective places, alongside other technological solutions?
- What steps can be taken to lower heat pump installation costs?
- What role should gas or hybrid heat pumps play in helping the UK reach the target of net zero emissions by 2050?
- How can the Government tackle the current skills gap for designers, builders and installers of heat pumps?
- How can public awareness of heat pumps be improved?

▶ BEIS Committee ‘Decarbonising Heat in Homes’ Oct 2020

- ▶ This would not have been expected 12-18 months ago
- ▶ The national press would not have shown any interest

10-Point Plan for Green Industrial Revolution

- ▶ Published Nov 2020
- ▶ Building back better, supporting green jobs and accelerating our path to net zero
- ▶ **Point 7 Greener Buildings**
 - ▶ Gradual move away from fossil fuel boilers over 15 years
 - ▶ Aim for 600,000 heat pump installations per year by 2028
 - ▶ Green Homes Grant extension for one year
 - ▶ Public Sector Decarbonisation Scheme
 - ▶ Homes Upgrade Grant
 - ▶ Social Housing Decarbonisation Fund
- ▶ **Point 10 Green Finance and Innovation**
 - ▶ Nothing specific on heat pumps
 - ▶ Green taxonomy
 - ▶ Green Jobs Taskforce
 - ▶ Example: Green Finance Institute (Coalition for the Energy Efficiency of Buildings, Zero Carbon Heating Taskforce)

Policy impacts

- We are setting an ambition of 600,000 heat pumps installations per year by 2028.
- Homes built to the Future Homes Standard will be 'zero carbon ready' and have 75–80% lower carbon dioxide emissions than those built to current standards.
- Our green home finance initiatives could help to improve the energy efficiency of around 2.8 million homes, improving around 1.5 million to EPC C standard by 2030.

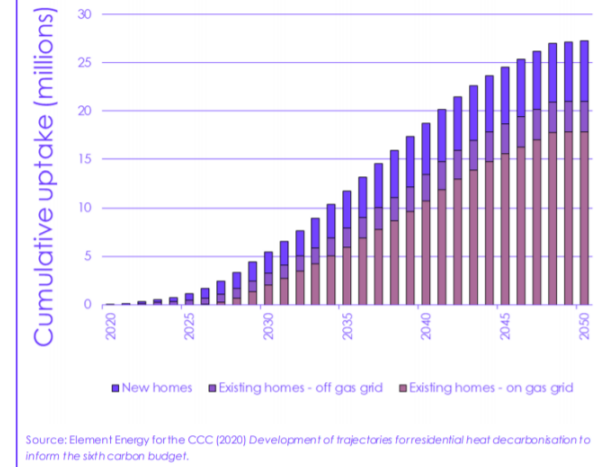
Target Milestones

2021	Set out our Heat and Buildings Strategy
2021	Launch a world class energy related products policy framework. We will push for products to use less energy, resources, and materials, saving carbon and helping households and businesses to reduce their energy bills with minimum effort
By 2032	Ensure that the public sector has reduced its direct emissions by 50% compared to a 2017 baseline

CCC – Sixth Carbon Budget advice

- ▶ Published 9th Dec 2020
- ▶ Heat pumps mentioned 64 times
- ▶ Recommended pathway requires 78% reduction in UK emissions between 1990 & 2035
- ▶ Buildings:
 - ▶ Carbon emissions from buildings in 2019 were 17% of total emissions, mainly from heat fossil fuels
 - ▶ Emissions can be reduced through behavioural change, energy efficiency measures and **fuel-switching away from fossil fuels to low-carbon alternatives**
 - ▶ Clear signals required on fossil heating phase-out, rebalancing of gas/electric policy costs, funding commitments and delivery plans
- ▶ **Balanced Net Zero Pathway: by 2030, 75% home low carbon heat systems are heat pumps**

Figure 3.2.c Uptake of heat pumps in residential buildings



Energy White Paper – Powering our Net Zero Future

- ▶ Published Dec 2020
- ▶ Heat pumps mentioned 36 times....
- ▶ Key commitments:
 - ▶ Growing the installation of heat pumps from 30,000 to 600,000 units per year by 2028
 - ▶ Complete step change in electricity network upgrades and usage
 - ▶ Storage, smart meters and Time of Use tariffs mentioned
 - ▶ £2bn released for GHG (£1.5bn) and Local Authority Delivery schemes (£0.5bn)
- ▶ Currently only 1% of UK homes has a heat pump

Heat & Buildings Strategy

- ▶ Due 2021 - maybe end of this month?
- ▶ Again, heat high on the agenda

This is a key policy of the Government. We will publish a heat and building strategy in early 2021 that will set out the immediate actions we will take for reducing emissions from buildings, including deploying energy-efficient measures and transitioning to low-carbon heating. This ambitious programme of work will enable the mass transition to low-carbon heat and set us on a path to meet our net-zero 2050 emissions targets.

Baroness Bloomfield of Hinton
Waldrist, 8th Dec 2020

Future Buildings Standard

- ▶ Published Jan 2021. Consultation closes 13th April 2021
- ▶ Second stage of 2-part consultation on changes to Part L & Part F
 - ▶ ‘Conservation of fuel and power’ and ‘Ventilation’
- ▶ Builds on the Future Homes Standard consultation (Oct 19)
- ▶ A vision for non-dom buildings from 2025 onwards
 - ▶ Transition to low-carbon heating and hot water
 - ▶ Raising standards in existing buildings
- ▶ Uplift in Part L & F for non-dom and domestic buildings
- ▶ New build and retrofit
- ▶ Heat pumps are anticipated to play an increasing role
- ▶ Heat pumps mentioned 43 times in the document
- ▶ Max flow temperature of 55° C proposed

		Buildings Fit for the Future				
		2021	2022	2023	2024	2025
New Homes	Part L & F uplift					Future Homes Standard
	FEES ¹ Overheating					
Existing Homes	Part L & F uplift					
Existing Non-Domestic	Part L & F uplift					
New Non-domestic	Part L & F uplift					Future Buildings Standard

KEY:
Included in previous consultation
Included in this consultation

Green Heat Networks Fund

Green Heat Network Fund

Consultation on proposals for scheme design

Closing date: 29 January 2021

- ▶ Consultation closed 29th Jan 21
- ▶ Applies to England only
- ▶ The next step to HNIP: capital grant funding for new and existing heat networks using LZC technologies
- ▶ Heat in buildings confirmed as one of the largest sources of UK carbon emissions
- ▶ Heat sources such as minewater, marine, aquifer, river, lake and waste heat discussed
- ▶ Various technologies covered including all kinds of heat pumps and specially shared ground loops and ambient HN
- ▶ Due for launch April 2022

Renewable Heat Incentive

- ▶ Non-domestic closes 31st March 2021
- ▶ 1 year extensions for Covid-caused delays
- ▶ Domestic RHI extended for one year

- ▶ Currently no replacement for NDRHI

- ▶ Clean Heat Grant
 - ▶ DRHI replacement
 - ▶ April 2022 - March 2024
 - ▶ Up to £4,000 grants available

Green Homes Grant & PSDS

- ▶ Both are Covid-19 schemes
- ▶ GHG is voucher scheme for energy efficient improvement to homes
- ▶ GHG schemes must be complete by 31st March 2022
- ▶ PSDS provides grants for public sector bodies to fund EE and heat decarbonisation measures
- ▶ Closed 11th Jan 2021
- ▶ Disarray?!

Scotland

- ▶ The policy landscape in Scotland appears more favourable for GSHP's than England, Wales or Northern Ireland.
- ▶ 4 current consultations:
 - ▶ New Build Heat Standard (Closes 3rd March). All new buildings must use heating systems producing zero direct emissions at the point of use from 2024
 - ▶ Draft Heat in Buildings Strategy - achieving net zero emissions (Closes 30th April). How to ensure all buildings reach zero emissions by 2045
 - ▶ The Low Carbon Infrastructure Transition Programme (LCITP) call for evidence (Closes 19th April). Large scale heat decarbonisation projects; heat pumps specifically
 - ▶ Consultation of Scottish Skills for Energy Efficiency... (Closes 30th April) All about skill requirements to meet the decarbonisation strategy
- ▶ Scotland cannot meet its legislated climate change targets unless virtually all emissions from heating (and cooling) buildings are eliminated.
- ▶ This means, in effect that by 2045, zero emissions heating will need to be deployed across Scotland's building stock.

NEW BUILD HEAT STANDARD: SCOPING CONSULTATION



Draft Heat in Buildings Strategy

Achieving Net Zero Emissions in Scotland's Buildings
Consultation
February 2021



The Low Carbon Infrastructure Transition Programme (LCITP)

Call for Evidence to Support Development
of Future Programme

**Consultation on Scottish skills
requirements for energy
efficiency, zero emissions and
low carbon heating systems,
microgeneration and heat
networks for homes**

Quick Note on Carbon Tax

- ▶ Feb 2021
 - ▶ Possible carbon taxes on meat, dairy and gas
 - ▶ Shift in levies from electricity to gas
 - ▶ May now have been vetoed
 - ▶ But shows thinking is happening on gas and electricity costs and carbon

Recap

- ▶ Lots of talk, consultations and plans - this is **POSITIVE!**
- ▶ Activity is becoming more compressed
- ▶ Quite confusing and difficult to keep on top of what is happening and who is eligible for what
- ▶ A clear policy roadmap from government is required
- ▶ Hopefully the jigsaw puzzle will be completed during 2021
- ▶ GSHPA continues to lobby hard to make new policies a reality

Questions.....

and thank you
www.gshp.org.uk

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