

Notting Dale Heat Network

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Notting Dale Heat Network

A quick recap on actions and progress

Highlights from last quarter:

1. Heat Network Poll: **83% of residents support the new heat network**
2. **Updated design delivers a zero carbon heat network in 2024 (6 years earlier than planned)**
3. **Successful £220,000 grant application** to the GLA's Local Energy Accelerator
4. Well-attended **Bidder's Day**
5. **Heads of Terms signed with Kensington Aldridge Academy**
6. **Co-designed Resident Price Promise launched**

Notting Dale Heat Network

Forecast budgets

<i>Figs in £m</i>	SPV	Council HRA	Total
Primary Network & Energy Centre	6.04	0.00	6.04
Secondary / Domestic Network	0.00	12.36	12.36
Total Scheme Capex	6.04	12.36	18.40
Other net initial SPV costs	0.83	0.00	0.83
Commercialisation, design and expansion feasibility into Notting Dale ward	0.00	0.66	0.66
Estate Connection Charge	(4.48)	4.48	0.00
Total Net Funding Requirement	2.39	17.50	19.89

(*) This is for the feasibility work. Any capital costs associated with expansion, and how they would be funded would be subject to agreement between the SPV and Council at the time. There will be potentially other Government funds available to cover at least part of the expansion costs including the new £270m Green Heat Network Fund and potential £120m Heat Network Fund.

We're updating the financial model to account for:

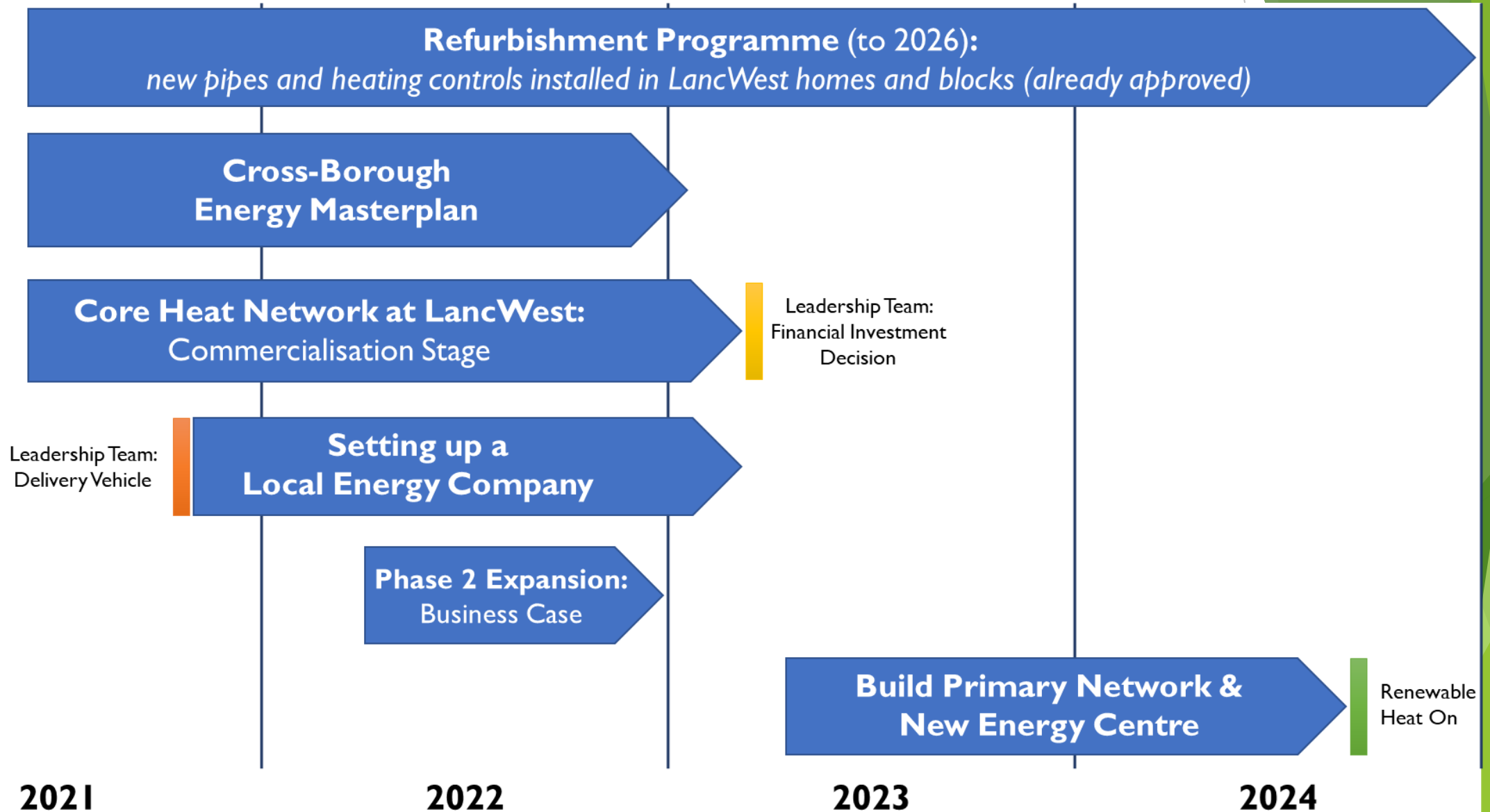
1. Updated Stage 3 design
2. Business Rates
3. UKPN costs
4. Soft market testing

£2.5m of grants for the heat network in 2 years

- 8 successful bids in 2 years
- Grants received from:
 - Kensington and Chelsea Council's Green Fund
 - Central Government (Heat Network Investment Project & Heat Network Development Unit)
 - GLA's Local Energy Accelerator and Future Neighbourhoods Fund

RBKC's Green Fund	RBKC	£	66,000.00	2
Heat Network Investment Project - Construction Costs	BEIS	£	60,000.00	1,1
Heat Network Development Unit - Detailed Project Development phase	BEIS	£	46,300.00	2
Heat Network Development Unit -Phase 2 expansion	BEIS	£	30,000.00	2
Economic Recovery Capacity Programme - GLA	GLA	£	34,000.00	
Local Energy Accelerator -Commercialisation	GLA	£	20,000.00	2
Local Energy Accelerator - Borough Energy Masterplan	Cross	GLA	£ 150,000.00	
Future Neighbourhoods Fund - (Pilot network and installing solar panels at Treadgold House)	GLA	£	60,000.00	1
Future Neighbourhoods Fund -(Monitoring for additional expansion)	GLA	£	30,000.00	
			£2,496,300	

Timeline: what comes next?



Putting Residents First

How will Notting Dale Heat put residents first?

Residents agree
We will start engaging with residents on Customer Charters later this year.

1 Customer Charter This will give a guarantee on heat quality and customer service to all residents.

2 Vulnerable support Extra help with heating and hot water is available for anyone that is in a vulnerable situation.

3 Resident price promise Until 2030, residents will pay the cheaper energy price, either gas or renewable heating cost.

Resident agree
Resident Price Promise has been developed through 3 resident workshops.

4 The Heat Trust The heat network will register with the Heat Trust, an independent customer champion organisation.

5 Ofgem Regulation From 2024 Ofgem will regulate Heat Networks, this will give quality and price protection, similar to gas and electricity today.

6 Board Structures The heat network board will make operational decisions for the heat network. The board will include two heat network customers who live on Lancaster West Estate. A shareholder committee will also provide additional checks, to ensure excellent customer service.

Residents agree
Residents suggested that we should have a commitment on the side of the company board.

7 Customer Service Notting Dale Heat will deliver excellent customer service, with at least 80% customer service satisfaction. We are asking residents to help us decide how to measure customer satisfaction.

Notting Dale Heat Network

Vision: to be the most reliable heat network in the UK

Co-designing our heat network:

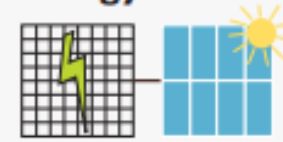
- Updated our technical design: to deliver vision.
- Maximising the amount of solar pv on the Estate
- 4 back-up heat supplies: provided by electric boiler, thermal store, leisure centre's gas boiler and if needed, temporary boilers brought in from off-site.
- **Smart pipes and valves:** to make sure we have early warning of any water leaks, in which case we'd bring in a temporary boiler.

How reliable is renewable heating?

The new renewable heat network has lots of back-up systems built in. The current communal heat network at Lancaster West Estate has none.

We are aiming to make the UK's most reliable heat network at Notting Dale, including the energy source, heat source and pipework.

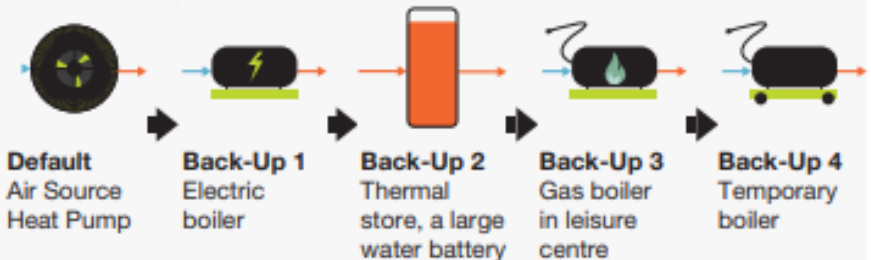
Energy Source



Electricity

The Air Source Heat Pump will be supplied with green electricity from the grid. Back-up is provided by solar panels.

Heat Source



Pipes

Smart Pipes & Valves

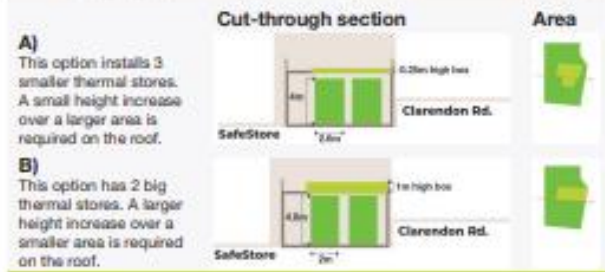
Smart pipes will send a signal if they detect a problem. A valve can seal off pipe so a temporary boiler can connect.



Notting Dale Heat Network

Choosing a Renewable Energy centre

Option 1 Camelford Walk



Option 2 Kensington Leisure Centre



Which case studies inspire you?



To create the new energy centre, we will redesign the boiler room at Camelford Walk. Which case studies inspire you?

			Case Study 1 Liverpool Uni Colour: Dark, heavy Transparency: Feature windows Materials: Metal & glass Style: Modern industrial
			Case Study 2 Energy Hub, London Colour: Light Transparency: Translucent Materials: Plastic & glass Style: Modern
			Case Study 3 ParkHaus, Denmark Colour: Red Transparency: Translucent frame Materials: Metal & plastic Style: Modern industrial
			Case Study 4 Manchester Colour: Light Transparency: None Materials: Metal Style: Modern industrial
			Case Study 5 Bunhill Colour: Red & bright Transparency: Light, no view Materials: Metal & steel Style: Modern industrial
			Case Study 6 Community Centre Colour: Light & bright Transparency: Feature windows Materials: Timber Style: Modern, natural
			Case Study 7 Leeds Colour: Seasonal Transparency: Large windows w/ timber Materials: Timber & plants Style: Modern industrial
			Case Study 8 Gateshead Colour: Green & pink Transparency: Windows Materials: Metal facade Style: Modern

Notting Dale Heat Network

Procurement

3 large procurement contracts :

1. Design and Build of energy centre and primary heat network (c.£6m, 2023 - 2029)
2. Operations and Maintenance of heat network, including metering and billing (c.£1m total over initial 5 year contract period, with option to extend by 5-years)
3. Design and Build of secondary and tertiary networks (c.£12m).

Seeking resident input via 'Resident Opportunity Menu.'



Notting Dale Heat Network

The local energy provider

2 Resident Board Members:

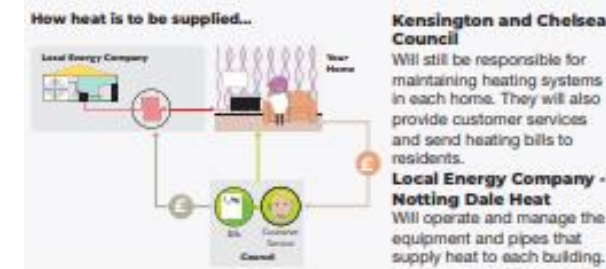
- Ensures customers' opinions influence key heat network decisions.
- 2 roles created in response to resident co-design.
- Part-time paid roles to be advertised in May 2022.
- Interviews in June 2022.
- Aiming to be as inclusive as possible with our recruitment.
- Offering a variety of learning opportunities.
- To find out more please contact:

janet.hall@rbkc.gov.uk, or call [0800 389 2005](tel:08003892005).

7 The local energy company

Notting Dale Heat

'Notting Dale Heat' is the new local energy company, which is 100% owned by the Council. It has been set up to supply heating and hot water to Lancaster West Estate.



Notting Dale Heat's responsibilities

1. Keep the machinery and pipework for heat delivery working well
2. Manage the company income and budget
3. Attract heat network professionals to deliver excellent customer service

How will the heat network be managed?

Notting Dale Heat will have its own budget and be overseen by a management board. The board will include two residents. The board can make operational decisions independently, to ensure smooth day-to-day running of the heat network.

A Shareholder Committee will provide strategic oversight of the Notting Dale Heat Network. The Shareholder Committee will be a public meeting.



Who will Notting Dale Heat supply?

All homes at Lancaster West Estate, Kensington Leisure Centre, Kensington Aldridge Academy and Baseline Studios. Future phases will include adjacent social housing.