



GIVING PUBLIC SECTOR HEAT NETWORK SPONSORS ACCESS TO ACTIVE CAPITAL AND ASSET FINANCE



Department for
Energy Security
& Net Zero

www.tp-heatnetworks.org/BHIVE



The Department for Energy Security and Net Zero has established BHIVE, a Dynamic Purchasing System ("DPS") for Heat network investment

BHIVE allows public sector heat network owners/ developers in England and Wales to access active capital and or asset finance for their heat network projects. UK heat networks represent one of the biggest growth opportunities for energy networks in Europe, with an estimated £60bn to £80bn of investment needed by 2050. Achieving this growth will require both the public and private sectors to mobilise their skills and resources in partnership.

A provider of Active Capital is a partner to provide commercialisation services and equity investment, to lead or support development of a heat network scheme through commercialisation and beyond.

What is a Dynamic Purchasing System (DPS)?

A DPS is a public sector sourcing tool for common goods and services under regulation 34 (Dynamic Purchasing Systems) of the PCR 2015. Funding Providers can apply to join the DPS at any point.

Who can use BHIVE?

BHIVE is available to all Public Sector Bodies in England and Wales ("Contracting Authorities").

This includes:

- ✓ Central Government Departments, Arm's Length Bodies and Executive Agencies
- ✓ Non Departmental Public Bodies
- ✓ Devolved administrations
- ✓ Local Authorities
- ✓ NHS bodies
- ✓ Charities
- ✓ Universities, colleges, schools, further education providers

BHIVE is open to Contracting Authorities wanting to raise funding for their heat network projects to:

- finance a new heat network
- finance the expansion of an existing heat network, or
- facilitate the sale of part, or all, of an investment in a mature heat network - for example, where a Contracting Authority wishes to sell its stake in an operational heat network. This could also be part of a wider refinancing of the project.

What funding is available within BHIVE?

The funding categories available under BHIVE are divided in to two Lots, as follows:

Lot 1: Equity Finance and Services

Lot 2: Asset Finance



Outcome Based Procurement

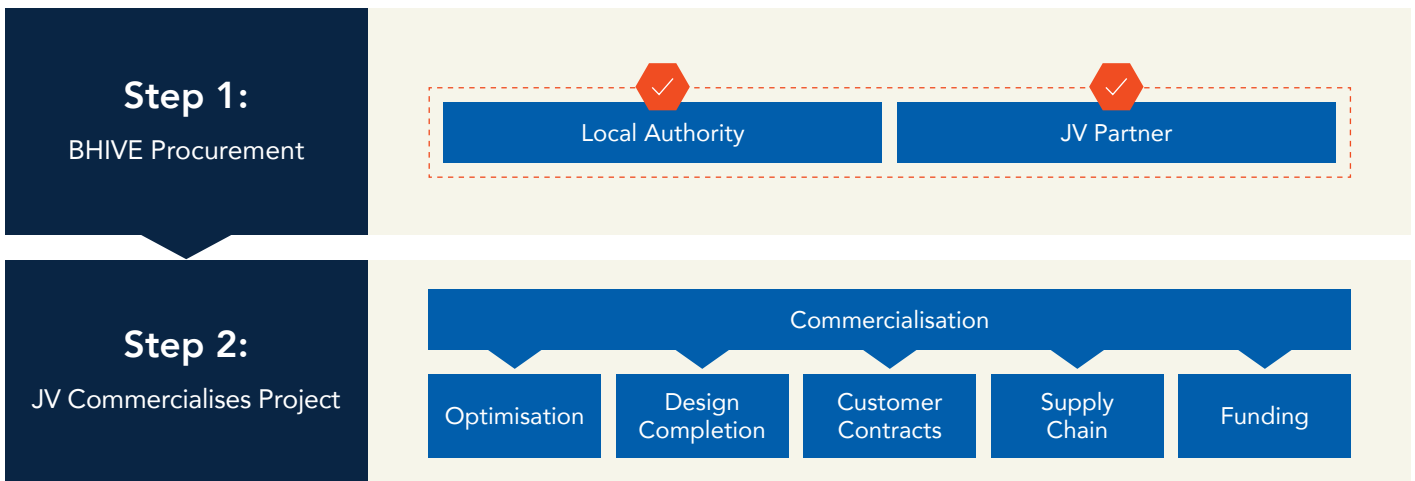
Procuring a funding provider that best fits the project goals

What the LA brings	What the JV Partner brings
<ul style="list-style-type: none">▶ Desire to build out a heat network in the area	<ul style="list-style-type: none">▶ Funding
<ul style="list-style-type: none">▶ Land / grant funding / financial equity / promise of heat loads/assets	<ul style="list-style-type: none">▶ Commercialisation services and expertise / manpower





What to Consider

Outputs	Bid requirements
<ul style="list-style-type: none">▶ Heat Tariff	<ul style="list-style-type: none">▶ Level of risk on costs to commercialise
<ul style="list-style-type: none">▶ Carbon Intensity	<ul style="list-style-type: none">▶ Minimum IRR hurdle
<ul style="list-style-type: none">▶ Minimum Heat Load	<ul style="list-style-type: none">▶ Project team
<ul style="list-style-type: none">▶ Minimum Service Requirements	<ul style="list-style-type: none">▶ Methodologies: supply chain growth

How it works



BHIVE Benefits

 <h3>Speed</h3> <p>A fast, compliant procurement of an investor partner.</p>	 <h3>Cost</h3> <p>A focused procurement will drive cost savings while increasing pricing confidence.</p>	 <h3>Flexibility</h3> <p>A JV agreement allows the project to evolve over time.</p>	 <h3>Control</h3> <p>Ownership structures that allow you to retain control over key outcomes.</p>
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Information

Administering Authority:

Department for Energy Security
and Net Zero

Managing Agent:

TPIM LLP

Duration:

Currently open through to 31 March 2025

Further Information:

www.tp-heatnetworks.org/BHIVE

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