



Triple Point
HEAT NETWORKS
INVESTMENT MANAGEMENT





The session will be recorded. The video and slides will be available.



Please feel free to comment in the chat.



We will take questions throughout the session. Please type your question into the Q&A.

Agenda

- Overview of GHNF
- Eligibility
- Application and Assessment process
- Application Form
- Q&A

GHNH Overview



UK Government



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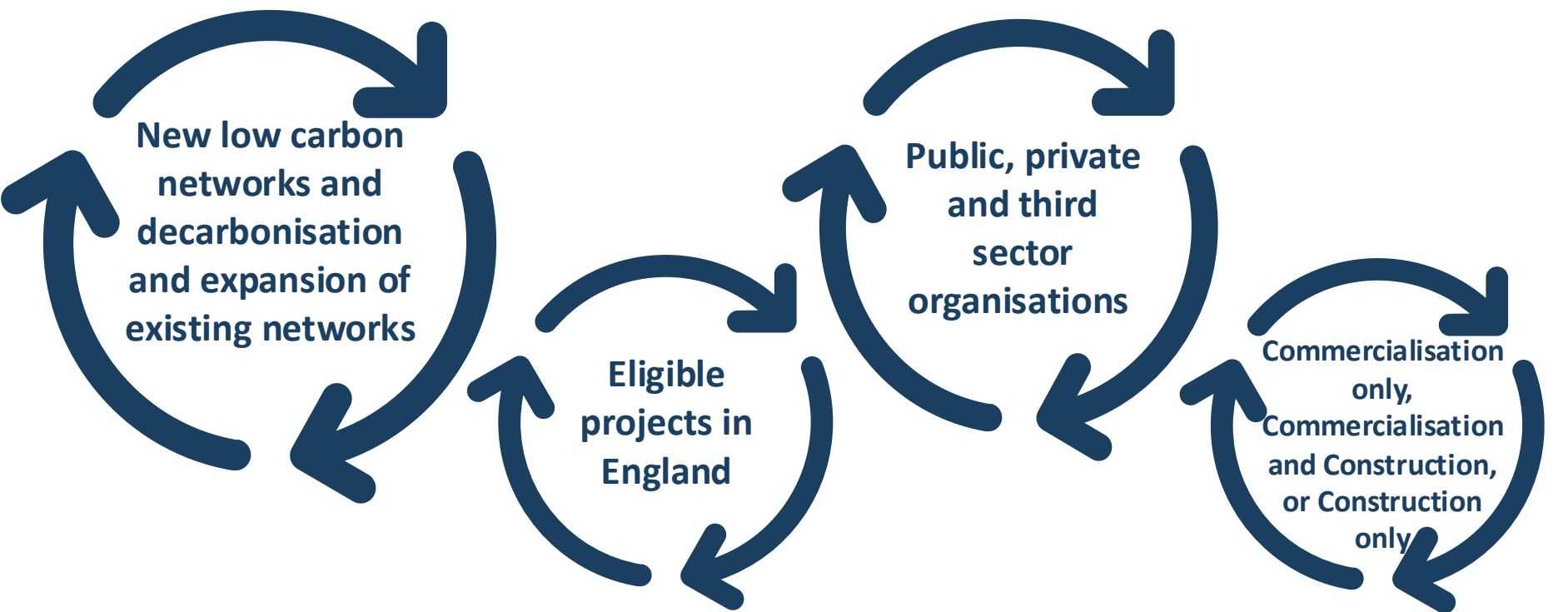


Strong Foundations to Build On

A Blend of Complementary Specialisms

Triple Point Heat Networks Investment Management - through the GHNF - will not only seek to decarbonise heat networks, but also build on the progress made by the HNIP in developing a resilient market.

Grant funding available to support



New low carbon
networks and
decarbonisation
and expansion of
existing networks

Eligible
projects in
England

Public, private
and third
sector
organisations

Commercialisation
only,
Commercialisation
and Construction,
or Construction
only



Applicants must commit to the GHNF Market Transformation Commitments and meet the minimum requirements. **Please note the MTC guidance has been updated for Round 11.**

Projects commitments will enable growth within the supply chain, help to address the heat network sector skills gap and allow the sector to share in learnings and innovation across a portfolio of projects

Infrastructure

- Fair and open procurements
- Engage supply chains and local communities
- Analyse embodied carbon of major components
- Energy storage for system resilience

Skills

- Identify opportunities to address the sector skills gap
- Fair and open recruitment
- Stimulating new jobs in the UK and training opportunities
- Participate in skills initiatives (e.g. Net Zero Hubs, Skills Bootcamps)

Innovation

- Identify ways for projects to enable investments in research and development
- Embed lessons learned from past projects into current delivery
- Sharing learnings and innovations with the wider market



NWF lending to Local Authority applicants

Local Authorities applying to the GHNF can access lending from NWF. NWF provides loans to Local Authorities at preferential rates and seeks to support an increase in the scale and ambition of net-zero and regional local growth-supporting infrastructure developments. It can also offer advice on individual projects through its local authority advisory function. NWF loans offer more flexible financing than the Public Works Loans Board (PWLB), with the ability to structure loans to reflect the project capital profile and revenue projections. In addition, loans are offered at the relevant Gilts rate +40 basis points (i.e., 40 basis points lower than the PWLB Certainty rate).

NWF lending to private sector applicants

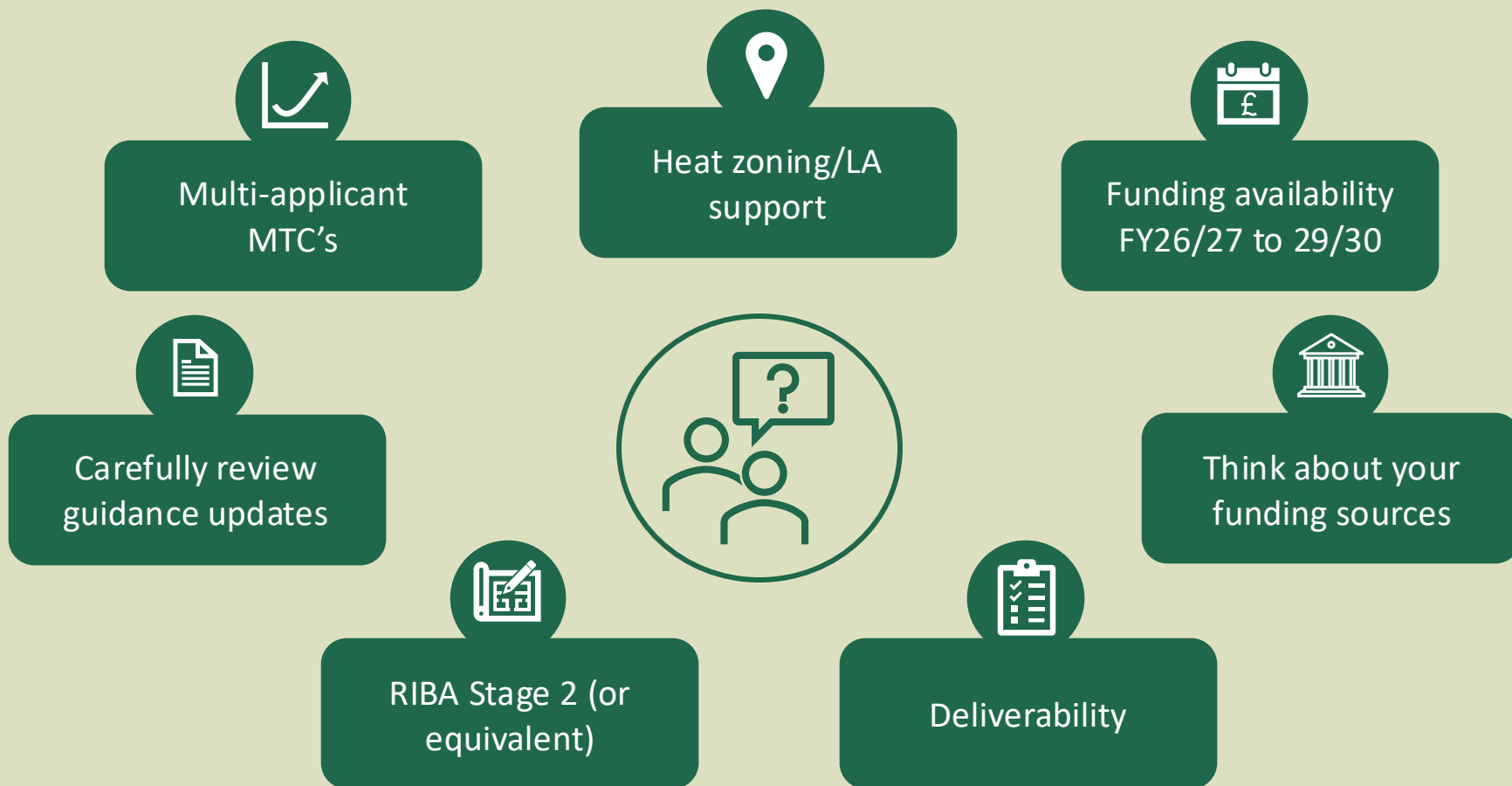
NWF offers private sector financing. If you are a private sector applicant interested in exploring NWF lending you can contact the GHNF Relationship Management Team who will be able to put you in touch with the correct NWF team

Investment principles

NWF invests in capital intensive projects, businesses and assets. Its investments must follow three investment principles (only the first two apply to local authority lending):

1. Support the government's growth and clean energy missions
2. Be intended to deliver a positive financial return for the Exchequer
3. Be expected to crowd in significant private capital over time.

Please speak to your Relationship Manager in the next couple of weeks if you are intending to seek financing from NWF



- RMs can help you access support from the wider team and discuss project specific issues
- Email enquiries@tp-heatnetworks.org to request a call with a RM.



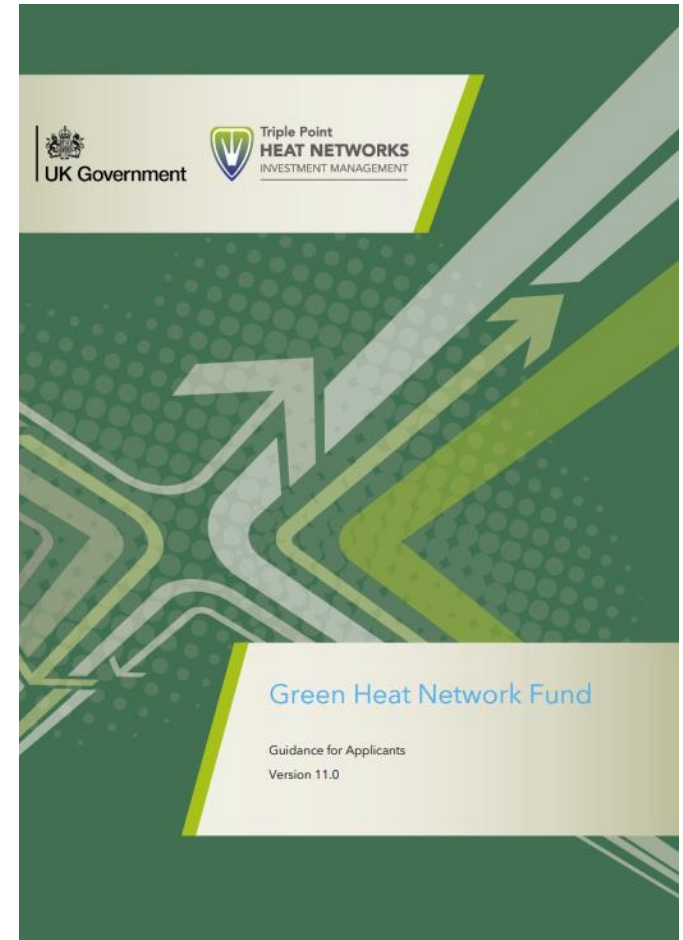
Lauren Bright



Libby Carr



Joanna Sandels



Eligibility & Application Requirements

More focus on heat network zones and how **projects can enhance rather than prevent zones** being developed.

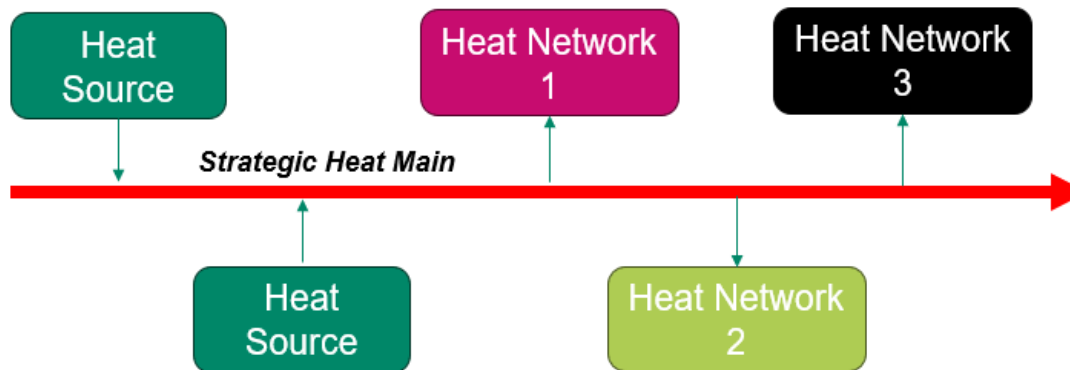
“All heat networks applying to GHNF need to ensure, and will be required to make a commitment to the effect, that they do not inhibit or prevent the development of a wider zonal scale network either technically or commercially.”

“When making investment decisions, the strategic importance and potential for expansion of heat network projects will be taken into account.”

“Projects that clearly demonstrate these attributes may be prioritised over others, even if they achieve higher scores against the eligibility criteria.”

- **Expansion Potential Note – Now Mandatory (REF 1.22)**
- **For non LA schemes – Letter of awareness and support from the LA (Annex 4)**

*A **strategic heat main** is a high-capacity heat transmission infrastructure (typically an oversized, long-distance district heating pipeline) that carries thermal energy in bulk from one or more major supply points to multiple demand centres or local networks. They are characterised by the ability to integrate diverse heat sources (e.g. energy from waste, other industrial waste heat, large heat pumps or geothermal) and delivering heat to third-party network operators or zones.*

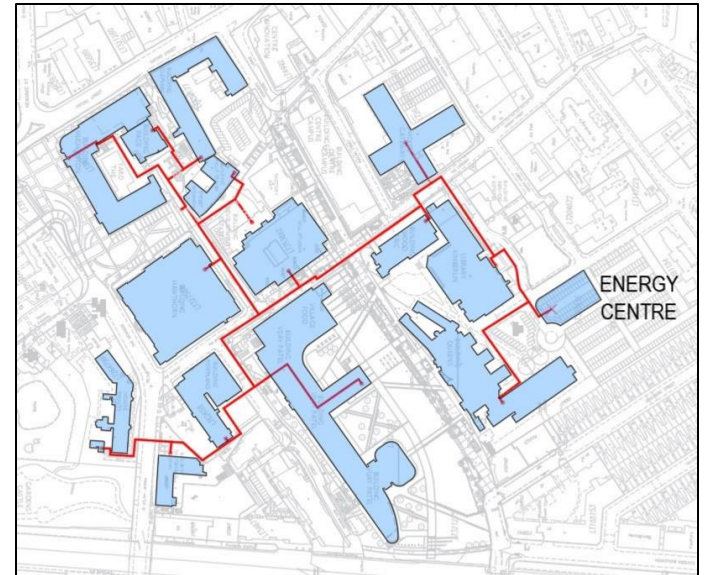


Strengthened definition of a heat network with “Campus” heat networks identified as separate from others.

Predominantly self supply with no interest in expansion off campus:

- Universities
- Hospitals
- New build developments

Don't want campus networks to carve out key customers from potential wider heat zones making delivery of wider zone unattractive.



Campus networks are not eligible for funding under GHNF Round 11.

Horizon scanning “as part of their risk assessment process and reflect this in their risk register (REF 1.16). Horizon scanning should include **proactive identification of potential threats and opportunities**, such as new heat loads, alternative heat sources, or changes in local infrastructure that could impact project delivery or enhance its strategic value”

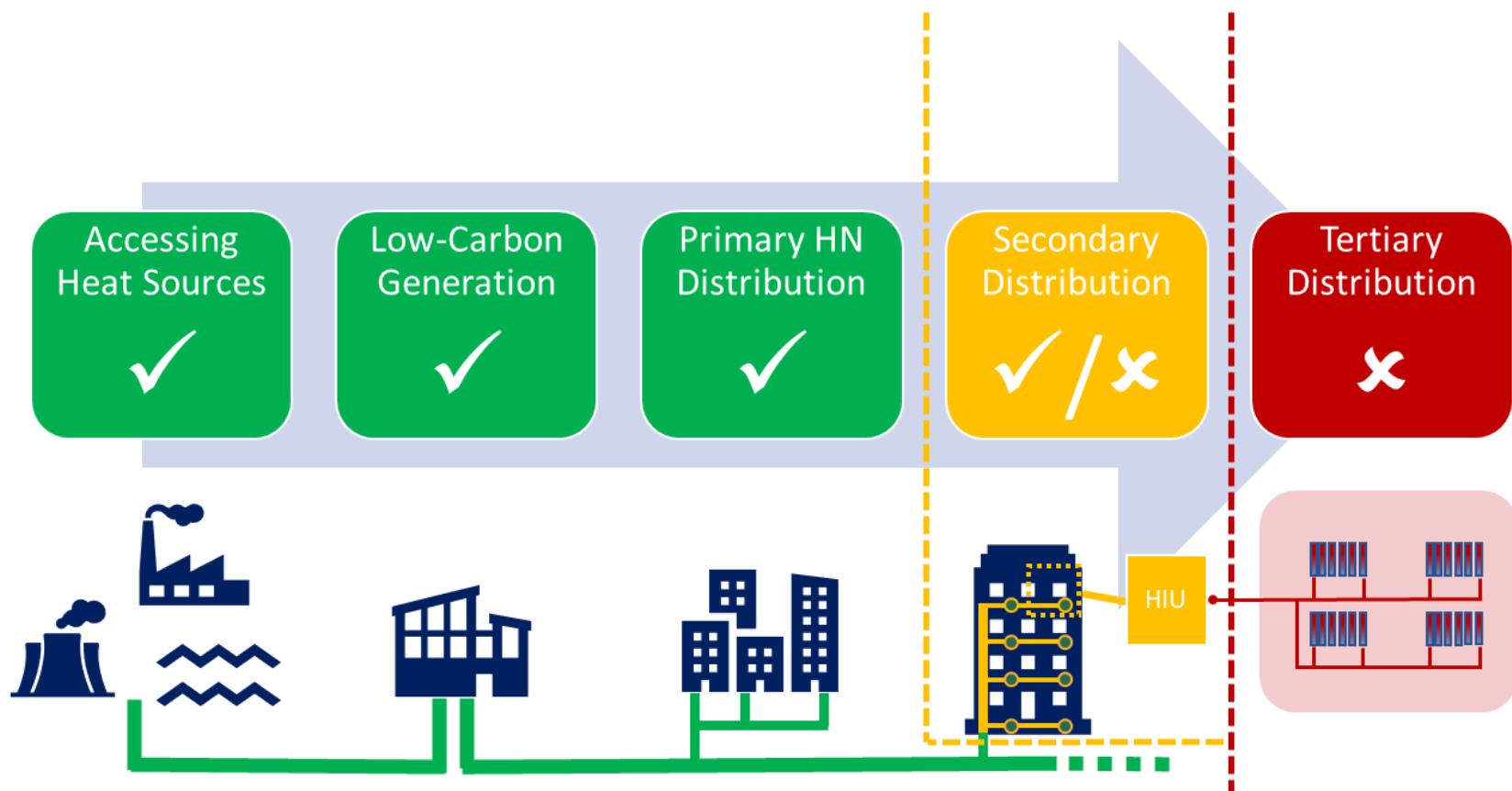
Grant Recipients will have a continuing obligation to **maintain this horizon scanning throughout the life of the project**. They must **keep their risk register updated to reflect emerging risks and opportunities** and take appropriate steps to mitigate or capitalise on these developments.

- **Value for money is a key consideration;**
→ Lower **p/kWh grant request** = stronger scoring
- **But don't underbid** to score well on this aspect alone;
→ Funding must be **sufficient to deliver the project**
- Grant request should reflect:
 - **Project risk profile**
 - **Cost structure**
 - **Route to delivery / commercialisation needs**

“Where projects need a higher award, assessors will be looking for an explanation of the award requested and any wider benefits that the project may bring”



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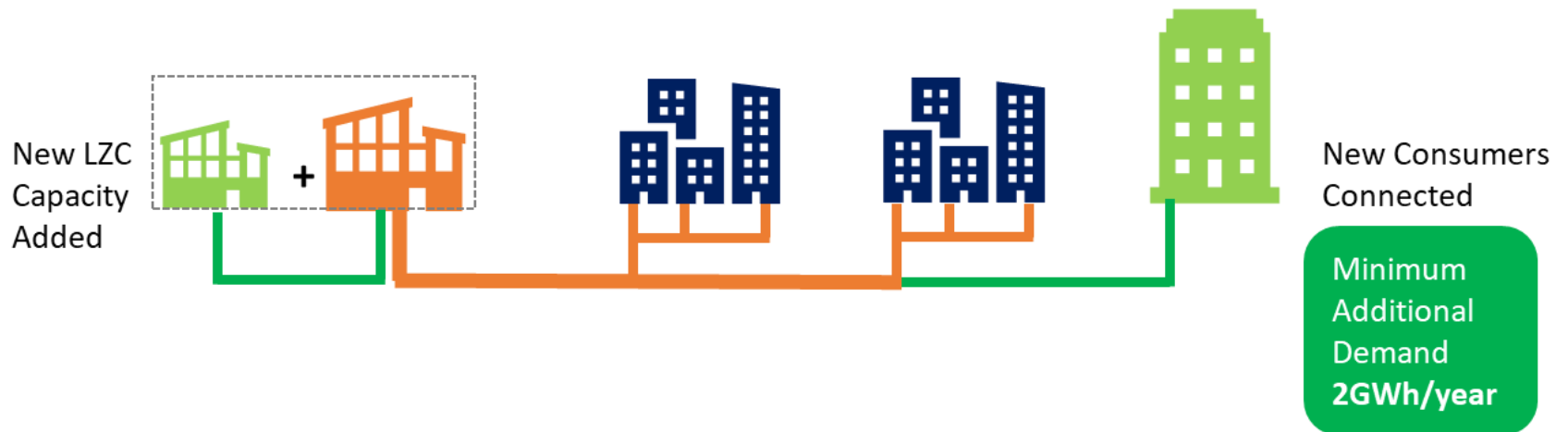
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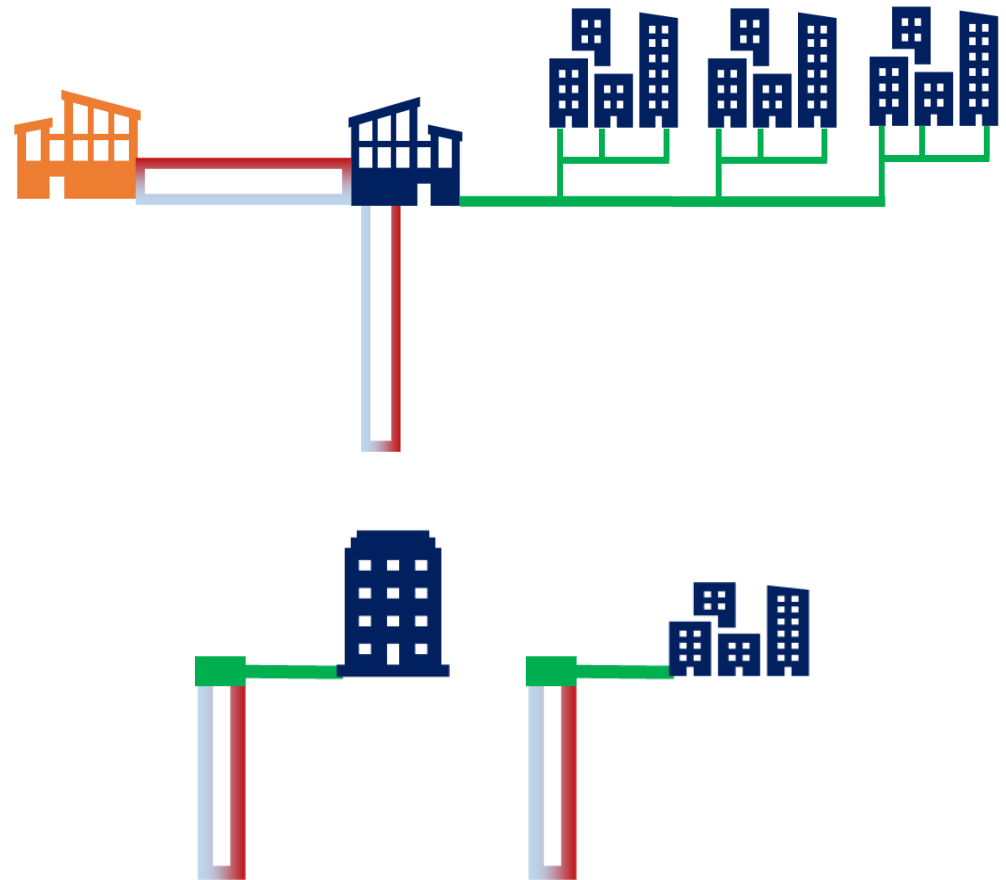
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**Sleeved LZC
Heat Network
Expansion**



- Customer cost **MUST** include electricity for customer heat pumps.
- Carbon savings must take account of electrical power for customer heat pumps.
- Contact TP Heat Networks for support with shaping your application.



New Build Residential

If not using Recovered Heat it will need to:

- Save carbon compared to a blended counterfactual.
Automatically calculated: <GHNFOutputs> line 40
- Provide an evidenced note in NEW REF 10.1 showing why the scheme is Strategic:
 - Significant further carbon savings
 - Reduce need for additional electrical infrastructure,
 - Enables decarbonisation to a significant number of existing buildings.

Existing electrical heating (e.g direct or ASHP)

- Where a **majority** of heat customers have existing heating systems that would decarbonise, scheme unlikely to be viewed as a good candidate for funding.

How likely are heat loads in application to connect?

- What level of information has been communicated?
 - Is the customer aware of the full proposed scheme and their importance within it as a heat load?
 - Is the customer aware of connection charges that might apply and are they willing to pay these?
 - Is the customer aware of heat tariffs?
- What level of support has the customer provided?
 - Letter of support – general support for the project with no commitment
 - Letter of intent – positive intention to connect subject to.....
- Do customers have budgets available for any customer side changes necessary?
- **Public Sector Customers** (Ref. 1.5)
- The existence and impact of any long-term energy (EPC or other) contract.
- What are the plans (including the timescales) for securing such funding to enable connection.
- How and when will any public procurement process be conducted.

Heat sources

- What level of information has been communicated?
 - Potential heat tariffs
 - HoTs
 - Draft contract terms
- What level of support has been provided?
 - Letter of support – general support for the project with no commitment
 - Letter of intent – positive intention to supply subject to.....

Regulatory bodies

- Are they aware of the scheme?
- At what stage are discussions?
- What limitations or charges might apply to the scheme?

Highways

- Could lane rental charges apply?
- Have any charges been allowed for in the budget?

Main application Form

- Excel form

Supporting Evidence

- Enable assessment of project deliverability
- Ridged file structure – changes made R10 onwards
- Word/excel/pdf files
- **Optional evidence**
- **Contingent evidence**

REF	Evidence always required
1.1	Completed Application form and Supplier Information form
1.2	Cover note
1.3	Business case
1.4	Programme up to the date that all customers included in the application are connected to the network
1.5	Customer and tariff note
1.6	Techno-economic feasibility study or equivalent
1.7	Techno-economic cash flow model
1.8	Signed market transformation commitment statement.
1.9	Technical drawings
1.10	Network Diagram
1.11	Customer Connections
1.12	Access to Thermal Energy
1.13	Energy Centre and Network – Land Rights, Planning and Permits
1.14	Utilities and Highways
1.15	Applicant Finance Officer or Project Sponsor Letters of Support
1.16	Risk register and mitigation approach
1.17	Counterfactual thermal energy source
1.18	Confirmation of CP1 compliance and submission of CP1 checklist
1.19	Confirmation of Heat Trust compliance or equivalent
1.20	Applicant and Project Structure and Governance
1.21	Company Accounts & Unaudited P&L and Balance Sheet
1.22	Future Expansion

Metric	Limit
Carbon gate	100gCO ₂ e/kWh thermal energy delivered (lower is better).
Customer detriment	Domestic customers and micro-businesses must not be offered a price of heat greater than a low carbon counterfactual for new buildings and a gas/oil counterfactual for existing buildings.
Social IRR	Projects must demonstrate a Social IRR of 3.5% or greater over a 40-year period Note: The Investment Committee will also consider a maximum acceptable post-GHNF Grant project IRR, this is not made public for commercial purposes.
Minimum demand	For urban networks a minimum end customer demand of 2GWh/year (including existing customers). For rural (off gas grid) networks a minimum number of 100 dwellings connected. This is to be achieved within a 5-year window from the date of first connection.
Limit on award compared to eligible costs	Combined grant requested up to but not including 50% of the estimated eligible commercialisation and construction costs of the project.
Capped award	The total award may not exceed 4.5 pence of grant per kWh delivered over the first 15 years of operation.
Non-heat/cooling cost inclusion	For projects including wider energy infrastructure in their application, the value of income generated/costs saved/wider subsidy obtained should be greater than or equal to the costs included.

Scored on Capped Award + Adjustment metrics

ADJUSTMENT METRICS

- Deliverability

- Carbon Abatement

- Volume of Thermal Energy

- Expansion Potential

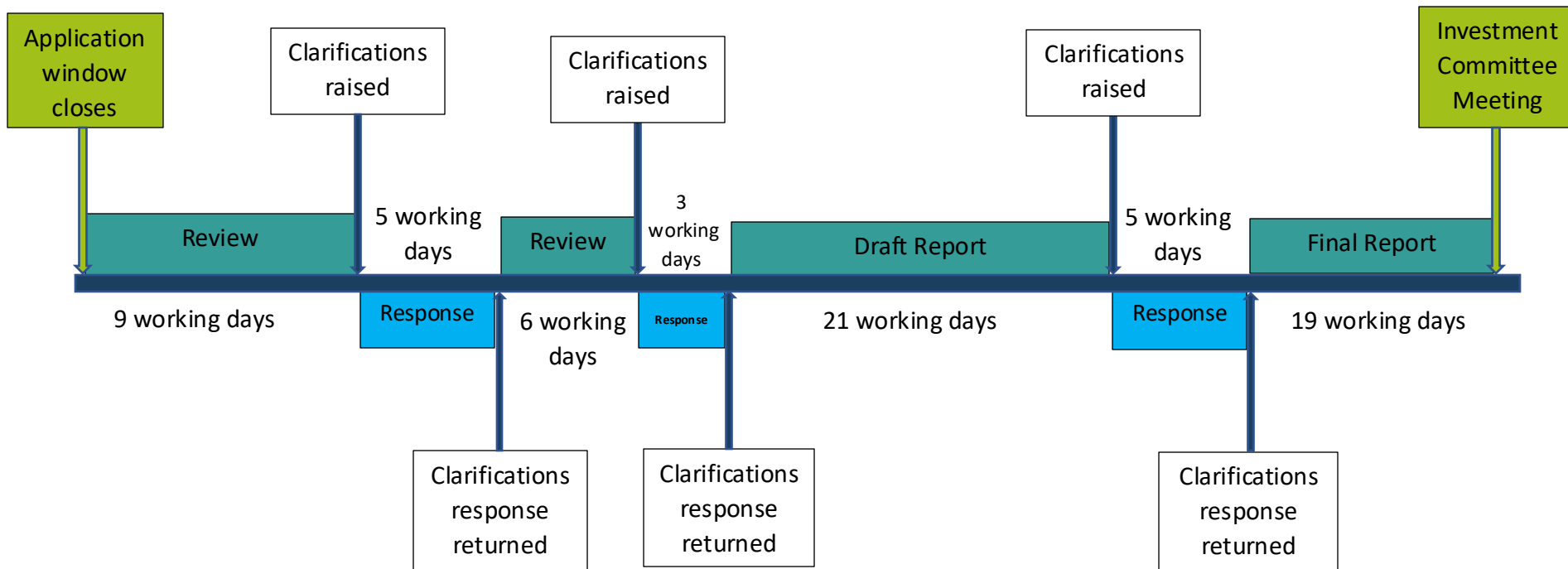
- Innovation & energy efficiency

- Scheme **MUST** be developed up to RIBA stage 2 for the energy centre / central plant and equivalent for the energy distribution networks.
 - Central plant: Plant sizes, layouts, schematics, control strategy...
 - Third party energy sources: Principles of connection (schematic)...
 - Energy network routes: Drawing, constraints, pipe diameters and lengths, flow and return temperatures...
 - Customer connections: Survey of anchor loads to prove connection possible and identify changes to customer systems, principles of connection for all (schematic).....
- Provide Unique Property Reference Number (UPRN) or Topographic Identifier (TOID) for each public building – Ref. 1.5.
- Applicants need to sign up to the National Underground Asset Register (NUAR) and to submit underground asset location information (geospatial data).

ROUND 11: Application Process

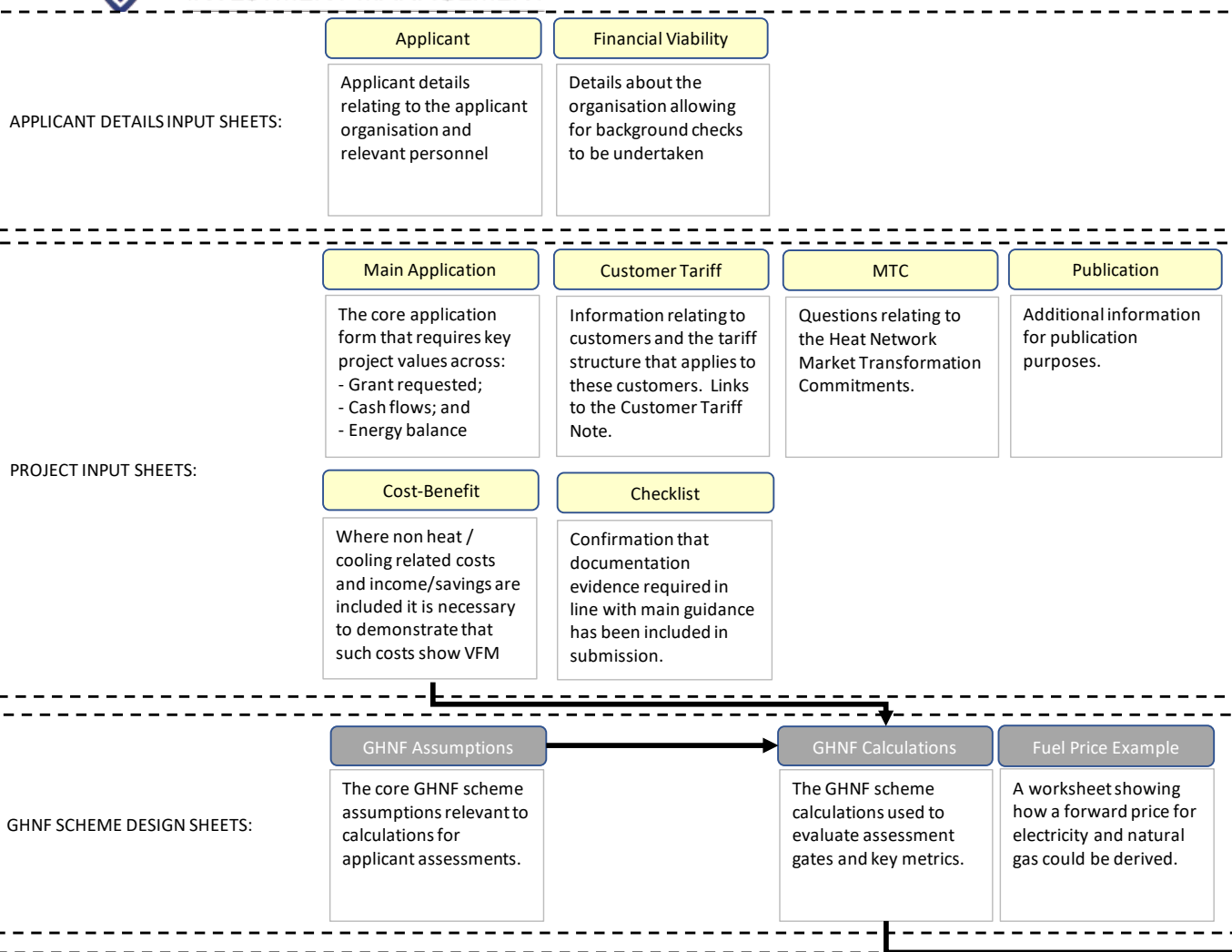


GHNH Application Rounds	Final Submission Date for Inclusion in Round
Round 11	1st May 2026
Round 12	September 2026 (provisional)

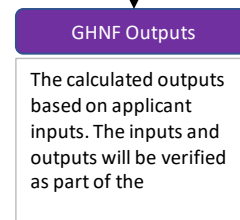


Q&A on the application process

Filling Out the Application Form



Applicants should not make an application if all the Stage 1 assessment metrics, shown in tab <GHNf Outputs>, have not been shown to pass



Applicants are asked to

- Embed the 'Main Application' Form sheet into their TEM or Financial Model
- Provide at least 40 years of operational cash flows (from first heat/cooling on)
- Be careful in relation to units - see column F in Main Application form.
- £,000 - positive values and
 - kW/kWh as a general rule.
- REAL not Nominal
- Address any error check messages – the Checklist needs to be completed
- Allow DESNZ to publish non-commercially sensitive information about your project
- Provide their hurdle rate IRR with and without NWF co-investment
- Ensure all gated metrics are passed & that Post GHNF Project IRR is not excessive
- Request a level of grant that is needed rather than the maximum that is allowed

[See Annex 1 GHNF Application Form Guidance]

Principle

It is only permissible for such non-heat / cooling costs or for separate subsidy support costs to be included in the application if the value of the additional income/savings/subsidy support is in excess of the costs to be incurred.

For GHNF, allowing such costs and income to be included, less GHNF grant will be required as the wider activity (e.g. EV charging infrastructure, PV array, monetised energy efficiency) has been shown to be NPV additive. Wider activities that are unable to show this would essentially be asking GHNF to subsidise that activity which is not the purpose of GHNF

Application Form

- For non-heat/cooling related costs or separate subsidy support – complete the ‘Cost Benefit’ tab of the application form
- Also complete the relevant lines in the ‘Main Application’ tab. There is a reconciliation

Green Heat Network Fund Application



UK Government



This application form constitutes part of the overall application documents required. These are set out in detail within the accompanying application guidance and summarised in tab <Checklist> for the user to check off as documents are prepared for submission. Accompanying guidance regarding how to complete this application form is provided in **Annex 1 to the main guidance**.

Tab <Main Application> requires the user to enter the grant requested, summary project cash flows and high level energy related data. It is essential that the applicant is able to clearly reconcile these values to the supporting techno-economic model either directly within the TEM or in an accompanying excel workbook.

Please follow the application and supporting evidence submission guidance to GHNF as set out on the .GOV website: <https://www.gov.uk/government/publications/green-heat-network-fund-ghnf>

Version 11.5



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Questions?



Visit our website and fill in the contact form to receive updates from us www.tp-heatnetworks.org



Email us with any questions or to be added to the mailing list enquiries@tp-heatnetworks.org



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- LinkedIn: [Triple Point Heat Networks Investment Management](#)
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- The [Application Guidance](#) covers the scheme eligibility and scoring criteria, funding requirements, evidence, supporting documentation required, and the application process.
- The GHNf application form may be updated for subsequent application rounds. Check you have the latest version of the form by emailing enquiries@tp-heatnetworks.org.
- A detailed explanation of the application form is provided within the Application Form Guidance, requested by emailing enquiries@tp-heatnetworks.org.