

Vattenfall's response to Matters, issues and Questions (MIQs) for the Bristol Local Plan – Matter 14: Climate Change and Flood Risk

Vattenfall is working with Bristol City Leap as the company responsible for expanding the existing heat network, connecting new developments and existing buildings to a low-carbon heating solution.

Issue 14.1: Whether policies relating to climate change and energy efficiency are justified, effective and consistent with national policy.

The Government published a Written Ministerial Statement (WMS) in December 2023 relating to energy efficiency standards. EXA002.1 sets out some proposed main modifications to Policy NZC2 which the Council consider reflect these changes.

Q14.2: Have the requirements of policies NZC1 to NZC5 been subject to robust assessment of viability?

As heat network operator for Bristol as part of the Bristol City Leap partnership, Vattenfall is committed to provide fair and transparent pricing that demonstrates value for customers and developers against an alternative low-carbon technology.

We have commissioned a study to investigate the costs of alternative low-carbon heat for 14 buildings, across different sectors, age, size, and location within Bristol City. The study is being conducted by trusted local M&E and cost consultants.

Our aim is to demonstrate the value of district heat in comparison to other alternatives when viewing the total cost of heat taking into account Capex (developers' connection charges) Opex and Repex.

This study will be concluded in March, with results available soon after. This is an important study for Bristol city, but also nationally as we are able to demonstrate the real differences in cost and value for large scale city district heating and heat network zones.

This assessment will provide robust evidence supporting the viability of policies supporting the Bristol Heat Network and will be used in conjunction with other information produced nationally to set prices going forward. This will ensure that being supplied by the Bristol Heat Network is cost competitive with other sources of low carbon heat.

Q14.4: Is Policy NZC2 justified, consistent with national policy and effective?

The UK's policy direction for heat networks, as shaped by the Energy Act 2023, focuses on accelerating decarbonisation and scaling up efficient heating infrastructure. Key elements include:

- a. **Regulatory Framework:** Establishment of a formal regulatory regime overseen by Ofgem, ensuring operational standards, consumer protections, and licensing for operators. This includes mandates for transparency in pricing and service quality.
- b. **Heat Network Zoning:** Local authorities must identify and designate "heat network zones" where deployment is prioritised, particularly in dense urban areas. New developments in these zones are required to connect to heat networks.
- c. **Consumer Safeguards:** Introduction of price controls, redress mechanisms, and reliability standards to protect consumers, akin to regulations in other utility sectors. The Act underscores heat networks as critical to reducing building emissions, emphasising strategic planning, regulatory certainty, and equitable consumer outcomes to transform the UK's heating landscape.

The UK government has set ambitious targets for the deployment of heat networks as part of its strategy to decarbonize heating and achieve net-zero emissions by 2050. This includes an aim to significantly expand heat networks to supply ~20% of UK heating demand (up from ~2-3% today), focusing on urban areas and new developments.

The local plans policies supporting the expansion of the Bristol Heat Network are therefore consistent with national policy.

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