

Welsh households to save money on bills through heat networks expansion

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Households and businesses in Wales to save money on bills through expansion of low-carbon, low-cost heat networks.

- Households and businesses in Wales to save money on bills by moving to low-carbon heat networks
- Welsh billpayers to be protected from fossil fuel price rises with cleaner heating
- Hundreds of clean energy jobs set to be created across Wales, with opportunities for engineers, architects and construction workers

Households and businesses in Wales will benefit from government funding for low-cost, low carbon heat networks.

The Green Heat Network Fund (GHNF) - which already supports heat networks in England - is today (Tuesday 7 April) being expanded to fund projects in Wales, giving Welsh consumers the opportunity to access clean, homegrown energy, thereby reducing reliance on costly fossil fuels.

This follows events in the Middle East, which have served as another reminder of the importance of the government's drive for clean, homegrown power - with heat networks playing an important part in that mission.

This will see £195 million a year invested into heat network projects across England and Wales for the rest of the decade, with thousands of households benefitting from cleaner heating.

The expansion is also expected to support hundreds of clean energy jobs across Wales, with opportunities for engineers, architects and construction workers to work on the clean heating systems of the future.

The move also builds on major government investments in innovative heat network projects in England. For example, a £15 million heat network in Sunderland which will recover energy from a data centre to heat buildings across the city, creating almost 300 jobs and apprenticeships.

Minister for Energy Consumers Martin McCluskey said

We are determined to fight people's corner in this crisis, as we recognise cost-of-living concerns will be at the forefront of people's minds.

Welsh households and businesses will be able to benefit from low-cost, low-carbon heat networks, protecting them from volatile fossil fuel prices we don't control.

Secretary of State for Wales Jo Stevens said:

The expansion of UK government funding of low-cost heat networks to Wales is good

news for billpayers and is just one of a range of measures we are taking to tackle the cost of living.

We are lowering energy bills by up to £117 for households as well as reducing our reliance on imported fossil fuel to bring down bills and put more money into people's pockets.

Wales will also benefit from the new jobs that will be created in our growing green energy sector.

The Welsh Government's Cabinet Secretary for Economy, Energy and Planning, Rebecca Evans said:

As recent events have shown, it is vital that we reduce our reliance on fossil fuels and find new ways to heat our homes and buildings in a way which supports energy security and resilience.

I'm pleased that organisations in Wales will be able to access this funding to support the development of heat networks - ultimately benefiting from lower heating bills.

Heat networks are a way of heating multiple buildings from a central heating source - such as heat pumps or excess heat generated from sewage systems, factories or data centres - to provide hot water and heating to homes and other buildings through insulated pipes.

There are already more than 500,000 heat network customers across Britain.

Earlier this year, greater consumer protections were introduced to the market for the first time - bringing heat network customers across England, Scotland and Wales closer in line with people living on traditional gas and electricity connections, with Ofgem installed as regulator.

Ofgem will have powers to act if a heat network operator puts up prices unfairly, and if an operator delivers a poor level of service, with compensation awarded to customers who suffer a service outage through the Energy Ombudsman.

Aaron Gould, Interim CEO of ADE: Heat Networks said:

There is enormous potential for heat networks to grow in Wales, bringing low cost, low carbon heat, and jobs. Excellent work has been done by the Welsh Government to map priority areas, and align network plans with local ambitions. The government and sector in Wales is ready for massive growth, and extending GHNF to support these communities is a key step to a cleaner future.

Notes to editors

The extension of the GHNF brings it into line with the Heat Network Efficiency Scheme, which provides funding to improve existing heat networks and is already available to Welsh applicants.

<https://www.gov.uk/government/news/welsh-households-to-save-money-on-bills-through-heat-networ>

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