



Rialtas na hÉireann  
Government of Ireland

# District Heating Steering Group

## Terms of Reference

2022

Prepared by the Heat Policy Division, Department of Environment, Climate  
and Communications

# Table of Contents

Table of Contents.....	i
1 General.....	2
2 Role of Steering Group .....	2
3 Targets .....	2
4 Working Groups .....	3
4.1 Economic & Consumer Protection Regulation.....	3
4.2 Finance.....	3
4.3 Planning.....	3
4.4 Research .....	4
4.5 Energy Performance of Buildings.....	4
5 Working Group Plans of Work.....	4
6 Working Arrangements .....	4
7 Key Outcomes .....	4
8 Issue Register.....	5
9 Report to Government.....	5

# 1 General

Article 14 of the Energy Efficiency Directive 2012/27/EU requires that Member States take adequate measures for efficient district heating and cooling infrastructure to be developed. The Climate Action Plan (CAP) contains focused actions that build upon the Programme for Government commitments relating to district heating. CAP 2021 provides the basis for the establishment of this Group.

The National Comprehensive Assessment of the Potential for Efficient Heating and Cooling in Ireland provides an overview of supply of heating and cooling and of useful energy demand and final energy consumption for heating and cooling for all sectors in Ireland and has revealed greater potential for the use of district heating than was heretofore believed to exist in Ireland.

Alongside the Comprehensive Assessment, the SEAI conducted a National Heat Study. The Heat Study produced a number of reports detailing options for decarbonising the heating and cooling sectors in Ireland to 2050. District heating is critical to each of the decarbonisation scenarios outlined and the study will be central to informing the work of this Group.

## 2 Role of Steering Group

This Steering Group, to be chaired at Assistant Secretary level by the Department of Environment, Climate and Communications, will research, consider and recommend a system of governance for the development of district heating policy, and will report to Government in early Q4 2022 (Oct).

The Group will draw on, and carry out, research, using the findings of the National Heat Study in particular, to inform its recommendations to Government.

The Steering Group will also draw upon the findings of the Working Groups established to examine key factors in the development of district heating policy.

## 3 Targets

The Steering Group will have oversight of the Working Group Plans of Work and will approve targets for district heating-enabling tasks to 2024. In particular, the Steering Group should take decisions on the initiation of pilot schemes within this period, which should achieve production of specified levels of heating that are both realistic and ambitious. The Steering Group will also set targets for district heating to 2030.

## **4 Working Groups**

At the Group's inaugural meeting, the Steering Group shall agree its approach to planning its work programme for the year, which should culminate in the delivery of a focused Annual Report for Government in October (in advance of Climate Action Plan 2022) to inform on the key issues in relation to district heating development, summary of work undertaken by the Steering Group, and the submission of evidence-based recommendations to the Department as to appropriate targets for district heating.

Five key areas of work have been identified as follows:

### **4.1 Economic & Consumer Protection Regulation**

The District Heating Steering Group shall make recommendations in relation to the economic and consumer protection regulatory needs of the Irish market, including the rights of consumers, metering and the rules for retailing and tariff setting for district heating systems. It will also advise on legislative changes which may be necessary to support the development of an economic & customer protection regulatory regime.

### **4.2 Finance**

The Steering Group will examine the options for district heating financing, including consideration of the policy and regulation requirements that might be used for attracting public and/or private sector investment for district heating and make recommendations regarding same.

It will look at options for incentivising district heating, having regard to the Energy Efficiency First approach.

### **4.3 Planning**

Based on a review of the most recent and available data and evidence, the Steering Group will consider how the planning system can further support district heating through policy and legislation. This shall encompass identifying specific issues that have been encountered and are required to be addressed and, where appropriate, to take into account the outcomes and recommendations of the other 3 key areas of work.

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## 4.4 Research

Oversight role of demonstrator pilots' schemes – working with WG's to determine evaluation criteria and measurement instruments to ultimately inform on an 'efficient district heating system'

Working closely with the WG chairs for two-way information flow, inputting national Heat Study, and taking any arising immediate term research items.

Training and skills

- Communications, marketing, and consumer perceptions of district heating

## 4.5 Energy Performance of Buildings

The Buildings Working Group, chaired by DECC and comprised of DECC, HLGH, and SEAI, shall continue to cooperate in the areas of ensuring that district heating can be accommodated by buildings performance requirements, calculation methodologies and retrofit schemes, and shall report on progress to the Working Group.

## 5 Working Group Plans of Work

Working Groups 1 to 4 will set out a detailed plan of work focused on key milestones to 2024, having regard to the Report for Government required by Q3 2022.

## 6 Working Arrangements

The Steering Group will meet monthly, and members are requested to attend all group meetings.

The Chair may seek to convene more regular meetings of the group on particular aspects of the work of the Group.

## 7 Key Outcomes

Table 1:

Outcome	Timeframe	Key Action
Agree Primary Energy Factor (PEF) for District Heating Systems and verification of system for PEF	Q1 2022	SG to consider discussion paper and make recommendation
Designation of a Regulator for district heating networks	Q2 2022	Report from Regulation WG for discussion at SG

Determine appropriate model for the development and ownership of district heating	Q3 2022	Reports of Planning and Regulations WG and Regulation WG for discussion at SG
Identify the appropriate financing mechanism to support the delivery of district heating projects	Q3 2022	Report from Finance Working Group for discussion at SG
Report to Government	Q3 2022	

## 8 Issue Register

The Steering Group will refer any issues that may delay the achievement of its targets for further discussion among relevant members, or for bilateral discussion, as appropriate. Any such issues will be subject to timelines for resolution, for which the Steering Group is responsible.

## 9 Report to Government

The Report to Government shall be delivered not later than September 2022. The Report should outline the work achieved by the Steering Group, culminating in the setting of targets for district heating to 2030. The Report should outline a pathway and measures to be taken to achieve those targets. It should detail measures to be taken through the 2022 Climate Action Plan, in order to realise projects to 2024.