



Policy Objectives



- EBRD works with policy makers and utility operators in the district heating sector
- Encourage policy reforms to increase the sector's sustainability and financial viability
- Greater consumer control with consumption based billing can empower consumers
- Policy paper available <u>here</u>





3 Levels of Consumption Based Billing



Technology level	Heat measurement point		Level of savings	Distribution of benefits
Building-level measurement	Meter at IHS	Measures heat supplied to the building	Potential to save at building level	Benefits of savings at the building level are distributed equally to apartments according to floor space
Apartment-level measurement through allocation	Meter at IHS	Measures heat supplied to the building	Potential to save at apartment level	Part of the benefits from the heat saved in the apartment is reflected in the apartment bill
	HCAs on the radiators	Allocation of consumed heat between the apartments		HCAs are less exact than heat meters but result in the same amount of savings
Apartment-level measurement through meters	Meter at IHS	Measures heat supplied to the building	Potential to save at apartment level	Nearly all the benefits from the heat saved in the apartment are reflected in the bill
	Meters for each apartment	Measures heat supplied to the apartment		

Roadmap



- Shift from supply-driven to a demand-driven system
- "Full CBB" covers metering of heat at an individual consumer level and those consumers must be able to control their own consumption
- An IHS, central heat meter and radiator devices such as thermostatic valves and HCAs are one functional unit
- CBB can drive a more efficient heat supply and a new view on the DH business



Benefits and Consequences



A wide range of benefits and important consequences

- For heat customers: Ability to save/optimise energy consumption and investments, enables smart solutions in the future – makes DE more attractive compared to alternatives.
- For the environment: Local and Global
- For the company: Better information, potential tariff increases and autonomy, potential new business lines
- For cities and residents: Less subsidies and budget transfer, less involvement and control, better air quality



Accelerate the Roll Out



Challenges





Changing mind-set, increased transparency



- Change of culture / governance
- Private sector participation
- Demonstration by example



Laziness, trust, fairness



- Information and inspiration through examples
- Compensation schemes



Loyal to company, maintain control



- Conviction by examples
- Understanding the necessity – e.g. Paris alignment



Questions



For all further enquiries, please contact:

Kjetil Tvedt

Infrastructure Economist

Tel: +44 20 7338 7630

Email: <u>Tvedtk@ebrd.com</u>

Greg Gebrail

Sector Specialist – District Energy

Tel: +44 20 7338 7480

Email: gebrailg@ebrd.com

EBRD

One Exchange Square London, EC2A 2JN, UK,

www.ebrd.com

