



Manchester City Council
Manchester
Energy Network
Case Study

Project Dates:
Apr 22 - Present

Ener-Vate Product:
CONNECT

Client Type:
Public Sector

Case Study Type:
Business Development / Stakeholder Engagement / Heat Mapping /
Commercial Modelling

The Project

The Manchester Energy Network (MEN) has been developed by Manchester City Council (MCC), in partnership with Vital Energi to provide low carbon heat and power to buildings within the Civic Quarter. Located next to Manchester Central Convention Centre, the energy centre houses a 3.3MW gas-fired CHP unit providing the capacity to generate 3.3MW of electrical power and 3.2MW of heat, and 2x12MW gas-fired boilers for resilience and peak-opping. The main phase of the network was completed in early 2020 and consists of 2km installed pipework supplying heat and power to Manchester Central, Bridgewater Hall, and Town Hall Extension & Central Library, heat to Manchester Art Gallery and power to Heron House. Our primary role is to facilitate and progress any new enquiries from developers in the city centre and be the primary point of contact for developers between MCC and Vital Energi.

Following our success of the Leeds PIPES project, Ener-Vate were appointed in April 2022 as the partner to support MEN in developing the sales strategy of the network, and engaging with wider stakeholders and potential customers in the Civic Quarter and the city of Manchester. Our initial remit was to undertake a review of the existing collateral, business plan, and commercial strategy and to propose a new methodology to attract new connections to the network. This included reviewing the existing RFI document, and amending to suit the requirements of the network, and a comprehensive review of the commercial position including customer tariffs, connection charge methodology, and indexation of charges. We also suggested and implemented a change of the name of the network from Civic Quarter Heat Network to Manchester Energy Network, to reflect the network is able to offer power as well as heat and also to promote the networks' ambition in decarbonising the city of Manchester.

Ener-Vate worked closely with the marketing team at MCC to develop a new brand identity and logo for the network, and the development of a website to assist in showcasing the professionalism and maturity of the network. As one of the leading commercial consultancies in the development of heat network projects in the UK, Ener-Vate also undertook a comprehensive review of the existing financial model to assess the functionality, robustness and suitability of the model for reviewing the commercial impact to MEN of any additional potential customers of heat/power. Ener-Vate supported MEN and Vital Energi in drafting several 'collateral' documents required to facilitate new enquiries in the most time efficient and effective manner. This included a project specific Request for Information (RFI) document, introductory presentation, counterfactual/benchmark tool and connection proposal, designed and written in accordance with the brand identity of the network and the MEN business plan.



Ener-Vate undertook a 'soft-market test' and engaged with numerous businesses and developments in close proximity to the network to understand and assess the marketability of the MEN proposition. To date, Ener-Vate has identified c. 60 potential additional customers of heat and/or power, reviewing and prioritising our efforts based on proximity to the network and peak/annual demand. Based on the feedback from meetings, calls and discussions with potential heat/power offtakers, and considering the technical solution in place at MEN, Ener-Vate recommended and implemented a revised customer acquisition strategy in order to address the dynamic market requirements, and we continue to support MEN in the development and expansion of the network.

Manchester Energy Network has really benefitted from the insight and expertise of Ener-Vate to assist shape the refreshed strategic vision for the company, which is wholly owned by Manchester City Council. Through the commercial modelling work produced, this has informed a robust and assured approach to decision making around securing new offtakers for the business. The added value which Ener-Vate has brought to the company has been clearly demonstrated and recognised by the Board of Directors and Shareholders.

Sarah Narici
Head of Commercial Governance

Our Role

The main task undertaken in this project were:

- Reviewed and revised the existing business plan, commercial strategy, customer tariffs, and connection charge methodology.
- Conducted a comprehensive review of the existing financial model to ensure its robustness and suitability.
- Drafted various collateral documents, such as the RFI document, introductory presentation, benchmark tool, and connection proposals.
- Facilitated and progressed new enquiries from developers in the city centre.
- Established weekly progress meetings to review potential connections and delegate actions.
- Maintained a Stakeholder Tracker to log correspondence and assign actions.
- Conducted a 'soft-market test' to assess the marketability of the MEN proposition.
- Identified approximately 60 potential additional customers, prioritizing efforts based on proximity and demand.
- Recommended and implemented a revised customer acquisition strategy.