



Veolia
**Sheffield
City Centre
District Heating**

Case Study

The Project

Sheffield boasts one of the oldest District Heating Networks in the UK and has been established for over 25 years. The original joint venture between Sheffield City Council and Sheffield Heat and Power Ltd (the private sector) was established in 1987. The aim was to provide a wide range of customers with reliable and cost-effective energy from a low carbon energy source that is generated locally.

The main energy source of the scheme is the incinerator which burns the city's refuse, situated at Bernard Road. The incinerator burns 120,000 tonnes of municipal waste each year, producing up to 60MW of thermal energy and up to 19MW of electrical energy. The steam that is created from burning the waste is converted to high temperature hot water for the community energy network, providing heat to over 2,800 homes and 150 public and private buildings via a including the Lyceum Theatre, Millennium Galleries, Crucible, Weston Park Hospital and Sheffield City Hall.



Our Role

Ener-Vate conducted a full contractual and commercial review of the existing scheme which included the following elements:

Review existing contract terms and conditions

Review pricing mechanisms, indices and options with market experience that can be sold

Review the Veolia cost model for deriving capex and tariffs – and provide experience through comparators

Shadow visits for client meetings on current pipeline

Review the sales process – how engage customers and the expectations from both sides, including:

- How long does / should it take to progress a connection
- How cost is accrued and how this can be recovered
- Efficient client meetings with minimal cost exposure from technical team

End Result

A full report issued to Veolia, summarising our findings on the above activities including the following:

- Identification of new connections for both new-build and retrofit.
- Instigation of a pro-active approach to concentrate on areas of the system which has sufficient capacity.
- Development of a database of existing buildings with their current infrastructure age and potential engagement date, business plan and capital budgeting

As a result of the report and findings, Ener-Vate were retained as consultants on the scheme to provide business development support, in the expansion of the network to new connections across the City.