



Ener-Vate

The Peel Group

Mersey Heat ESCo

Case Study

Ener-Vate Product:

Consultancy

Client Type:

Land Owner

Case Study Type:

Business Development / Stakeholder Engagement / Commercial Modelling

The Project

Mersey Heat is a dedicated Energy Supply Company (ESCo) set up by The Peel Group to deliver a heat network to provide heating and hot water to the Peel Water's development 'Liverpool Waters' and other existing or planned buildings in the surrounding area.

Liverpool Waters includes the regeneration of 60 acres of historic dockland to create a market leading, high quality, mixed use waterfront in central Liverpool and offers opportunities for new national and international business growth, retail and commercial opportunities and the development of up to 10,000 new homes.

Our Role

Ener-Vate was initially engaged to assess the potential opportunity for the delivery of Heat Networks across Peel Water's portfolio of waterside developments across the UK. Developments as large as this have an inherent value to the main developer, Ener-Vate worked closely with the client to evaluate the best method of delivery to suit the developer and most importantly the customers of the scheme.

Once a strategy was agreed and value assessed, Ener-Vate engaged with the market for the provision of Design & build and Operation and Maintenance (DBOM) services to Mersey Heat.

Using our deep knowledge and understanding of the ESCo market we worked closely with Peel to;

- Analyse the masterplan and buildout schedule in order to develop an optimal low carbon scheme
- Investigate the low carbon options available in the vicinity of the project
- Develop a low carbon scheme utilising heat pumps balancing capital and end user costs
- Build a commercial model to identify development capital costs and compare these to traditional alternatives, this model was then used in board and investor discussions.
- Develop marketing and communication packs for heat customers and key stakeholders showcasing the benefits of their low carbon development site



- Working with the Peel team to identify external investment opportunities to alleviate the full cost burden from the landowner
- Support with a number of funding applications which have been used to support the delivery of the scheme. ie HNIP / GHNF – successfully securing over £8million towards the development.
- Procurement of a design and Build and Operation / Maintenance provider and on going management of this contract
- Support legal team on structure documents / development of DBOM contract and customer agreements
- Support with any stakeholder engagement to include Local Authority and other government departments
- Project management of the low carbon scheme and ongoing management of the asset to ensure it is maximised to its full capacity
- Management of all planning applications associated with the project alongside the SBOM contractor
- Co-ordinate and manage all construction activities including all landlord liaison, tenant engagement, permitting and contractor arrangements
- Ensure all client responsibilities under CDM are completed.

Outcome

The scheme is now in construction with over 2km of pipework installed and the permanent Energy Centre due to be live serving low carbon heating and hot water from Q4 2024.

Ener-Vate's on-going appointment with Peel is to manage the ESCo and delivery of the required customer connections. Part of our appointment is also to develop the low carbon strategy for Mersey Heat as Masterplans for larger schemes need to react to market conditions and therefore the ESCo needs to adapt to meet the updated position.

We also continue to develop the financial modelling with the client to mitigate risks and ensure good service and competitive cost to customers.