



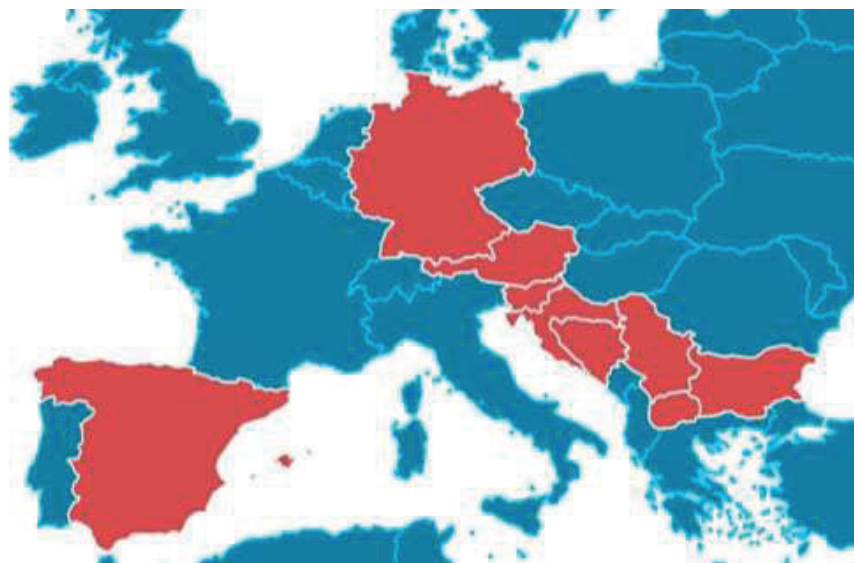
RESIDENTIAL HEAT DECARBONISATION SOLUTIONS

INTRODUCTION

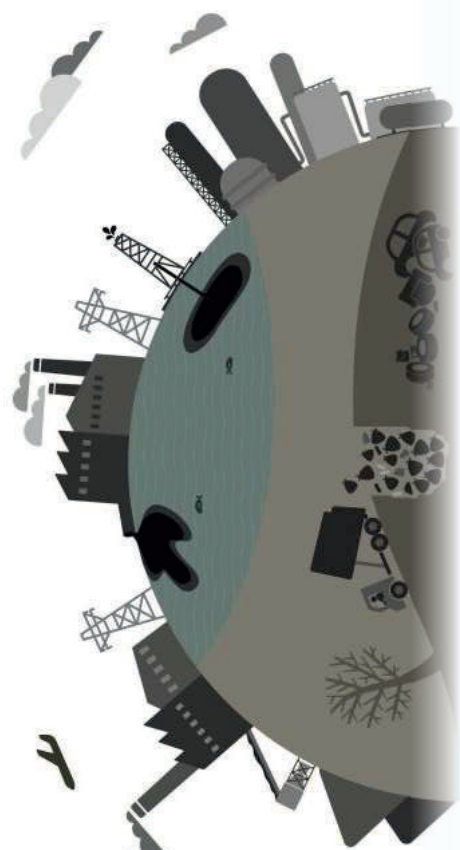
TO THE REPLACE PROJECT

INTRODUCTION TO THE REPLACE PROJECT

**Making heating and cooling for European consumers
efficient, economically resilient, clean and climate-friendly**



INTRODUCTION TO THE REPLACE PROJECT



Half of Europe's energy consumption is used for heating or cooling

Two thirds of the heating systems installed in Europe (80 million units) are inefficient

<https://thermohouse.ie/blog/renewable-energy-vs-non-renewable-energy/>

INTRODUCTION TO THE REPLACE PROJECT



- **understand the heat markets** as well as the mind-sets and needs of end consumers, intermediaries (like installers, chimney sweepers, energy advisers) and investors,
- **identify and reduce market barriers** and to foster an enabling environment as well as better and trustworthy services,
- **improve framework conditions**, planning and investment security,
- **better inform all stakeholders** of the benefits of a heating or cooling system replacement, according to their information needs and preferred formats,
- enable **consumers to take informed decisions**, encouraging sustainable energy behaviour,
- **strengthen the trust of end consumers** in intermediaries and in the reliability of renewable HC systems and related (service) suppliers,
- **transfer know-how** from more advanced to less advanced countries in this field, e.g. by training of installers in South-Eastern European countries,
- **create and implement** locally adapted, tailor-made **replacements campaigns** addressing and overcoming replacement barriers in ten European pilot regions, while also testing, steering and improving them on-site, and
- to make the **project's** findings available **for replication** in other countries and regions.





HORIZON 2020



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This project has received funding from the *European Union's Horizon 2020 research and innovation programme* under grant agreement No. 847087

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RESIDENTIAL HEAT DECARBONISATION SOLUTIONS

**WHY RENEWABLE HEATING & COOLING
FOR INTERMEDIARIES AND INVESTORS**

INTERMEDIARIES AND INVESTORS

The direct involvement and commitment of **intermediaries** and **investors** in replacing old and inefficient *heating and cooling systems* with *renewable and environmentally friendly ones* is **key to achieve large scale replacement**



INTERMEDIARIES



In this context, by the word **intermediaries** is meant all those key persons who, in the supply chain of heating technologies, are placed between the system manufacturer and the end-user. The category of intermediaries includes therefore professionals ranging from **installers, plumbers, and chimney sweepers, to architects, building developers, energy agencies, engineering consultants and energy advisors.**

But as **consumers' decisions** are usually made based on recommendations of intermediaries such as installers, chimneysweepers, and architects, concerns from these categories of professionals must be considered and dealt with. Intermediaries must get the necessary support to be motivated enough to promote renewable solutions instead of fossil fuel-based systems.

The **market uptake of renewable heating and cooling** appliances also means that new skills will be required from energy planners, heating system providers, and installers as emerging automation, IT solutions, and services become prevalent in the H&C sector. A mix of interdisciplinary skills, including control engineering, energy engineering, and computer science will be essential. A new position of energy manager will emerge in cities, whose role will be central to drive the renewable heating and cooling transition.



INVESTORS



Investors is not only meant in its most common sense of financing institutions, but also refers to **public bodies, local energy planning authorities, energy agencies, Energy Service Companies (ESCOs), building developers, energy suppliers, district heating operators and energy cooperatives**. And last but not least, it also refers to building owners and homeowners, who decide to invest in a renewable heating system for their house.

For a successful transition of the heating and cooling sector, **public authorities** should take over the pioneering role of first movers by considerably investing in public buildings and H&C network renovations. At the same time, **investments from the public sector** will play an equally important role.

One of the biggest challenges in this sense will be to engage businesses that are not energy related. In fact, for most of such businesses, taking concrete measures and securing investments to switch to renewables is a low priority. To enable a **behavioural change** in this context, the benefits of a clean energy transition (other than cost savings and contribution to climate protection) must be highlighted (e.g. increase in productivity, better working conditions, improved corporate image, and of course long-term financial returns). These are direct benefits, unlike the indirect benefit of contributing to the overall sustainability goals, which often is not the primary goal, metric, or business driver in for-profit organisations.



WHY SHOULD INTERMEDIARIES PROMOTE RENEWABLE HEATING & COOLING?

Renewable heating and cooling systems benefit not only those who buy them (and those around them), but also those who sell them and promote them!

Renewable and efficient heating is a win-win option for the whole society



Environmental benefits

- save energy
- reducing the carbon emissions improving air quality
- cutting down households' energy bills
- free and infinite energy sources



Economic benefits

- decrease dependency on the rising costs of energy
- often incentivized by specific support schemes
- they are not affected by legislations being prepared by some European countries
- they increase the value of a property
- benefit the local economy



Social benefits

- empower energy consumers to produce their own sustainable heat from renewable energy sources
- actively contributing to the challenge of decarbonising buildings and to the energy transition in Europe.

These are just some of the many reasons that will make you want to sell or promote a renewable heating or cooling system to your customers

WHY SHOULD INTERMEDIARIES PROMOTE RENEWABLE HEATING & COOLING?



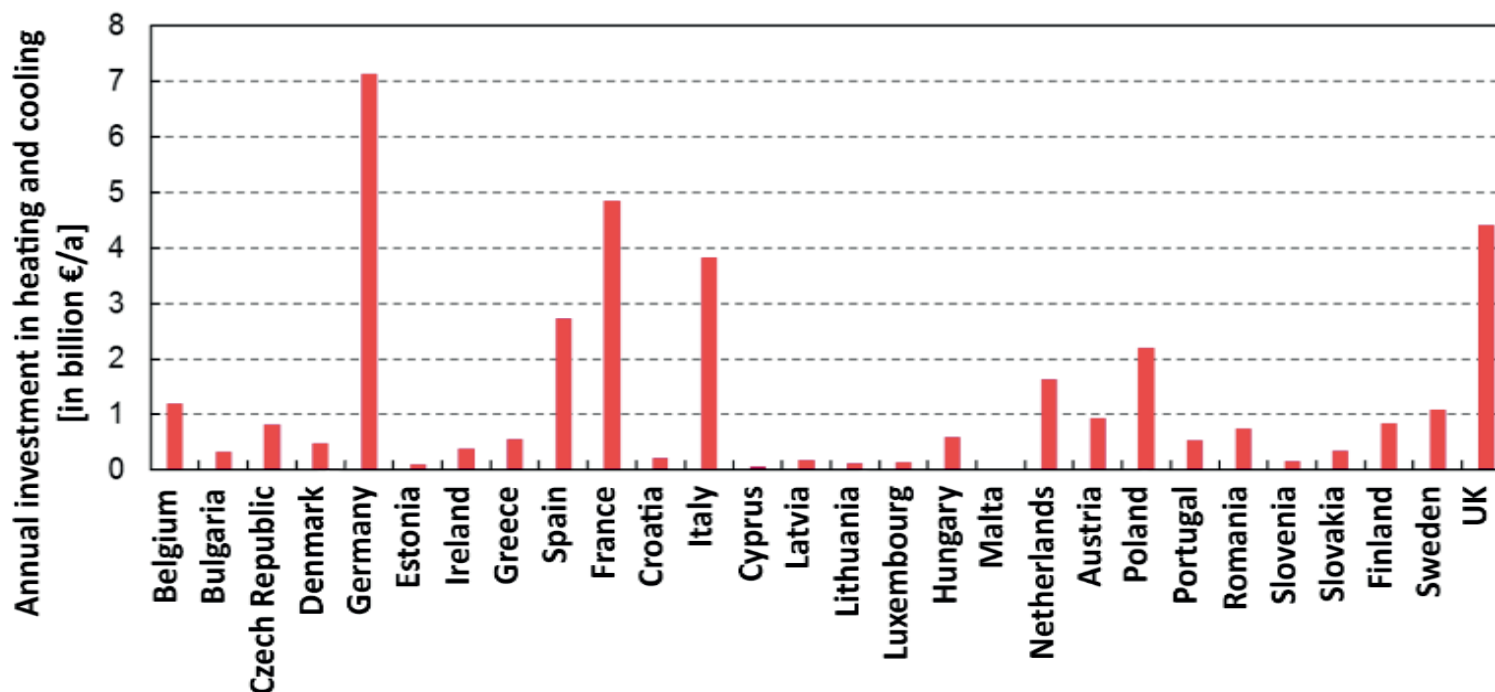
- The **competition for the installation** of a fossil fuel heating system is nowadays much higher than that for the installation of a renewable heating system
- Being a renewable energy system installer opens the doors to a **wide range of attractive job opportunities** in one of the most expanding and interesting economic sectors
- Renewable energies are in fact set to become the **mainstream source of energy** in just few decades from now
- By becoming an installer of small-scale renewable energy systems, you will enter **a market which is doomed to grow**
- Supporting small scale renewable heating systems will not only benefit your pockets, but would **boost the economy of your region** as well.
- The installation, maintenance and operation of renewable systems are important **creators of highly skilled jobs** that will make the green economy a local reality
- Renewable energy sources and services **from the region** provide therefore benefits **for the region**.



WHY SHOULD INVESTORS GO FOR RENEWABLE HEATING & COOLING?



With the **regulatory framework** becoming stabler at both European and national level, it is no doubt that the market segment of renewable energy for heating & cooling will grow at unprecedented speed in the coming years.



Extrapolation of the additional annual investment volume in the European countries in the area of generation of heating and cooling from renewable sources based on the path of expansion at the rate of 1.3%

Source: Rödl & Partner, "New EU Directive: A renewable energy (RE) investment offensive in heating/ cooling and in the generation of electricity for household self-consumption is on the horizon", 2018, (<https://www.roedl.com/insights/renewable-energy/2018-08/new-eu-directive-renewable-energy-investment-heating-cooling>)

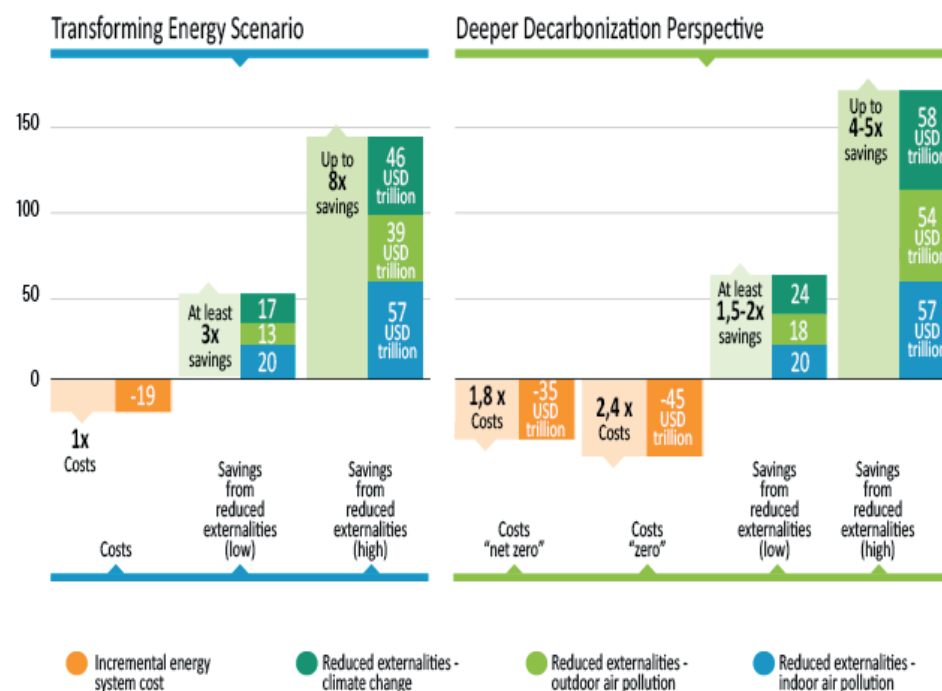


WHY SHOULD INVESTORS GO FOR RENEWABLE HEATING & COOLING?



Investing in renewable heating and cooling technologies will pay off. Good reasons to invest in renewable energy projects include the following ones:

1. Clean energy investments yield an economic **return 3 to 8 times higher** than the initial investment during the whole project lifetime



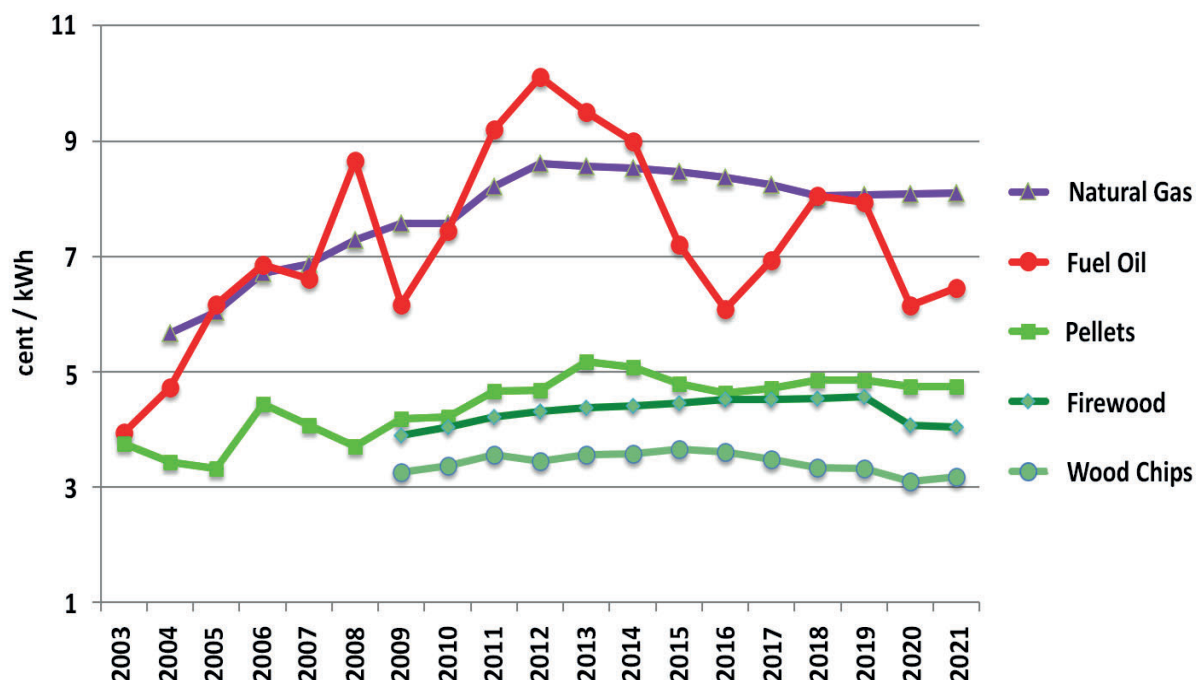
Clean energy investments - Benefits vs. Costs: Cumulative system costs and savings from reduced externalities for Transforming Energy Scenario for the period to 2050, and Deeper Decarbonization Perspective for the period to 2060 (USD trillion)

Source: World Resources Institute, 2020 (<https://www.renewableenergyworld.com/2020/05/06/3-reasons-to-invest-in-renewable-energy-now/>)

WHY SHOULD INVESTORS GO FOR RENEWABLE HEATING & COOLING?



2. The **instability of fossil fuel prices** presents a global opportunity to accelerate the shift to clean energy



Source: e-control, IWO and BMK, Landwirtschaftskammer and proPellets Austria; March 2021

Long-term comparison of costs of various fuels in Austria showing that ecological heating is economically attractive

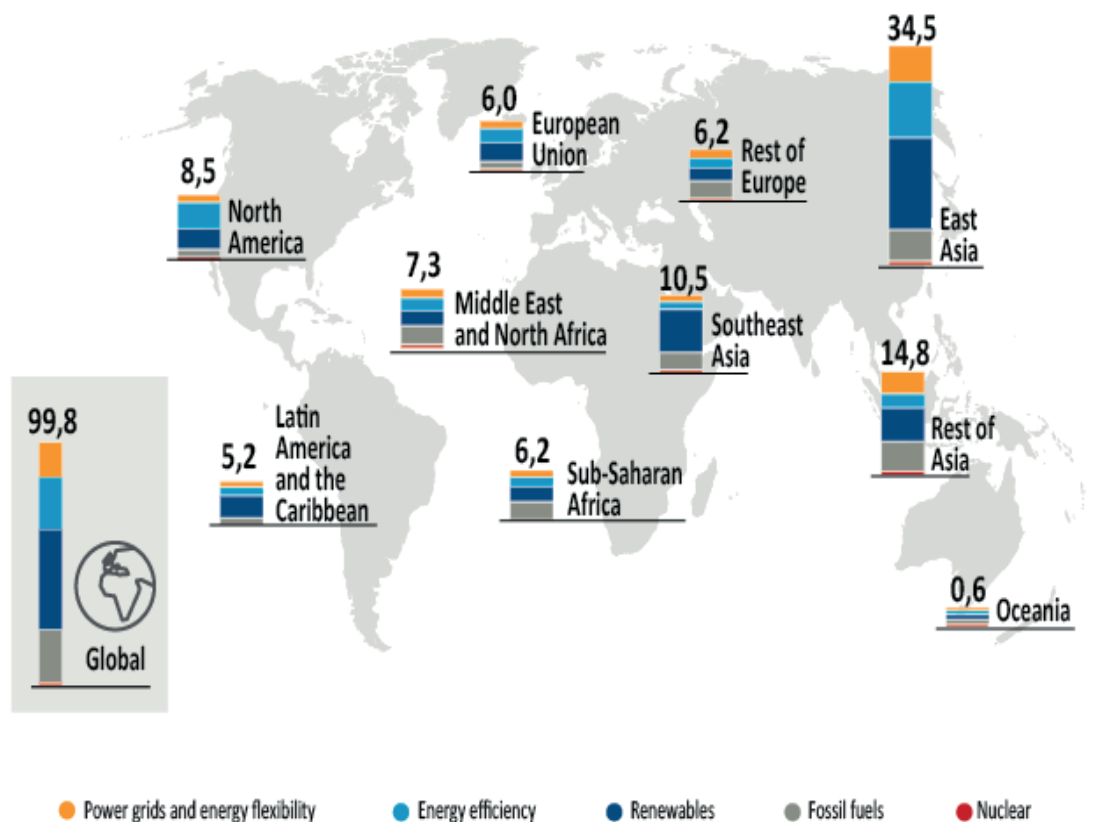
Source: proPellets Austria; <https://www.propellets.at/en/wood-pellet-prices>



WHY SHOULD INVESTORS GO FOR RENEWABLE HEATING & COOLING?



3. Ambitious investment in renewable energy and energy efficiency could lead to **63 million new jobs by 2050**



Job Impact of the Clean Energy Transition: 100 million jobs (energy sector jobs in 2050 under the Transforming Energy Scenario, by region)

Source: World Resources Institute, 2020; (<https://www.renewableenergyworld.com/2020/05/06/3-reasons-to-invest-in-renewable-energy-now/>)

WHY SHOULD INVESTORS GO FOR RENEWABLE HEATING & COOLING?



There are often fundamentally different motivations for projects on renewable heating and cooling being initiated, developed and financed by the public or by the private sector. The public sector will generally pursue lower heat prices and better socio-environmental impacts, while the private sector will primarily pursue better economy.

Especially when it comes to **investments from the public sector**, i.e. in the form of a financial incentive scheme on renewable heating and cooling, the most important justifications include those listed below:

- Positive externalities,
- Security of energy supply,
- Gaps in market development within the EU,
- Creating economies of scale,
- Support to meet the burden of upfront investment costs,
- Technological leadership of the European renewable heating industry,
- Positive signal from the public authority,
- Financial incentive schemes as a marketing tool.

It is worth mentioning that in the case of a private investment for a small-scale renewable heating system purchased by the building or home-owner, one of the economic benefits deriving from such investment, beyond the lower running costs compared to heaters running on fossil fuels and the reduction in the energy bills, is the **increase the business value of the property** where they are installed.





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RESIDENTIAL HEAT DECARBONISATION SOLUTIONS HOW TO PROMOTE AND MAKE THE MOST OUT OF RENEWABLE HEATING & COOLING

HOW CAN INTERMEDIARIES SUPPORT THE UPTAKE OF RENEWABLE HEATING & COOLING?



The realm of heating and cooling systems available on the market today is so vast that end-users are often disoriented and **prefer to rely on** the advice and expertise of professionals. As a professional intermediary you therefore have the trust of your inexperienced client and are therefore the best placed person to recommend a renewable heating or cooling system over a fossil fuel one.

This presentation will present the **different project phases** to go through when recommending and finally installing a new heating system for a customer. It will then continue with a list of common installation mistakes and failures to avoid, and it will then provide an overview of national training and certification programs for intermediaries.



<https://touchofheat.co.uk/blog/common-central-heating-problems/>

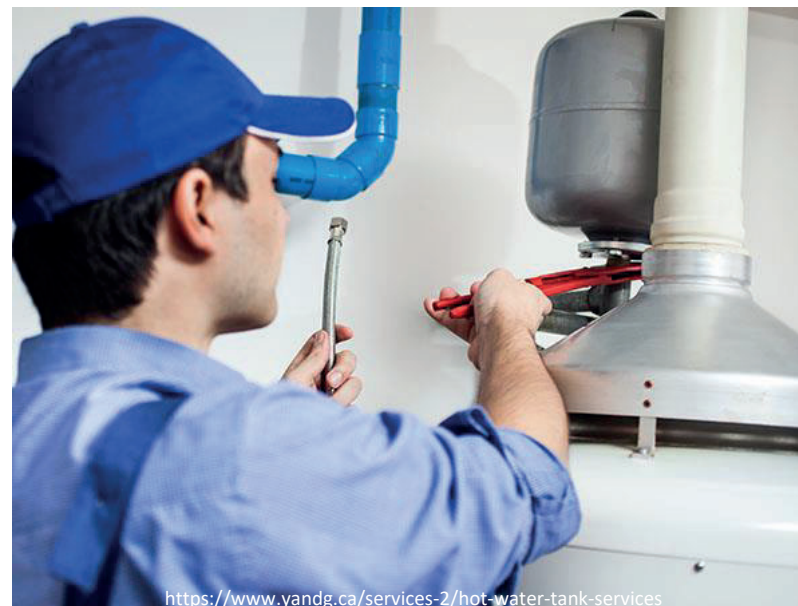
HOW CAN INTERMEDIARIES SUPPORT THE UPTAKE OF RENEWABLE HEATING & COOLING?



Replacement project phases

Normally, the process of the replacement of a domestic heating system is structured into different project phases, all equally important. All together, they make up the life cycle that most heating and cooling systems undergo. The sequence of the phases can vary depending on pre-existing conditions and several other factors (such as the type of building, size of heating system, technology chosen and customer's needs), but would follow a succession similar to the one outlined below.

1. Conception and consultation
2. Planning
3. Design
4. Decommissioning and disposal of old system
5. Realisation: installation and commissioning
6. Operation: use and maintenance



HOW CAN INTERMEDIARIES SUPPORT THE UPTAKE OF RENEWABLE HEATING & COOLING?

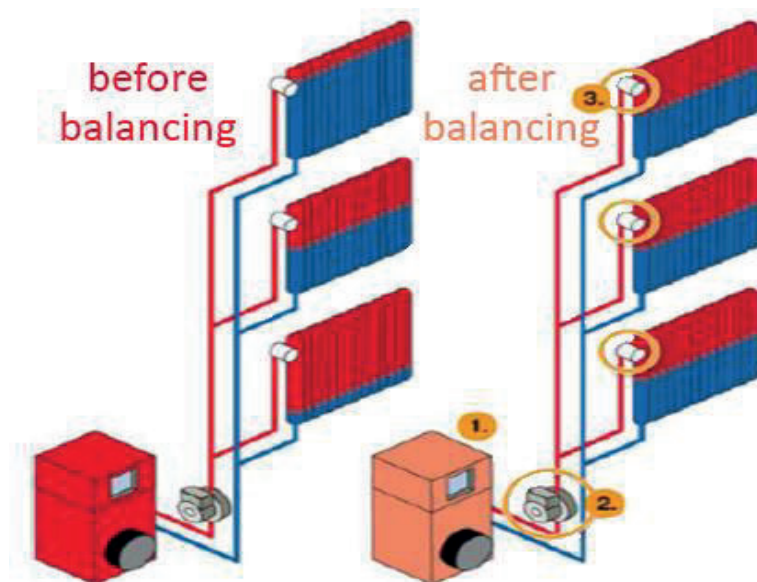


Failures to avoid

Unfortunately, *errare humanum est* and mistakes do exist. When installing a new heating or cooling system (especially if it is not a widespread technology yet), some mistakes can occur. Such mistakes might cause failures of the system, as well as decrease its efficiency and performance, thus resulting in extra costs for the customer.

The list below will **help you avoid** some of the most recurring replacement and installation **mistakes**.

1. The wrong size
2. Disregarding the quality of the heat distribution water and the importance of the hydraulic balancing
3. Poor ductwork installation
4. Insufficient drainage



The importance of the hydraulic balancing

HOW CAN INTERMEDIARIES SUPPORT THE UPTAKE OF RENEWABLE HEATING & COOLING?



5. Inadequate inspection and missed opportunities in home performance

The following checks and tests are always recommended:

- Check of the thermal insulation on pipes and fittings, buffer storage, hot water supply and circulation pipes;
- Check of the chemical properties of the heat transfer medium, and check if it necessary to add inhibitors (oxygen binding, corrosion protection) and venting the system;
- Check of the fill level of expansion vessels and if it is necessary to refill with treated heating water;
- Leak test and pressure test of the heat source and heat recovery system;
- Check of the safety devices (safety valves, automatic discharge safety devices, etc.);
- Check of the cleaning status of the heating surfaces of the fireplace and the trap.

Additional recommendations on checks to carry out include the following:

- Interview with the heating system's owner about the perceived heating temperature over the course of the year;
- Does the hydraulic balancing match with the heat distribution and dissipation system (do all rooms become warm at the same pace) or are adjustments needed?

- If the room temperature can be lowered by one degree, savings of 8% can be achieved on the heating costs per year, sustainably;
- Check of all the settings (time, temperatures, levels) on the heating system and circulation pump in order to optimize energy and adjust if necessary;
- Flow temperature shall be automatically adapted via the heating curve (i.e. relation to outside temperature);
- Charging times for hot water preparation (coordination of solar yields) set efficiently, also in connection with buffer storage;
- Pump control coupled and coordinated with boiler control, both interrelated with heating curve, setting value visible on pump;
- Control of the heating (daily, weekly and holiday program, summer / winter operation), setting of the reduced temperature;
- Input of time programs, fault messages, etc.;
- Carry out customer's training, especially if it was found that incorrect settings were made.

6. Insufficient refrigerant charge

Being a **certified and trained** professional or installer, together with smart commissioning and acceptance protocols, would definitely help avoid these common failures.



HOW CAN INTERMEDIARIES SUPPORT THE UPTAKE OF RENEWABLE HEATING & COOLING?



Offers for national training and certification programs for intermediaries

Even though the high renewable energy market growth rates experienced in recent years have resulted in an increasing demand for competent specialists able to install faultless and efficient renewable energy systems, today there is still a **very limited number of professional intermediaries** active in the renewables sector, especially compared to the number of professionals working with fossil fuel-based heating and cooling options.

Trainings for installers may be **provided by different training infrastructures** depending on the country.

It is always crucial though that the training structure, whatever it is, is **accredited**.

Sometimes, trainings for installers are offered by the **manufacturers of the systems**, some other times they are **financed** by your municipalities or by European Union funded projects, or organised universities and training facilities in region.



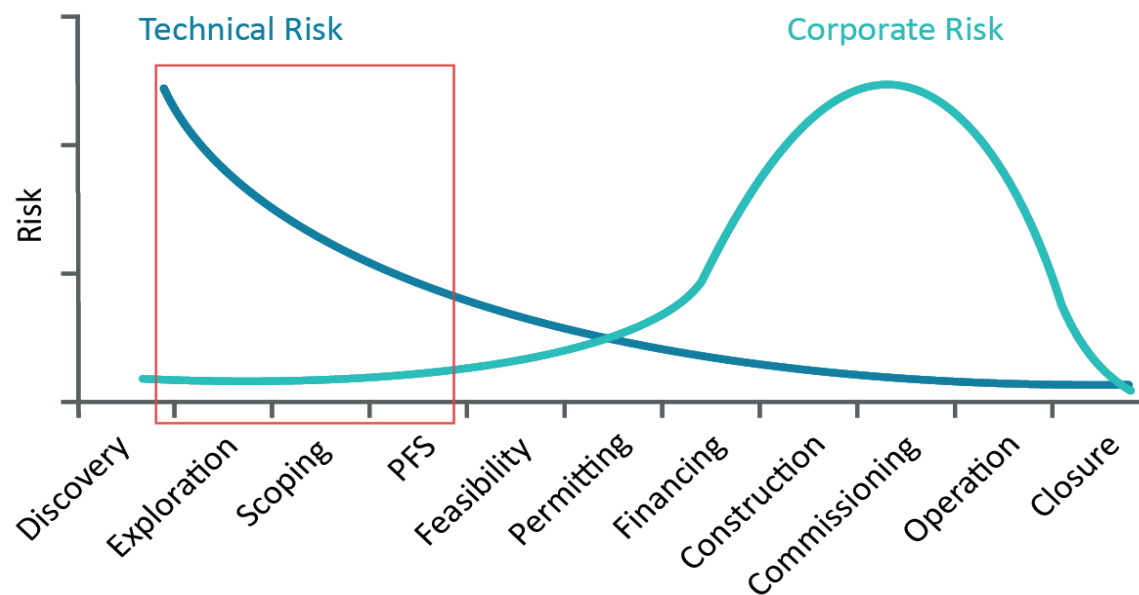
HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?



Even though over the past decade economies of scale have been reducing the high upfront costs of many renewable heating and cooling technologies and projects, initial costs are still often considered a barrier for those willing to invest on such technologies. For this reason, **reducing the risk (de-risking)** of investment in renewable heating projects is a critically important step for such technologies to thrive.

Risk comes in many forms and depending on the project phase: planning, installation and operation.

In terms of risk the most important phase is the **initial phase of developing** a heat project up to the first project development investment stage.



Adapted from: Trench & Packey (2012.)

The project development process

HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?



Generally, around 3/4 of the costs of a heat supply project arise during **planning**. Large savings are often possible through minor adjustments.

Administrative risks may occur in the planning phase by delaying the project because of lengthy bureaucracy procedures to connect to the grid or of permit problems.

Technical and management risks can happen in the installation/construction and operation phases.

Financing risks as well as sudden policy change risks can influence the project in all phases.

Smart and forward-looking public policies, as well as a stable regulatory framework and the availability of **well-trained professionals and intermediaries**, can mitigate risks, thus driving down costs and making renewable heating cheaper and more affordable and attractive to investors.



HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?

Economic and financing opportunities, best practices and innovative business models

When it comes to investments in the renewable heating and cooling sector, it is convenient to differentiate between **public and private investors**. Within the latter, an additional differentiation could be made between private investors on large-scale projects, and homeowners/investors on small-scale (i.e. residential scale for individual/multi-family use) projects.

An additional group could be included in this categorisation: **energy cooperatives**. They could be made of a mixed of private and public investors, or by purely private or purely public investors.

Because of their different size and nature, different financing opportunities will be available for the **different categories of investors**, different business models will apply, and different best practice examples could be followed.



<https://corporatefinanceinstitute.com/resources/knowledge/trading-investing/investor/>

HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?

EU financing opportunities for large-scale public and private investors



EU funding for heating and cooling projects is channelled both through (1) the five **European Structural and Investment Funds (ESIF)** – which include i.e. the famous Cohesion Fund (CF) and the European and Regional Development Fund (ERDF) – and (2) through dedicated EU grants and financial instruments. The bulk of ESIF funding is concentrated on less developed European countries and regions, whereas the other EU funding sources are typically open to applicants in all Member States.

Some of the EU funding sources are well-known and established, others are less popular. Typically, the more popular programmes also have lower winning chances. They include, just to name a few, **Horizon 2020** (to be followed by Horizon Europe as of 2021) – which includes i.e. the European Innovation Council (EIC) Accelerator for small and medium-size enterprises, the Fast Track to Innovation (FTI), etc. – the **LIFE programme**, focusing on environment and climate action, the **INTERREG: European Territorial Co-operation (ETC)**, **Connecting Europe Facility (CEF)**, and many more.

As part of the European Green Deal, the European Commission is also working on a new **EU Renewable Energy Financing Mechanism**, to apply from the start of 2021. This Mechanism will make it easier for Member States to work together to finance and deploy renewable energy projects.

Also the **NextGenerationEU**, a €750 billion temporary recovery instrument to help Europe repair the immediate economic and social damage brought about by the coronavirus pandemic, will provide new opportunities for projects and measures related to building renovation and to renewable energy systems in the residential sector.



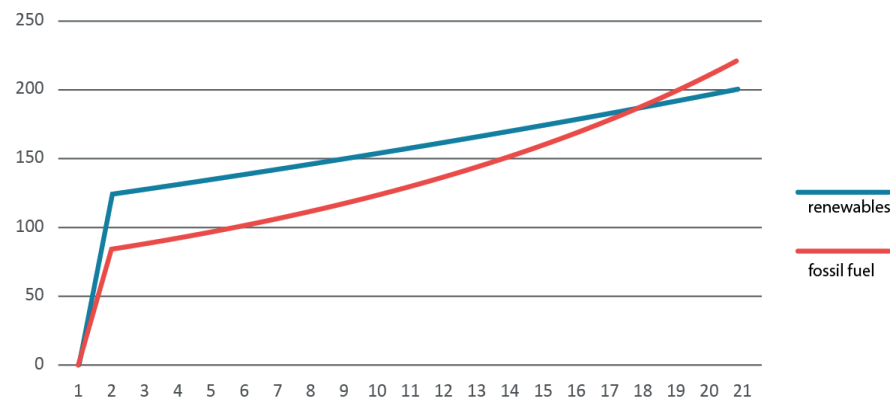
HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?

Business models and best practice examples for residential private investors



Even though a renewable heating and cooling system for residential use brings many economic benefits, the upfront investment required to buy and install the device is often considered a barrier by many homeowners and investors. Nevertheless, it is nowadays possible to finance renewable systems with a loan, with conditions to be agreed together with the financing institution (most often, a bank).

In spite of the fact that the initial cost of a renewable system is higher than the cost of a fossil fuel one, the renewable system will eventually become cheaper, once the initial investment has been paid back by the energy savings you will get on your energy bills (it is important to remember that while renewable energy is free or mostly cheaper (e.g. biomass), fossil fuel prices are unstable and uncertain). The graph provides a rough comparison between payback time of a system running on fossil fuels and of a system running on a renewable energy source.



Payback time fossil fuel vs. renewable system
Source: REPLACE project

HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?

The energy cooperative business model



Energy cooperatives are groups of citizens who cooperate in the field of (renewable) energy and actively participate in the energy transition. They implement a bottom-up and collective dynamic based on the active participation of citizens and the involvement of multiple stakeholders (municipalities, local economic players, other cooperatives, etc.). In this way, energy cooperatives propose a distinct business model (compared with conventional energy companies) that promotes citizens' involvement in the decision-making processes and leaves room for multi-stakeholder engagement and dialogue.

Another option to set up an energy cooperative is through **citizens participation**: in this business model, citizens finance i.e. the solar thermal project and get an interest rate for their investment.

One successful example of energy cooperative is BENÖ (Bioenergy Lower Austria) business model, applied in Austria, which refers to a farmers' cooperative which is specific to small scale DH, micro grids, in-house heat production and supply. The cooperation of these entities allows cost reduction via common procurement of equipment, exchange of experience, etc. Similarly, the concept of “**bioenergy village**” can be considered a form of energy cooperative.



HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?



Business models for district heating and cooling networks based on renewable energy sources

The **upfront capital costs** involved in district heating and cooling (DHC) projects are significant, because of the much larger scale of the projects, compared to the replacement of an individual heating system for residential use. As an expensive heat distribution grid infrastructure (with a lifetime beyond 40 years) must be built, such projects usually pay off if the houses (heat consumers) are rather big or standing densely, close to each other. Nevertheless, due to economies of scale district heating projects can become cheaper per heat unit sold than individual in-house heating systems. Furthermore, flue gas cleaning systems ensuring clean air (e.g. in densely populated or touristic areas or in areas developed for health purposes) and fuel supply are also easier to realize and to control from a central point. In general, district heating networks should eventually pay for themselves (i.e. via heat sales, connection fees, operating grants and other and secondary services), but it can take 8-10 years (at good sites), or more, of **payback time** for the initial expenses for the design and construction to be recovered and for any profits to be generated.

Insure that all stakeholders – including investors, owners, operators, utilities/suppliers, end-consumers and municipalities – can achieve **financial returns**, in addition to any wider economic and other (social, environmental) benefits that they seek.



HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?



The **involvement of the public or private sector** depends broadly on two factors: the return on investment for project investors, and the degree of control and risk appetite of the public sector.

In terms of **costs for homeowners**, connection to a small DHC system represents a comparable cost of a new and efficient individual heating system for a household. The investment costs of one typical household connection can be up to €4,000 -10,000 per connected household. Costs may vary as on-site conditions vary.

DHC often ends up being in a disadvantaged position compared to other heating solutions because most of the economic analyses available to end-users **do not include all cost** items when comparing DHC to other technologies, but only take into consideration operational costs (fuel, electricity, water). Instead, DHC can generate additional savings thanks to low operation, maintenance and revisions costs.



<https://www.irena.org/newsroom/articles/2021/Mar/How-Renewables-Offer-New-Solutions-for-District-Heating-and-Cooling>

HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?

The ESCOs business model



An energy services company (ESCO) **provides energy services to final energy users** (such as households), including the supply and installation of energy-efficient equipment and/or building refurbishment.

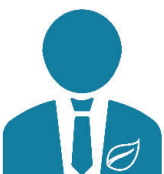
As such, an ESCO is a recognised **business model** that drives the penetration of renewable heating and cooling solutions, but it has not yet reached its full potential throughout the EU. The core stakeholders of ESCOs are usually small and medium sized enterprises (SMEs).

The ESCO **guarantees energy savings** and/or provision of the same level of energy service at lower cost, and the return of the ESCO's investments is tied directly to the energy savings achieved. Therefore, the ESCO accepts some degree of risk for the achievement of improved energy efficiency and reduced energy costs, coming from the use of renewable energy sources.

In heat production, the business model often consists of the ESCO investing in heat production equipment while the **customer pays the same price** for the heat as before the investment. The heat produced with the new system (e.g. using renewable fuel) is cheaper than the older (i.e. using fossil fuel) system. After the ESCO has recouped its investment, the customers get ownership of the equipment and also benefit from lower heating costs.



HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?



Wood energy contracting – Hitzendorf District Graz - Umgebung

Supplied buildings: four residential buildings
with 15 flats

Builder: ÖWGWS Gemeinnützige Wohnbau-
gesellschaft mbH, Graz

Fact about the plant

Heat delivery 80 kW
Consumption per year 110 MWh
Fuel storage room 50 m³

Annual wood chip consumption: approx. 200 m³ – 100 % rustic wood chips

Facility system 80 kW retort firing system with 5 X 5 stirring feeder
Plant operator WLG Hitzendorf GesbR., 3 farmers



Costs (price excl. VAT)

| | |
|---------------------------------|-------------|
| Investment costs | € 45.600,00 |
| structural measure (bunker) | € 14.000,00 |
| boiler | € 18.500,00 |
| installation heating room | € 7.100,00 |
| pipe for heat distribution | € 4.000,00 |
| planning and management | € 2.000,00 |
| Connecting charge per kW | € 223,00 |
| Standing charge per kW and year | € 16,00 |
| Megawatt hourly rate per MWh | € 49,42 |
| Metric charge per month | € 8,00 |



Wood energy contracting – Nestelbach District Fürstenfeld

Supplied buildings: four residential buildings
with 19 flats

Builder: ÖWGWS Gemeinnützige Wohnbau-
gesellschaft mbH, Graz

Fact about the plant

Heat delivery 100 kW
Consumption per year approx. 150 MWh
Fuel storage room 50 m³

Annual wood chip consumption: approx. 270 m³ – 100 % rustic wood chips

Facility system 1000 kW retort firing system with 5 X 5 stirring feeder
Plant operator WLG Nestelbach GesbR., 3 farmers



Costs (price excl. VAT)

| | |
|-------------------------------------|-------------|
| Investment costs | € 43.000,00 |
| technical facility | € 17.500,00 |
| structural measures | € 21.000,00 |
| electrical and heating installation | € 4.500,00 |
| Connecting charge per kW | € 254,00 |
| Standing charge per kW and year | € 15,00 |
| Megawatt hourly rate per MWh | € 47,20 |
| Metric charge per month | € 18,00 |



The ESCO examples
Source: Regionalenergie, Styria (Austria)

HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?



For the **customers**, there are many benefits of the ESCO business model:

- No own initial investments are necessary for the customer, so financial resources can be used for other purposes
- One contact person for the whole project
- Use of modern and efficient technology and special know-how by the contractor
- Use of renewable and clean energy
- Savings in fuel consumption due to efficient operation of the plant
- Assignment of duties to the contractor (organization, operation of the plant)
- Assignment of risks to the contractor (financial, technical)
- Guaranteed reliability: maintenance, repairs, operation, optimization, are done by the contractor
- Modern image of the real estate
- Quick realization is possible
- Security of supply.

For **larger investments**, on the other hand, financing of biomass heating plants has become more difficult due to bank-restrictions (Basel III) and reduced risks taken by banks. The contractor must bear the risks of insolvency by the customer.

The ESCO's operations are often **difficult to apply successfully** on a small scale due to long payback periods of investments, and at present there is no simple method for an SME to raise the initial finance to initiate an ESCO contract. Therefore, there is an urgent need for suitable framework conditions allowing the further uptake of this business model.



HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?

Bioenergy business models



The Investor's own business initiative business model refers to the funding of the investment through own capital of the investor or through the combination of own capital, grant and bank loans, based on investor's planning.

Under the **Energy Supply Contracting business model**, an ESCO (contractor) supplies useful energy, such as electricity, hot water or steam to a client and is remunerated on contract basis.

Under the **Energy Performance Contracting business model**, an ESCO (contractor) implements an energy saving project/intervention for a client guaranteeing energy cost savings in comparison to a historical (or calculated) energy cost baseline. For its energy costs savings services, the ESCO receives a performance-based remuneration from the client.

Co-operatives are legal/financial entities owned, controlled and operated by a group of people for their own benefit usually on a community/municipal level. Each member contributes equity capital and receives shares of the firm.

Feed-in tariff schemes are policy mechanisms offering long-term contracts reimbursing RES producers based on the cost of generation of each technology.



HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?

Model contracts for heat supply and biomass procurement



The development and implementation of a district heating and cooling project involves a plethora of contracts: i.e. contracts with project developers/consultants/experts, contracts with manufacturers, contracts with fuel suppliers, contract related to financing and contracts on heat supply with end users (households, public buildings or industrial consumers).

A contract is a binding agreement between two or more parties, it is subject to relevant national legislation, including decisions made by judicial authorities, and it must comply with the existing regulatory framework. Even when it is possible to use an existing public contract for heat supply as a template, because of its complexity, it is anyways always recommended to involve the professional and expert advice of a lawyer when stipulating a contract.



<https://guarantee-engineering.com/investors/>

HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?

Model contracts for heat supply



Because projects like the establishment of a district heating and cooling network represent a relatively large investment and a long-term commitment to a centralised heating solution, they are accompanied by a **significant risk factor**. Therefore, the elaboration of preliminary heat supply contracts, binding the heat utility and the heat consumers already in the development phase of the project can mitigate the risk because it provides a basis of guaranteed revenue for the project. Additionally, the contract as a legislative obligation ensures the quality of the district heating and cooling service and the protection of the consumers' rights.

The contracts on heat (and cold) supply are subject to **national legislation and regulation**, varying from country to country and defining the basic rules, conditions and criteria on distribution of heat, as well as the rights and responsibilities of the heat providers and consumers.

Heat supply contracts usually include general information on connection to the district heating network and on ownership of equipment, on heat supply specifications, on costs (installation costs, heat costs and metering costs), and on other specifications (i.e. metering and monitoring, maintenance, payment specifics, access rights, liabilities).



HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?

Key features of a typical heat delivery contract, by the Austrian example



A contract between a heat supplier and a heat consumer can be established freely.

A typical heat delivery contract between a heat supplier and a customer would comprise the following elements:

- Maximum power connected (kW)
- Average annual heat delivery (MWh/a)
- The duty of the customer to allow the construction of the heat transfer station in his building – the heat transfer station would remain property of the heat-supplier
- The time of heat-delivery: only in the cold season or the whole year round, both options are possible
- An obligation for the customer not to use any additional heating systems (with the exception of tiled stoves, solar thermal plants and similar devices)
- Obligations for the customer to maintain and service his part of the heating system
- Composition of the price for the heat, which consists of three parts:
 - A heat-price (€/kWh) which would cover variable costs like fuel costs, ash disposal costs, and others
 - A basic price (€/month or per year), which would cover fixed costs on the side of the plant like investment, plant management, maintenance, all independently from energy consumption
 - A meter rent (€/kW), which covers fixed costs on the side of the customer
- Some regulations referring to the time of payment by the customer (4 times a year, monthly, etc.) and rights of the heat supplier in case of non-payment
- A reference to price-adjustment and
- Some technical details of the plant, the heat-delivery station etc.



HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?



For the **Plant Contracting business model**, the typical duration of a contract is **15 years**.

A key success factor for heating & cooling projects is the elaboration of sound heat/cold supply contracts which provide **transparent and clear conditions** and a solid long-term relationship between the heat-producers, -distributors and -consumers.



HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?

Model contracts for biomass procurement



For **investor-sized** projects mainly wood chips and wood pellets seem to be of relevance. Log wood is used by households rather, where it is of relevance too, also from a quantitative view of point.

Wood pellets are an industrial, standardized product with clearly defined properties and a narrow band of water content, particle size, impurities and calorific value per kg etc.

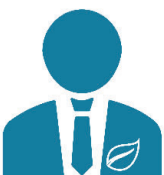
In the case of **woodchips**, biomass fuel procurement is more challenging. Wood chips, due to their nature can vary e.g. in particle size, water content, wood species and impurities. Therefore supply contracts must make clear what is purchased and under what conditions.



<https://www.ampcleanenergy.com/biomass/heat-contracts>

HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?

Key features of a typical raw material supply contract



Under the **Investor's own business initiative**, typical terms of a **biomass supply contract** are delivery **quantity**, delivery **date**, **quality of fuel** adapted to the combustion plant, **remuneration** and other rights and obligations of each party. **Price escalation clauses** bring the general market trend into account and facilitate the conclusion of long-term contracts.

The **cost escalation clauses** often involve a price fixing concerning the development of prices for fossil fuels and/or for wood. **Wood chip prices** depend on the **quality and quantity and the respective supplier**.

Within the delivery note, the supplier specifies the delivery volume and if procurable the composition of timber species. The customer randomly checks the plausibility of the particulars of the delivery only if it seems to be necessary. **In some cases the billing is based on measurements using heat meters at the output of the boiler.**



<https://www.eco-fuels.eu/>

HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?



There are several billing options:

- **Billing on volume**
 - most suitable for bulk material for homogeneous fuel ranges
 - least effort (quantity determination by the dimensions of the loading space)
- **Billing on mass and water content**
 - suitable for bulk material with inhomogeneous fuel ranges
 - quantity survey by using in-house scales
 - additional water content measurements increase the accuracy in determining the energy content
- **Billing on the amount of heat**
 - only makes sense when there is only one biomass supplier
 - reduced technical effort and high accuracy



<http://www.gemcopelletmills.com/wood-pellets-production-cost.html>

HOW CAN INVESTORS CONFIDENTLY INVEST IN RENEWABLE HEATING & COOLING?



For larger biomass plants running on it is highly recommended to **bill on mass and water content**, and to measure the water content.

That means that the wood-chips should be **purchased on a dry mass basis**, preferably – depending on particle size and wood species purchased. Higher water contents may lead to a reduction of the fuel price as water has to be vapoured and lowers plant energy efficiency, if the plant cannot run in water condensing mode.

A useful tool to convert biomass fuel costs easily and quickly into different units, like costs per mass, volume, lower calorific value can be found here:

<https://www.klimaaktiv.at/erneuerbare/energieholz/werkzeuge-und-hilfsmittel/kenndatenkalkulation.html>.

The raw material (biomass) shall be reasonably free from incombustible foreign particles, such as stones. **If the quality of the delivered wood does not meet the agreed specifications, the purchaser may reject the delivery.**





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www.replace-project.eu



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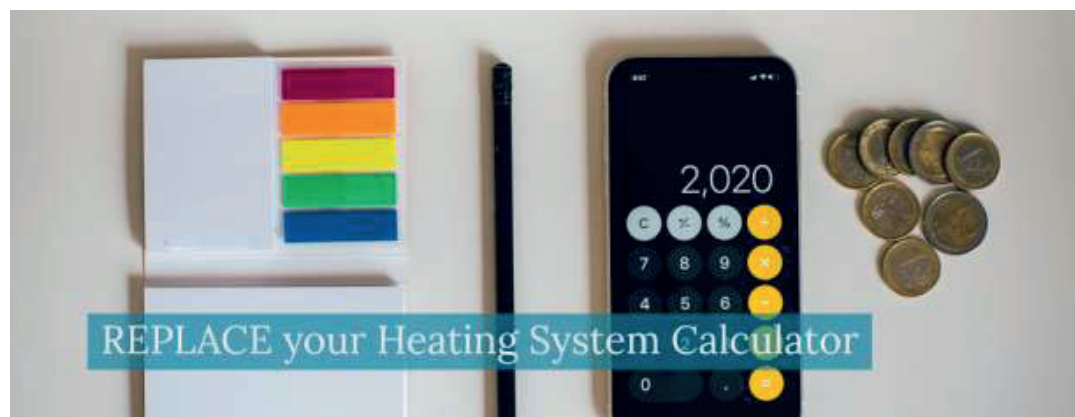
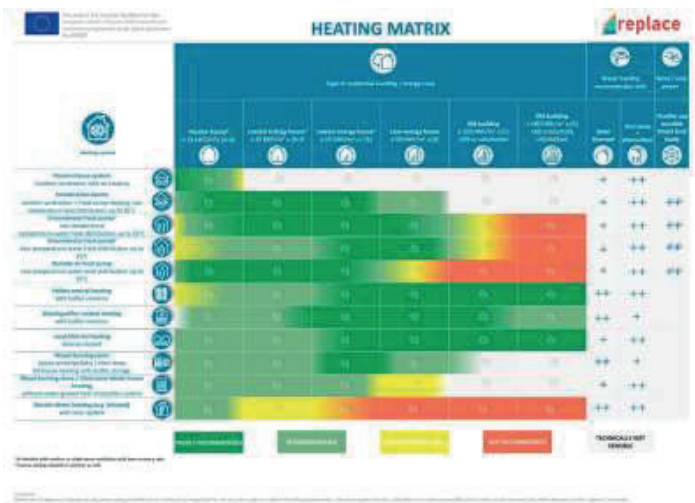


RESIDENTIAL HEAT DECARBONISATION SOLUTIONS WHICH REPLACEMENT OPTIONS ARE AVAILABLE ON THE MARKET

WHICH REPLACEMENT OPTIONS ARE AVAILABLE ON THE MARKET

While in the past, the choice of the heating system to promote and to sell to your customers was an easier one, today this is no longer true because of the multitude of **different technologies and brands** available on the market. While the market still offers alternatives running on fossil fuels, **the best investment** in environmental, social and economic terms together is ensured by a renewable heating system.

More information on heating system replacement options can be found on the website of the REPLACE project, where you will find [the heating matrixes](#), a region-specific guide which shows which renewable energy based heating system best fits to each building type and to your customers' energy demand, as well as the ["REPLACE your system Calculator"](#).



WHICH SYSTEM FITS TO WHICH BUILDING?

Which type of heating system based on renewable energy sources, or also a connection to district heating and cooling, is most suitable for different types and sizes of buildings?

What kind of system is recommended depends not only on the size, but also on the thermal quality of the considered building, i.e. the useful heat demand in kWh per m² and year according to the Energy Performance Certificate?

Before focusing on **replacement options**, it is important to remind that replacing an old and inefficient heating systems with an efficient and renewable one is not always the best solution. In fact, it might happen that the building needs **insulation measures first**. In fact, the reduction of energy losses and of heat demand, to be achieved via an improvement of the thermal quality of the building, should sometimes take priority over other actions, such as the heating system replacement. For heat supply in a building to be cost-efficient, it might in fact happen to be of primary importance to first realize the full potential of **energy savings**. This could be achieved i.e. by insulating the building envelope (top floor ceiling, basement ceiling and facade) and replacing the old windows.

Check and insulation measures can **reduce** about 10-15% of the **total heat demand**, adding up to 20-30% **energy savings**, even before the heating system is replaced.



WHICH SYSTEM FITS TO WHICH BUILDING?

Passive house system – Comfort ventilation with air heating

The **small amount of energy** that is required in a passive house does not necessarily have to be supplied to the building via its own heating system with hot water distribution (such as underfloor heating or radiators). It can also be supplied by reheating the supply air in a comfort ventilation system that is already in place. As the heat is only supplied to the building via the supply air, the heating capacity of this system is very limited and only suitable for passive houses. Care should be taken to ensure that the passive house criteria are met, otherwise comfort may be compromised by too high supply air temperatures (above 52 °C) or too high air volumes (dry air, draughts), or too low room temperatures.



*A building based on the passive house concept
in Darmstadt, Germany*

https://en.wikipedia.org/wiki/Passive_house

WHICH SYSTEM FITS TO WHICH BUILDING?

Combination devices

Combination devices **save space** and are **very cost-effective** thanks to the combination of a heat pump for space heating and hot water preparation, plus a comfort ventilation system in one device. In connection with a water-operated heat distribution system, its use in passive houses, as well as in almost zero-energy houses (up to energy class A) is highly recommended.



<https://www.hvac.com/heat-pumps/>

WHICH SYSTEM FITS TO WHICH BUILDING?

Heat pumps

For reasons of efficiency, heat pumps are particularly recommended in combination with low-temperature (up to 35°C) heat distribution systems, such as underfloor, wall or ceiling heating. Air heat pumps are particularly suitable for buildings with a **low energy requirement** and usually represent the **best price-performance ratio**. For buildings with a higher energy consumption, other heat pump designs may be more advantageous.

- **Ground source heat pumps**
- **Groundwater heat pumps**
- **Outside air heat pumps**



<https://www.incognitoheatco.com/news/can-heat-pumps-give-you-great-value-for-money>

WHICH SYSTEM FITS TO WHICH BUILDING?

Biomass heating

Biomass heating shall be preferred when it comes to **high heating flow temperatures** and **high energy consumption**. It is recommended to well insulate the building before replacing the heating system, in order to significantly reduce energy consumption and heating costs.

- Pellet central heating with buffer storage
- Wood gasifier central heating with buffer storage
- Local/district heating biomass-based
- Fireplace stove (logwoods/pellets) or tiled stove for whole house heating with buffer storage
- Fireplace stove (logwoods/pellets) or tiled stove for whole house heating without buffer storage



<https://mig100.co.uk/torrefaction-unit/>

BIOMASS BOILERS FOR WOOD PELLETS

Building type: single-family houses, multistore houses, large buildings, micro-grids, district heating

Planning guidelines and recommendations for installers

Boiler size

In the past, oversized systems were often installed for oil or gas boilers. For new installations, especially pellet boilers, it is key to suitably dimensioning the system and to not oversize it. However, a prerequisite for pellet boilers is the installation of sufficiently dimensioned buffer storage tanks.

For pellet boilers in residential buildings, a rough calculation of the previous heat demand is usually sufficient. A consumption of 3,000 liters of heating oil per year, for example, leads to an energy output of approx. 30,000 kWh. A heating system including hot water preparation is in operation for approx. 1,800 hours per year. If the amount of heat is divided by the full load hours, you get the approximate nominal output of the new system. For example: $30,000 \text{ kWh} / 1,800 \text{ h} = \text{approx. } 17 \text{ kW}$.



BIOMASS BOILERS FOR WOOD PELLETS

Buffer storage tank size

Pellet boilers usually require the installation of one or more buffer storage tanks. A sufficient size of buffer tank is required according to the boiler manufacturer's specifications and recommendations. In general, it is advisable to plan for a larger buffer storage tank than a smaller one. However, excessively large storage capacities lead to higher heat losses and should also be avoided.

Exhaust gas emissions

In the member states of the EU there are different laws and regulations on the permissible emissions, especially fine dust from pellet boilers. The emissions largely depend on the regulation of the boiler. To minimise emissions, all eligible pellet boilers are equipped with a lambda probe. These values are processed by the control system and thus control the speed of the induced draught fan so that optimum combustion always takes place.

Noise protection

The operation of pellet boilers is usually quite. Only the cleaning of the flues is automatic, usually by means of a vibrating grate. Customers should be informed before the purchase that this process takes place once a day.



BIOMASS BOILERS FOR WOOD PELLETS

Limescale deposits in the freshwater system

The installer should know the water hardness of the fresh water supply in the customer's building. This can have an impact on the technical plans for the hot water supply. In recent years, so-called freshwater stations, which are equipped with a heat exchanger and connected to a buffer tank, have become increasingly popular. They defuse the problems of legionella. However, they are more sensitive to limescale deposits than a hot water storage tank. Therefore, the heat exchanger of the freshwater station should be rather large and vertically installed. There are several advantages and disadvantages to a freshwater station over a hot water cylinder, and the final choice will always be a case-by-case recommendation by the installer and a decision by the customer. For example, the use of a hot water supply circulation pump in a large building may destroy the temperature zones of a buffer tank if the freshwater station is installed, whereas the circulation pump will only destroy the temperature zones of the smaller hot water tank if it is installed.

Boiler life

The lifetime of a pellet boiler depends on the general quality of the boiler and its combustion chamber. After all, the longer the boiler is in operation, the shorter its service life. Therefore, the combination with e.g. solar collectors can be recommended, which allows the boiler to be switched off completely in summer. All these factors must be clearly communicated to the customer, who should be well-briefed before the system is put into operation.



BIOMASS BOILERS FOR WOOD PELLETS

Combined systems

The main disadvantage of log boilers is that they have to be **fed manually**. This requires that someone is always available to feed the boiler during the cold season. The frequency of charging depends on the outdoor temperature, system configuration, heating levels, etc. It can happen that no one in the household is available to feed the boiler due to special situations, e.g. illness or holidays. Therefore, log boilers are increasingly used in combination with pellet boilers. It is important that the system may be routed via a common chimney, as there is usually no additional chimney flue with a suitable diameter available. The connection of a solar thermal system is always recommended to cover the hot water heat demand at least in summer.



BIOMASS BOILERS FOR WOOD PELLETS

Pellet storage

For storage and automatic extraction of pellets, the existing space of the former oil tank can usually be used. Provided they are dry and sufficiently large, it makes sense to fit them with wooden slopes and an extraction screw. Boiler manufacturers usually offer practical components for erecting bag or fabric silos. This allows the available space to be used optimally.



BIOMASS BOILERS FOR WOOD PELLETS

Boilers for wood pellet match with...

- Wood pellet boilers can **completely replace existing fossil fuel (gas, oil, LPG) boilers** and provide all your space, underfloor and water heating requirements but can also be integrated with other systems.
- Wood pellet boilers can be easily integrated in existing central heating systems with **buffer storage tanks**. An additional buffer tank stores the heat generated from burning and ensures a demand-driven supply of heat (e.g. night/day or seasonal differences).
- Biomass heating systems are ideally combined with a **solar collector system**, which provides domestic hot water in summer, or can even partially cover space heat demand in transitional seasons (before and after summer). They can be also combined with **heat pumps**.



BIOMASS BOILERS FOR WOOD PELLETS

WHAT COULD YOU TELL YOUR CUSTOMERS?

- **Good value for money:** The prices of wood pellets are usually lower and less volatile compared to the prices of fossil fuels.
- **Efficient boilers for every house type and size:** Today industry offers a wide range of boiler sizes, fuel types and combinations of wood fuels. Regardless of the boiler size and fuel, modern systems operate with a high energy efficiency and low dust emissions.
- **Clean, comfortable and efficient heating:** Modern pellet heating systems are clean and, because of their high efficiencies, they bring the energy bills down, without decreasing the comfort at home.
- **Wood is a regional resource:** if the wood for the pellets is produced locally, as it is often the case, transport distances are reduced and the revenues stay within the local community.
- **Sustainability:** Sustainable forest management secures long-term wood supply as well as balanced ecological, economic and socio-cultural aspects. Wood pellets are by-products of sawmill operations, part of a sustainable forest management. In sawmills, about 60% of the mass of a timber trunk can be processed for material usage purposes (construction, furniture, etc.). The remaining 40% is by-products. Those by-products are used for both material purposes (paper, pulp and wood panel industry) and energy purposes (wood pellets and industrial wood chips). A very good and locally widespread source of wood pellets are wood dust and shavings, as they have a particularly low carbon footprint.



BIOMASS BOILERS FOR WOOD PELLETS

WHAT COULD YOU TELL YOUR CUSTOMERS?

- **Energy security:** Regardless of the season, wood is normally available within the region and its prices do not depend on economic and political developments. As long as timber and sawmill industry are in operation, there will be sufficient amounts of pellets available. Furthermore, wood pellets can be stored and transported over large distances via ship and train. Large storing facilities are also available, as pellets are produced around-the-clock and people tend to buy it as fuel just shortly before the heating season.
- **Wood is climate friendly:** The CO₂ emitted while burning woody fuel equals the amount of CO₂ that the tree assimilated during its growth.
- **Perfect for off-grid locations:** with biomass heating you don't need to be connected to utilities. Biomass boilers and stoves are a perfect off grid solution for both heating and hot water.
- **Wood pellets can reach nearly every house:** Pellets can be delivered not only by 4-meter-high heavy-duty vehicles but also, if necessary, by 3.5-meter-high trucks and can be easily pumped over a distance of 30 meters to the in-house storage. With special vehicles, pellets can be pumped even up to 15 meters high or via hoses, up to 60 meters long.



BIOMASS BOILERS FOR WOOD PELLETS

WHAT COULD YOU TELL YOUR CUSTOMERS?

- **Wood pellets are dust free and smell good:** The delivery, as well as the wood pellets, are dust-free. Any wood dust is sucked back into the truck and recycled to pellets. Wood pellets for most people smell good, which is not the case with oil fuel.
- **Wood pellets are neither dangerous nor harmful to your house:** There are rumours that wood pellets would emit dangerous gases or would make walls collapse if they get wet. Building and fuel standards ensure that wood pellets and storages are totally safe, even in case of flooding. Instead, in the case of oil fuel, a flooding can make a severe damage to the house and to the environment (water pollution). The smell of leaked oil can hardly be removed from the flooded cellar walls, without comprehensive deconstruction measures.
- **The availability of a biomass storage space might be a hurdle, but there are alternative solutions:** Biomass boilers fit best in houses where a fuel storage room already exists, like in the case of formerly heating systems with oil fuel or where a room can be made free, e.g. in the cellar. Otherwise, alternative solutions include storing pellets underground in the garden or under a car parking lot. Wood pellets have around half of the energy density of oil fuel, and because of their efficiency, smaller amounts are needed compared to oil fuel.



BIOMASS BOILERS FOR LOGWOOD

Building type: single-family houses, multistore houses

Planning guidelines and recommendations for installers

Chimney

One of the first things an installer has to check at the client is the suitability of the existing chimney for a logwood heating system. The diameter of the chimney pipe has to fit with the requirements of the logwood boiler and thus it needs to be measured. If the chimney does not suit, a chimney refurbishment or the installation of a new one (e.g. stainless steel chimney outside the building) needs to be considered. This adds costs and may be a reason for the client that a logwood boiler is no option. Thus, the installer should clarify, before any other planning steps are made, the suitability of the existing chimney with the chimney sweeper and potentially also with the chimney manufacturer.



BIOMASS BOILERS FOR LOGWOOD

Boiler size

Historically, often oversized capacities for oil or gas boilers were installed. For new systems, especially for pellet and woodchip boilers, but also for heat pumps, a suitable boiler capacity should be determined which is not oversized. However, for logwood boilers, this is different. The larger the boiler capacity, usually also the larger is the combustion chamber. This allows to produce more heat per loading act with logwoods, and thus increases the comfort for the client. Therefore, a slight oversizing of the logwood boiler can be useful. However, a precondition for logwood boilers is the installation of sufficiently sized buffer tanks.

In the case of pellet boilers in residential buildings, an approximate determination of the previous heat demand is usually sufficient. A consumption of 3,000 liters of heating oil per year, for example, contains an amount of energy of approx. 30,000 kWh. A heating system including hot water generation is roughly 1,800 hours in operation per year. If you divide the amount of heat by the full load hours, you get the approximate nominal output of the new system. Using the example here: $30,000 \text{ kWh} / 1,800 \text{ h} = \text{approx. } 17 \text{ kW}$.

In the case of heat pumps, the design must be much more precise. The size of the heating output has a direct effect on the heat source. A geothermal probe therefore has to be made in a complex manner. If possible, the heating load for a heat pump heating system should be determined room by room, especially in existing buildings. This ensures that the required room temperatures are achieved and that no unnecessary investments are made.

BIOMASS BOILERS FOR LOGWOOD

Buffer tank size

Logwood boilers usually require the installation of one or more buffer tanks. A sufficient size of the storage capacity is required according to the specifications and recommendations of the boiler manufacturer. In general, it is recommended to plan a larger storage capacity than a smaller one. However, too big storage capacities lead to higher heat losses and should be avoided as well.

Electrostatic filters for flue gas emission treatment

The member states in the EU have different laws and acts on the allowed emissions, especially particulate matter, of logwood boilers. The emissions largely depend on the quality of the boiler and of the used wood. In order to minimize the emissions electrostatic filters can be used. In many cases, they are not yet legally required, but this may change with the introduction of stricter emission legislation. So, even if considerable additional costs for the installation of electrostatic filters need to be assumed, in the long-term it may be useful to recommend the filters to the clients. Thereby costs, legal aspects and environmental benefits should be transparently communicated to the client. Above all, the question of regular cleaning of the filter system should be clarified in advance.



BIOMASS BOILERS FOR LOGWOOD

Noise protection

Even if the operation of logwood boilers is usually quite silent, it may be recommendable to place the boiler on noise protection rubber feet. The cost for that is rather low and the risk of noise transmission is reduced. In larger biomass plants, various methods are used to store wood chips and transport them to the combustion chamber. The use of sliding grates is recommended from a thermal output of approx. 250 kW. These work very reliably, but can lead to impairments in the vicinity of living spaces with unpleasant noises.

Lime scale deposits in the freshwater system

The installer should know the water hardness of the fresh water supply at the client's building. This may impact the technical plans for the hot water supply. In recent years, so called freshwater stations, that are equipped with a heat exchanger and which are attached to a buffer tank, are getting increasingly popular. They mitigate issues with legionella. However, they are more sensitive to lime scale deposits than a hot water tank. Therefore, the heat exchanger of the freshwater station should be rather large and vertically installed. There are various pros and cons for a freshwater station versus a hot water tank and it will be always a case-by case recommendation of the installer and decision of the client. For example, the use of a circulation pump of the hot water supply in a big building may destroy the temperature zones of a buffer tank if the freshwater station is installed, whereas the circulation pump only destroys the temperature zones of the smaller hot water tank if this is installed.



BIOMASS BOILERS FOR LOGWOOD

Boiler lifetime and logwood quality

The lifetime of a logwood boiler depends on the general quality of the boiler and its combustion chamber. Furthermore, an important factor is the quality of the used wood. Wet wood or the use of contaminated wood for example can dramatically reduce the lifetime of the logwood boiler due to corrosion. Furthermore, the manual feeding of the wood logs into the combustion chamber should be made with caution. Rough throwing the logwood into the boiler may cause breaks in the fireclays and thus may reduce the lifetime of the boiler. Finally, the more the boiler is in operation, the shorter is its lifetime. Therefore, the combination e.g. with solar thermal collectors can be recommended which allows the complete shutdown of the boiler during summer. All these factors need to be clearly communicated to the client. He should be well instructed once the installation is commissioned.

Emergency heating system

The main disadvantage of logwood boilers is that they must be fed manually. This requires that during the cold season there must be always someone available who feeds the boiler. The frequency of feeding depends on the outside temperature, the system configuration, heat levels, etc. It may happen that no one is available in the household to feed the boiler due to special situations, e.g. due to illness or vacation. For these cases, the installer should discuss the technical options with the client, such as the integration of a heating rod in the buffer tank or a heat pump. In any case, the combination of a logwood boiler with solar thermal collectors, a PV system or a heat pump is always advisable in order to cover the hot water heat demand, at least in summer.

BIOMASS BOILERS FOR LOGWOOD

Logwood handling

The installer should not only give recommendations on the installation of the logwood boiler, but also on the logwood handling. This handling should be as simple as possible which is sometimes challenging due to the design of the building and of the boiler room. Sufficient space for storing at least the daily amount of logwood in the boiler room should be available, better more space. If the access to the boiler room is difficult, the installation of doors, hatches or windows through which the logwood can be transported or thrown in the boiler room may be an option to simplify the logwood handling. It should be avoided that the logwood needs to be carried through the whole building.



BIOMASS BOILERS FOR LOGWOOD

Automation

Even if a logwood boiler is a manually fed, some automation devices could be installed that increase the overall comfort for the client. This includes for instance the automatic ignition and the installation of remote-control systems and IT applications. The automatic ignition would allow to fill the combustion chamber with logwood, but to let it automatically burn at a later time. IT applications would inform the client about the current system configurations and would inform the client about the time of next manual feeding. These technical opportunities should be well discussed with the client.



Viessmann, Log boilers for the efficient and economical combustion of logs: VITOLIGNO

BIOMASS BOILERS FOR LOGWOOD

Boilers for logwood match with...

- Logwood boilers can **completely replace existing fossil fuel (gas, oil, LPG) boilers** and provide all your space, underfloor and domestic water heating requirements but can also be integrated with other systems.
- They can be easily integrated in existing central heating systems with **buffer storage tanks**. An additional buffer tank stores the heat generated from burning and ensures a demand-driven supply of heat (e.g. night/day or seasonal differences).
- Biomass heating systems are ideally combined with a solar collector system, which provides domestic hot water in summer, or can even partially cover space heat demand in transitional seasons (before and after summer). They can be also combined with **heat pumps**.

BIOMASS BOILERS FOR LOGWOOD

WHAT COULD YOU TELL YOUR CUSTOMERS?

- **Good value for money:** The prices of wood are usually lower and less volatile compared to the prices of fossil fuels. More precisely, the costs for logwood are among the lowest ones of all technologies based on renewable energy sources.
- **Clean, comfortable and efficient heating:** Modern wood heating systems are clean and, because of their high efficiencies, they bring the energy bills down, without decreasing the comfort at home. However, logwood is more labour-intensive, compared to other wood fuels.
- **Wood is a regional resource:** if wood is produced locally, as it is often the case, transport distances are reduced and the revenues stay within the local community.
- **Sustainability:** Sustainable forest management secures long-term wood supply as well as balanced ecological, economic and socio-cultural aspects.
- **Energy security:** Regardless of the season, wood is normally available within the region and its prices do not depend on economic and political developments.
- **Wood is climate friendly:** The CO₂ emitted while burning woody fuel equals the amount of CO₂ that the tree assimilated during its growth.
- **Perfect for off-grid locations:** with biomass heating you don't need to be connected to utilities. Biomass boilers and stoves are a perfect off grid solution for both heating and hot water.



BIOMASS HEATING SYSTEMS WITH WOODCHIPS

Building type: Farmers' residential buildings, multistore houses, large volume buildings, micro-grids (connecting several single-family houses), district heating

Smaller woodchip boilers starting from about 25 kW heat capacity are suitable for homeowners that own their own forest or have easy access to forest thinning or forest management wood residues. Often farmers operate such heating systems as the fuel is cheap, storable and helps to make usage of wood wastes otherwise not so easy to market.

Another segment where wood chip boilers (starting from 80 kW to several 100 kW heat capacity) are applicable in the residential sector is multistore or large volume houses in case of single object heating. Many (especially mid-European) building developers have recognized this as a cheap and reliable option to sustainably heat their houses, also when refurbishing their houses.



Interior of a biomass micro grid heating container

Source: EVN Wärme GmbH, Bernhard Baumgartner

BIOMASS HEATING SYSTEMS WITH WOODCHIPS

A third option to utilize woodchip boilers in the residential sector is to heat a group of houses (also starting from 80 kW to several 100 kW nominal power) standing close to each other via a micro grid. Several hundreds of such biomass micro grids have been realized in Austria in the last decade, for example. As with single-object heating often a group of farmers invests in the woodchip heating plant and storage facility and delivers its own fuel to that storage. The farmers also run and maintain the plant. The homeowners deliver with heat pay for the heat like with district heat supply. This ESCO business model often is referred to as biomass heat contracting or farmers' bioheat communities. Recently also larger energy utilities entered this market, as boiler manufacturers offer plug and play ready wood chip (or pellets) heating containers that are fully equipped with fuel storage, all technical equipment needed, incl. hydraulics, steering and control systems (up to a SMS service with automatic messages to O&M personnel in case of failures or malfunctions). As an investor only need to build a concrete fundament and connect electricity and pipeworks. There is no other space demand in the houses supplied with hot water for space heating and domestic hot water.

BIOMASS HEATING SYSTEMS WITH WOODCHIPS

A further option to utilize wood chip boilers in the residential sector is district heating. Here often two or more biomass boilers operate jointly (base load & middle load) or in summer only (tap water) and cover up to 60% of peak load. The remaining 40% of peak load normally are supplied by a fuel oil boiler (preferable fuelled with green oil) as it is running only a couple of days contributing less than 5% of annual heat supply. Such biomass district heating plants have a capacity of 0.5 to 20 MW or more. Boilers larger than 500 kW usually are firing systems specially designed for the biomass fuel that is burned, which can be of very poor quality like street cutting or wet wood waste like bark (allow a utilization of very cheap fuels, respectively). Boilers of lower capacity are mass production products with a narrower spectrum of biomass fuel assortments and qualities acceptable for long-term operation.



The use of wood-chip boilers in the residential sector to heat a group of houses

Source: Province Lower Austria, Franz Patzl

BIOMASS HEATING SYSTEMS WITH WOODCHIPS

Planning guidelines

Chimney pre- and acceptance attest

When a biomass boiler shall be installed the dimensioning and positioning of the chimney should be clarified by a chimney sweeper, a boiler or chimney manufacturer. As a general rule, the distance to the boiler should be as short as possible, and a design that is not sensitive to moisture is recommended. Likewise, a water and a wastewater connection as well as necessary electrical installations should be taken into account already in the planning phase. If the existing chimney is offset or has to be renewed, as an alternative stainless steel chimney can be put outside the wall.

In case a stand-alone biomass heating container is placed next to a building, regarding positioning of the chimney or container facility, respectively the main wind direction should be taken into account, to avoid harassment of tenants or neighbours. For fire protection and permission reasons a further acceptance attest of the new or refurbished chimney can be obligatory when the biomass plant is commissioned.

BIOMASS HEATING SYSTEMS WITH WOODCHIPS



Example of a realized biomass micro grid heating container, heating blocks of flats

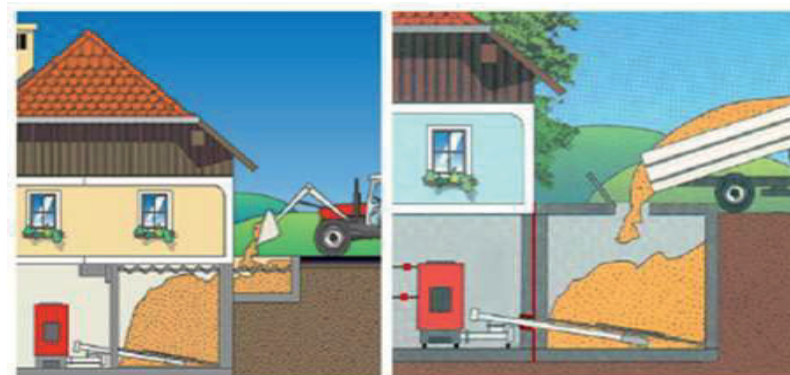
Source: Bioenergie NÖ reg. GenmbH

BIOMASS HEATING SYSTEMS WITH WOODCHIPS

Woodchip storage (placing and dimensioning)

When an existing heating system is replaced by a biomass heating system, the availability of a sufficiently large storage space – accessible for fuel delivery from outside via a delivery vehicle, especially within an existing building can be a challenge.

The easiest chase is when a fuel oil boiler is replaced, as a room formerly containing the oil tank is existing. Often building owners want to utilize such rooms, e.g. in the cellar for other purposes (tenants etc.), however. Biomass storages can be built outside, e.g. buried in the ground, if space is available. Modern stand-alone biomass container facilities often have a separate container (e.g. next to or on top of the container containing the heating plant). When storage space is limited, pellets can be an alternative to woodchips as pellets roughly have an energy density four times of woodchips (pellets have a water content of 8% and a mass density of 650 kg/m³, wood-chips with a water content of 25% have a mass density of 250 kg/m³).



a) Storage in existing cellar – storage filling screw
b) Separate storage, easy to fill

Source: Austrian office active in planning of biomass micro grid, called Regionalenergie, situated in Styria

BIOMASS HEATING SYSTEMS WITH WOODCHIPS

The dimensioning of the fuel storage room depends on many factors: available space, boiler output, fuel type, fuel delivery interval, capacity of the delivery vehicle, etc. The minimum fuel supply must be determined individually in each case. The decisive factor is the desired frequency of fuel delivery, which depends on the possibilities regarding storage type and size. In existing buildings, adapting the fuel delivery intervals to the existing storage space is usually more cost-effective than constructing a new storage space outside the building. A new storage room should have about 1.3 times the volume of the lorry load so that it can be unloaded quickly and at low cost. Furthermore, fuel is usually cheaper in spring or summer, so it is advisable to fill the storage rooms during this time.

When a load of woodchips is unloaded dust can arise. When situating a storage facility in the planning phase it is advisable that no windows or open-space laundry drying etc. is nearby.

A severe (e.g. architectural) planning failure that can turn out to become costly is, if within the wood storage room is a column supporting a ceiling. It has to be ensured that the automatic wood discharge system – especially in case of a leaf spring that rotates in a circle along the fuel bearing – can be installed, otherwise people have to shovel woodchips to the screw conveyor regularly, involving massive unplanned costs.

Other storage options are sloping bottom, funnel outlet systems or pull-push fuel retrieval floors; the latter for handling larger fuel amounts (up to 10 m height and 20 m³/h fuel delivery).



BIOMASS HEATING SYSTEMS WITH WOODCHIPS

Woodchip boiler dimensioning

The correct dimensioning of the biomass heating system is an important prerequisite for economical and problem-free operation. Especially for larger buildings, the heating load should be calculated precisely. Existing buildings sometimes require five times the capacity to be installed compared to energy-efficient new buildings. If the boiler is chosen too large, a loss of efficiency and higher costs are the result. With correct dimensioning, investment costs can also be saved, as smaller boilers cost correspondingly less. When replacing a boiler, it is advisable to consider a thermal building renovation beforehand. This allows the heating load to be reduced and a smaller boiler to be used. Regarding least-cost measures at least the thermal insulation of the uppermost ceiling and hydraulic balancing should be considered when the boiler is dimensioned. Each of these two measures can save 5-15% of annual heating costs and peak heat load. So the boiler could become 10-30% smaller than without those two measures.

The rule of thumb for calculating the heating load is: heating load in kW = heating energy demand in kWh / full load hours. Under mid-European conditions, usual full load hours for space heating are 1,400 - 1,800 h (the latter including tap water provision). The following parameters, among others, are important for calculating the required boiler output: required/desired room temperature, coldest outside temperature for the location, heating demand of the building, tap water heat demand.

Here is an example of calculating the boiler capacity based on the existing energy consumption. Average energy consumption over the last few years: 30,000 l heating oil ~ 300,000 kWh heating energy demand (energy content of 10 kWh/l heating oil), heating load = $300,000 / 1,800 = 167$ kW, without consideration of the efficiency of the previous and new heating system and any energy saving measures (as insulation of the uppermost ceiling or hydraulic balancing).

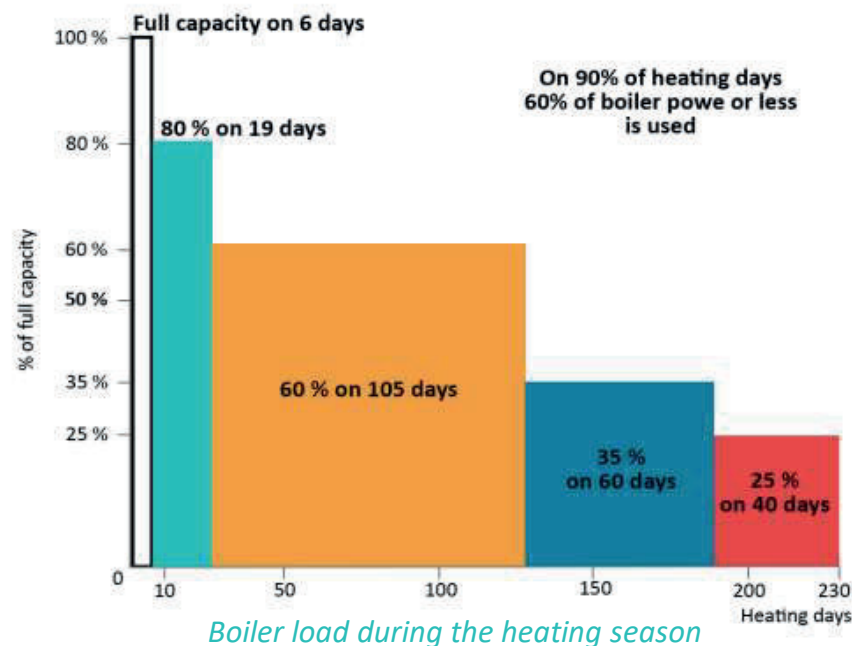


BIOMASS HEATING SYSTEMS WITH WOODCHIPS

Balancing heat load fluctuations

Covering load peaks is always energy-intensive and expensive, so it makes sense to compensate for power fluctuations to a large extent. The speed and magnitude of the load fluctuation is the decisive factor. Slow fluctuations, such as regulating the flow temperature according to the outside temperature, can usually be controlled well. The boiler efficiency is relatively constant above 90 % up to 30 % of the nominal output.

The diagram shows for mid-European climate conditions that the boiler utilisation is below 30 % only on an average of 40 heating days of a heating season for space heating in general. On these days, the efficiency is in the somewhat worse partial output range. If stronger fluctuations in output occur, it makes sense to install a buffer storage tank. If correctly dimensioned, the buffer storage tank easily compensates for output fluctuations. For large systems, it is common to provide the nominal power with a two-boiler system. This reduces the unfavourable partial load operation.



Source: Austrian office active in planning of biomass micro grid, called Regionalenergie, situated in Styria

BIOMASS HEATING SYSTEMS WITH WOODCHIPS

Buffer heat storage tank (application and dimensioning)

A buffer storage makes sense

- in the event of fluctuations in heat load, such as process heat demand or varying tap water consumption (see explanations above),
- when integrating different systems, e.g. parallel to a wood chip system, a solar system, a heat pump or a heat recovery,
- in conjunction with tap water production in summer (to avoid longer periods of part load operation),
- in general: to achieve higher boiler efficiencies. These are significantly improved, especially in partial load operation, compared to a system without buffer storage. In general biomass boilers should not be operated below 30% of nominal capacity for longer times. Longer standstill intervals, as the boiler runs on full capacity frequently, just to fully load the buffer storage, also extend the service life of the system.

When dimensioning the buffer storage volume, an orientation value of approx. 20 litres per kilowatt of nominal boiler heat output is recommended.



BIOMASS HEATING SYSTEMS WITH WOODCHIPS

Boiler, recommended technical features

With the fully automatic boiler technology of new biomass heating systems, practically any heat load can be provided, even for larger output fluctuations. Almost all boiler manufacturers equip their products with fully automatic modes of operation. This means that the fuel is automatically transported by conveyor systems from the storage room into the boiler, where it is ignited without assistance. The water flow temperature is also regulated automatically, e.g. according to the outside temperature. Those are criteria for a high-quality boiler system:

- high annual utilisation rate (80 - 90 %, due to high boiler efficiency, high plant utilisation, little maintenance of the ember bed and few start-up and shut-down processes)
- exhaust-gas-guided combustion air control (e.g. Lambda-probe)
- significant undercutting of the emission limit values in all operating conditions
- modulating mode of operation and sliding boiler temperature control for load-dependent operation of the boiler system
- reliable and low-maintenance operation

BIOMASS HEATING SYSTEMS WITH WOODCHIPS

- low maintenance and servicing costs (through automation, use of high-quality system components, regular service; long-term service contracts shall be available)
- automatic ignition and shutdown
- automatic fuel supply and ash discharge
- automatic heat exchanger cleaning
- remote monitoring of boiler parameters
- optimum combinability with solar thermal systems (in conjunction with connection with buffer storage)
- highest operational and fire safety
- minimised power requirement
- buffer storage operation

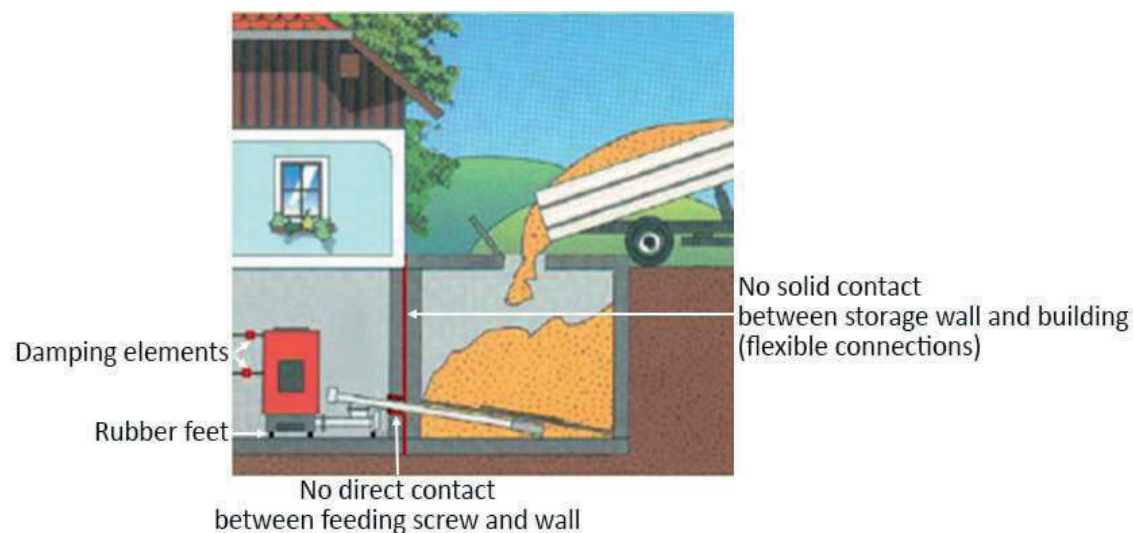


BIOMASS HEATING SYSTEMS WITH WOODCHIPS

Noise protection

Regarding the wood discharge system in the woodchip storage room and the whole screw conveyor system up to the boiler room and the boiler itself it is strongly recommended to put sound-absorbing plastics in-between the fixing points towards walls and the floor, otherwise sound spreads throughout the whole building (especially with concrete buildings) all the time the system operates.

This is highly recommended, especially to avoid conflicts with homeowners and tenants, etc. It should not be forgotten to put the boiler itself on sound-absorbing plastics too, as modern boilers inherit automatic, mechanical self-cleaning of the boiler heat exchange surfaces and ash conveyor screws, which can squeak during temporary operation.



Elements for noise protection

Source: Austrian office active in planning of biomass micro grid, called Regionalenergie, situated in Styria

BIOMASS HEATING SYSTEMS WITH WOODCHIPS

Heating water quality check

It is key to make sure that the heat distribution water complies with the required standards (i.e. there is no decomposition due to rust or slagging due to rust particles). A mixture of too many different metals and non-metals in the heat distribution and dissipation system should be avoided due to chemical decomposition reasons. Measures to prevent limescale deposits are described in the fact sheet for wood pellet boilers.

Boiler lifetime and maintenance

Burning of household waste or biomass assortments that the boiler is not meant or made for shall be avoided in any case to allow for a long service life of a biomass boiler. Burning of straw for example can lower the ash melting point, which can cause slagging of silicates, i.e. glazing. Burning of wet or materials leaving behind acid substances can lead to rust or holes, up to a complete destruction of the whole boiler, respectively.

In general in biomass boilers the fuel may only be changed if this is expressly approved by the manufacturer. However, there are boilers that allow you to switch between pellets, wood chips and even log wood.

BIOMASS HEATING SYSTEMS WITH WOODCHIPS

Wood chip procurement and quality aspects (fuel and storage issues)

Wood chips can be purchased directly from local farmers, some warehouses or also via biomass communities or exchanges. Wood chips are mechanically chopped wood of various sizes. In addition to the bulk density (weight), the main quality criteria are the size of the pieces and the water content. A distinction is made between the following classes:

| | Fine wood chips | Medium wood chips | Coarse wood chips |
|------------------------|------------------------------------|---|--------------------------------------|
| Typical size of pieces | P16 (formerly G30) – below 3 cm | P24 (formerly G50) – below 5 cm | P31 (formerly G100) – below 10 cm |
| Usage | Predominantly small plants | Industrial woodchips, rather larger plants, small plants possible | Large plants |

The water content depends on the type of wood or the time of production. Along with the weight, the water content is the decisive quality characteristic. It determines the value and storability of the fuel. A distinction is made between the following quality classes:

| W 20 air-dry | W 30 storage stable | W 35 limited storage stability | W 40 damp | W 50 freshly harvested |
|-------------------------------|--|--|--|--|
| Water content less than 20 | Water content at least 20 and less than 30 | Water content at least 30 and less than 35 | Water content at least 35 and less than 40 | Water content at least 40 and less than 50 |

BIOMASS HEATING SYSTEMS WITH WOODCHIPS

Woodchips must not be too wet otherwise, it biologically degrades and heats up, up to self-ignition, which can become very dangerous and in worst case criminal offence, not only for residential buildings. Woodchips from freshly harvested trees or from freshly processed saw mill operations with 45-55% water content can be used in district heating plants (just in time delivery) only, as boilers are specially equipped for that (e.g. massive fire resistant cladding etc.). For long term storage of wood all kind of assortments shall not have more than 30% of water content. With more than 35% severe problems can occur already.

When operating a wood chipper, sharp blades and a metal screen (where branches are further shredded) in the ejector that guarantees the right particle size are crucial. Oversized long particles like branches can lead to woodchip bridge formation, i.e. the automatic feeding does not work anymore despite the storage is full with woodchips. This means that the plant is in standby as long as this bridge is not destroyed manually, which can become costly too, in case the whole woodchip delivery contains such branches. Furthermore, stones (damage to screw and conveyors) or earth should not be in the woodchips also fine material like dust or green needles (visual check when woodchips are delivered, before unloading) can increase the ash amount and particulate emissions.



BIOMASS HEATING SYSTEMS WITH WOODCHIPS



Wood chipper with mechanized feeding

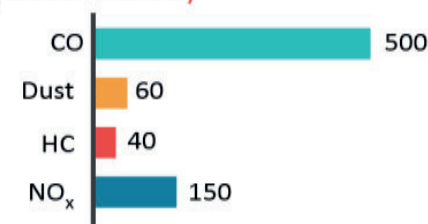
Source: Austrian office active in planning of biomass micro grid, called Regionalenergie, situated in Styria

BIOMASS HEATING SYSTEMS WITH WOODCHIPS

Ash manipulation and disposal

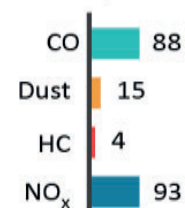
The ash accumulation is strongly dependent on the biomass fuel used. For sawdust and wood chips without bark, the ash content is around 0.5 % of the dry fuel substance. The emptying intervals for ash containers depend on the system. The ash discharge works automatically with screws. The ash containers are often designed as containers that can be transported directly by truck. The wood ash can either be spread in the forest, used as fertiliser in agriculture or, in the case of fine fly ash separated in electrostatic precipitators, stored in a landfill. The latter ash fractions captured separately.

Austrian Emission Limits (Art. 15a B-VG)

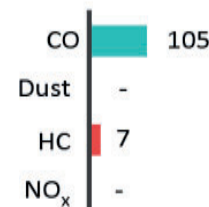


Wood chip boiler

Full load

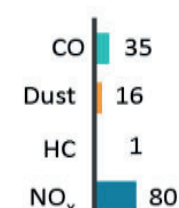


Part load

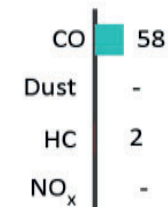


Pellet boiler

Full load



Part load



Emission of state of the art wood boilers

BIOMASS HEATING SYSTEMS WITH WOODCHIPS

Woodchip heating systems match with...

- Woodchip boilers can **completely replace existing fossil fuel (gas, oil, LPG) boilers** and provide all your space, underfloor and water heating requirements but can also be integrated with other systems.
- They can be easily integrated in existing central heating systems with **buffer storage tanks**. An additional buffer tank stores the heat generated from burning and ensures a demand-driven supply of heat (e.g. night/day or seasonal differences).
- Biomass heating systems are ideally combined with a **solar collector system**, which provides domestic hot water in summer, or can even partially cover space heat demand in transitional seasons (before and after summer). They can be also combined with **heat pumps**.



BIOMASS HEATING SYSTEMS WITH WOODCHIPS

WHAT COULD YOU TELL YOUR CUSTOMERS?

- **Good value for money:** The prices of woodchips are usually lower and less volatile compared to the prices of fossil fuels.
- **Efficient boilers for every medium to larger house type and size:** Today industry offers a wide range of boiler sizes, fuel types and combinations of wood fuels. Regardless of the boiler size and fuel, modern systems operate with a high energy efficiency and low dust emissions.
- **Clean, comfortable and efficient heating:** Modern woodchip heating systems are clean and, because of their high efficiencies, they bring the energy bills down, without decreasing the comfort at home.
- **Wood is a regional resource:** if wood for the woodchips is grown locally, as it is often the case, transport distances are reduced and the revenues stay within the local community.
- **Sustainability:** Sustainable forest management secures long-term wood supply as well as balanced ecological, economic and socio-cultural aspects. Farmers' wood chips normally stem from sustainable forest thinning and cleaning operation, stabilizing resilience of forests and increasing their yield in terms of timber for material usage.



BIOMASS HEATING SYSTEMS WITH WOODCHIPS

WHAT COULD YOU TELL YOUR CUSTOMERS?

- **Sanitary forest measures and market stabilisation:** In recent years woodchips proved to be a good mean to support sanitary forest measures: calamities such as storms, snow, ice breakage and bark beetle infestation have significantly increased, thus destabilising forests and the functioning of wood markets. Woodchips for burning is the only cost-effective way of utilising wood assortments damaged by the many calamities caused by climate change.
- **Energy security:** Regardless of the season, wood is normally available within the region and its prices do not depend on economic and political developments. Given the increasing calamities caused by climate change (see above), a shortage of wood chips for the residential sector is unlikely.
- **Wood is climate friendly:** The CO₂ emitted while burning woody fuel equals the amount of CO₂ that the tree assimilated during its growth.
- **Perfect for off-grid locations:** with biomass heating you don't need to be connected to utilities. Biomass boilers and stoves are a perfect off grid solution for both heating and hot water.



MODERN PELLET STOVES AND WOOD STOVES

Building type: small buildings often used as secondary heating source

Planning guidelines

Modern fireplaces and wood/pellet stoves made out of cast iron, ceramic (tiled stoves) or steel (henceforth called “stoves” for simplification) are often only used as secondary heating source, in addition to a central heating system with another heat source as main system. They are generally used as heaters for a single room. More advanced systems can heat up to a whole building.

Wood stoves for heating the whole house are equipped with a water pocket that is connected to the water cycle of the central heating system. They can also provide the heat for hot water.



MODERN PELLET STOVES AND WOOD STOVES

It is important that the place of installation and the ratio of radiant and heating energy are chosen correctly, so that overheating of the room is avoided. It is necessary to ensure combustion regardless of the room air, because buildings are usually so densely built that not enough combustion air is available, or that a ventilation system would be disturbed. The combustion air can be supplied either via a suitable chimney or via a separate supply pipe.

A contemporary wood burning stove is an easy device to understand. Wood is stacked in the firebox and lit to provide the initial flame. The ventilation into the unit brings in fresh air to fan the flames to the desired heat.

Quality of the stove

The quality of the stove has a large impact on the efficiency as well as on the air pollutants. Usually, better performing stoves are more expensive and newer models are better than old ones. This should be always highlighted in sales communications with the clients.

Quality of the fuel

The combustion is largely influenced by the quality of the fuel. For wood stoves only clean, untreated and dry wood should be used. For pellet stoves, standardised high-quality pellets should be used. This should be well communicated to the client.



MODERN PELLET STOVES AND WOOD STOVES

Air emissions

Air emissions largely depend not only on the fuel quality, but also on the quality of the stove. Electronic regulation of the inlet air improves emissions and efficiency. Furthermore, exhaust gas filters are available but are currently still only rarely installed due to additional costs. The main source of particulate matter emissions comes from the ignition of the combustion process. The installer should always instruct and train the client about this before commissioning the system.

For the ignition process, suitable ignitors and small firewood should be used. For wood stoves, it is possible to ignite the wood from the top or from the bottom and the instructions of the stove manufacturer should be followed. For pellet stoves, automatic ignition is standard.

MODERN PELLET STOVES AND WOOD STOVES

Fresh and exhaust air

Stoves require a suitable chimney with an appropriate diameter for the exhaust air flow. This should be assessed by the installer before the stove is sold. In case the chimney is not suitable, then refurbishment of the existing chimney is needed or a new one must be built. In this latter case, an external stainless-steel chimney is often installed. This is also what happens in cases where no chimney at all exists.

Another important factor is to make sure that enough air can be sucked in order to ensure a safe and clean combustion process. Therefore, fresh air can be taken through the chimney from outside. However, in most cases, the air is taken from the heated room. Depending on the building insulation and sealing, this is usually no problem. Nevertheless, in modern buildings which are airtight, care needs to be taken if the stove is in operation and if the extractor in the kitchen is turned on. In this case, an exhaust air control can be installed that allows the operation of the extractor only if a window is open.

Safety issues

For the installation of stoves, national regulations on safety must be followed. This mainly concerns safety distances to walls or flammable material. If the wood stove is installed on a wooden floor, usually a glass plate is needed underneath the stove.



MODERN PELLET STOVES AND WOOD STOVES

Maintenance of the stove

It is recommended to either offer a maintenance contract to the client or to train the client about required maintenance. The following maintenance may be required:

Regular cleaning of the combustion chamber window may be required which can be best done with a wet tissue and some ash on it. Following this practice avoids the application of harmful and expensive chemical cleaners.

Seals of the combustion chamber door should be checked regularly and if needed replaced.

The connection pipe from the stove to the chimney is usually not cleaned by the chimney sweeper and needs to be cleaned regularly with a steel brush (usually once a year).



MODERN PELLET STOVES AND WOOD STOVES

Connection to the central heating system

Wood or pellets stoves that are connected to the central heating system are usually equipped with well-documented guidelines for installation. Such guidelines need to be thoroughly followed, especially when it comes to safety issues. The connection and capacity of the buffer tank needs to be well planned. The route for the installation of new pipes must be well planned from the beginning of the planning process.



<https://www.propellets.at/en/wood-pellet-central-heating-stove>

MODERN PELLET STOVES AND WOOD STOVES

Wood stoves match with...

- Wood stoves are usually used as heaters for a single room (i.e. the living room). In this case, they can complement any central heating system for additional space heating and for water heating, regardless of the technology and fuel used.
- Nevertheless, modern stoves can also be connected to the water cycle, thus heating water which is then circulated to the whole house and radiating the heat via radiators or underfloor heating. In this case, stoves do not complement your central heating system, but fully replace it.



MODERN PELLET STOVES AND WOOD STOVES

WHAT COULD YOU TELL YOUR CUSTOMERS?

- A good quality of the stove is very important for minimizing emissions and improving efficiency. Higher initial investment costs can be paid-off by saving on the amount of fuel used.
- Bioenergy is the oldest and by far the most used source of renewable heat, with very little CO₂ emissions. Therefore, the use of logwood or pellets highly contributes to climate change mitigation.
- A good maintenance of the stove is very important.
- Only high-quality logwood or pellets should be used



ELECTRIC HEAT PUMPS

Building type: new and existing buildings, well-thermally insulated buildings equipped with a low temperature heat delivery system, single- and two-family houses

Before installing a heat pump

Even though heat pumps can have many advantages, it does not necessarily mean that they are always the best solution for your customers.



ELECTRIC HEAT PUMPS

In fact, heat pumps installed in poorly insulated building or not fitting the existing internal heating distribution system may result into poor efficiency and high operating costs.

- A **well-insulated house** is key prior to installing a heat pump: as heat pumps are a low temperature device, it is important that the buildings where they are installed are well insulated. Poorly insulated buildings require high flow temperatures (which entail a reduction in the efficiency of the heat pump, as the system must work harder to meet the production of higher temperatures), and the need of an additional heating system (i.e. a biomass boiler), bringing the costs up. Proper insulation, on the other hand, also reduces the size of the heat pump needed, the initial capital costs and, in the case of ground source, the amount of ground required.
- When it comes to the **heating distribution system**, most of existing houses have radiators installed as their heat emitting device. Radiators require the water to be heated to a high temperature, therefore the heat pump will run up to 25% less efficiently with radiators, compared to underfloor heating. In case the overall consumption of the house is adequate for a heat pump and only flow temperature is to be lowered, radiators with a higher surface (if there is enough space to install bigger radiators) or radiators equipped with a ventilator (if there is not enough space available) may help to reduce flow temperature to a level appropriate to install a heat pump.
- **External space** is needed for the installation of a heat pump.
- In the case of **multi-apartments buildings**, normally a majority vote by all the tenants of the building is needed in order to install a heat pump for one of the flats.



ELECTRIC HEAT PUMPS

Additional planning guidelines

Location

- In addition to the technical requirements for the installation of a heat pump, also the electrical connection, the space requirements and the possibilities of using heat sources must be clarified.
- As a prerequisite for a favorable annual performance factor, the following must be ensured:
- Heating load design according to country's regulations;
- Low heating flow temperature at the design point: for A++, 35°C must be maintained;
- For higher flow temperatures, additional clarifications are necessary in consultation with the client;
- Annual useful heat demand at the location: max. 45 kWh per m² gross floor area and year for systems with exhaust air heat source: max. 10 kWh per m² gross floor area and year



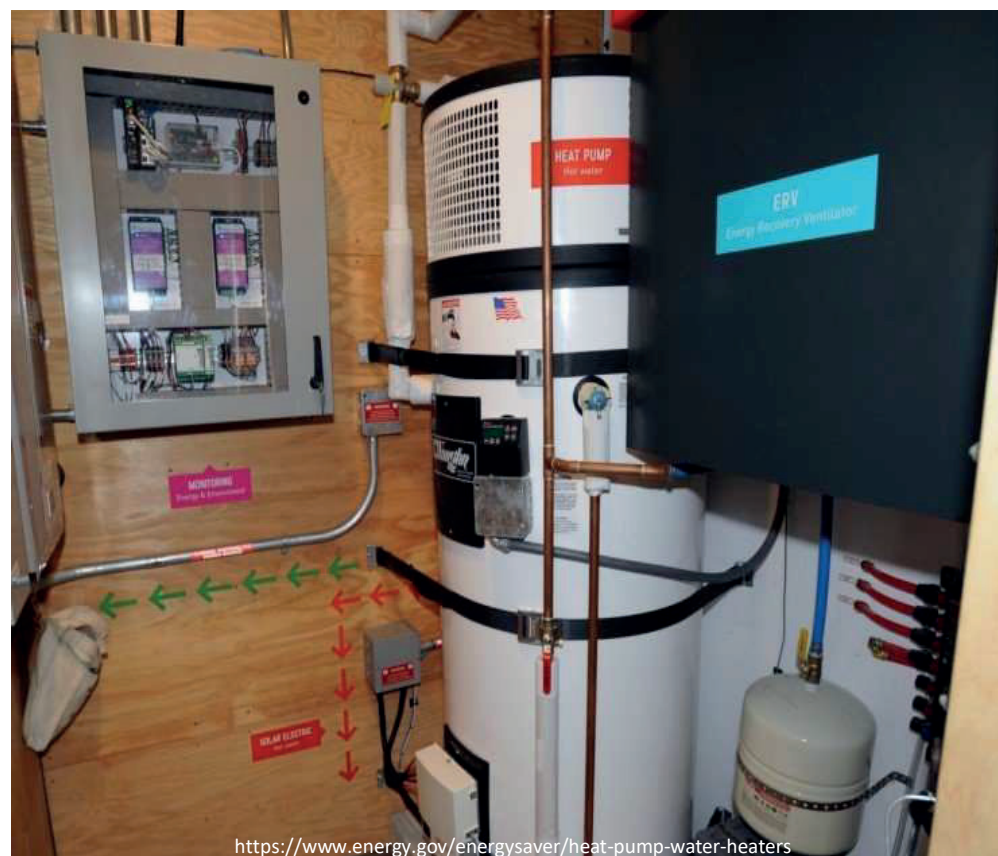
ELECTRIC HEAT PUMPS

- For higher HWB, additional clarifications are necessary in consultation with the client. The hot water demand must be adapted to the equipment and, if necessary, to special user's needs (tapping profile). Orientation value: 2 kWh per person and day, target temperature of hot water 55 °C;
- In the case of a combination with a solar thermal system, its yield must be determined. An appropriately designed thermal solar heating system largely takes over the hot water preparation in the summer half-year. The heat pump does not operate then, which extends its service life. The seasonal performance factor of the entire system improves significantly.
- Heat pump combined with an existing boiler: This combination, called bivalent operation, is a good solution in certain cases. Example: An existing biomass boiler replaces an air-water heat pump on cold days.

ELECTRIC HEAT PUMPS

The installation of the system must be chosen in such a way that the acoustic requirements and the requirements for efficient operation are met (e.g. no generation of cold air pols in the case of air heat pumps).

- The system must be planned in such a way that the requirements about regulation, acceptance protocol and system documentation are met.
- The necessary fittings and measuring connections must be planned so that hydraulic balancing of the system is possible. The balancing must be possible for each group and room.
- The heat source should be made accessible by a specialized undertaking ensuring high quality implementation.



ELECTRIC HEAT PUMPS

Heat pump

- The heat pump should meet the requirements of the European Heat Pumps Association (EHPA) test regulations or bear the EHPA Quality Label.
- The coefficient of performance (COP) values shall be verified with a performance test according to standard EN 14511 of an accredited testing institute.
- If the renovation check is used, a heat pump listed for this purpose must be selected and the entire system must be designed accordingly.
- When dimensioning heat pumps, the surcharges to the standard heating load and the blocking times for reheating the heat pump must be taken into account. Over dimensioning of the heat pump must be avoided.



ELECTRIC HEAT PUMPS

Seasonal performance factor

- The annual performance factor must be calculated at the planning stage according to the BIN method and according to the conditions of the building for the selected system components and enclosed with the documentation.
- The annual performance factor (APF) calculated in this way for the overall system must reach at least the value 4. A distinction must be made between the SPF for heating and the SPF for heating and hot water. For buildings close to the Passive House standard, due to the large proportion of hot water with a comparatively high temperature level, it is difficult to achieve an annual performance factor for heating and hot water above 4 level, an SPF for heating and hot water above 4 is difficult to achieve unless a solar thermal system is combined.
- Other procedures for the determination of the seasonal performance factor prescribed for the receipt of the subsidy must also be applied.



ELECTRIC HEAT PUMPS

Heat meters and meters for electric drives

- In order to check the annual performance factor, a heat meter and a separate electricity meter for the compressor and the auxiliary drives must be installed.
- Modern heat circulation pumps often are able to meter the heat amount of flow and return streams by heat and volume meters. For larger plants it is recommended to monitor those figures online. With contracting project this normally is done anyway to allow an efficient operation and save money.
- In addition to the control unit on the system, the heat pump has a control unit in the occupied area (this normally only applies to single-family houses, where owners directly can steer the heating system from there).



<https://www.keba.com/en/heating-control/heat-pump/heatpump>

ELECTRIC HEAT PUMPS

Control

The heating control has a timer with a daily and weekly programme (for single-family houses, additional holiday programme option).

The setting of the heating curve is optimized in consultation with the user on the basis of the specific technical and local conditions.

Single-family house: in addition to the control unit on the system, installation of an easy-to-adjust remote control unit in the living room with the following functions:

- Switch heating on and off,
- Change the temperature level in the whole house,
- Set timer programmes,
- Depth of setback during reduced operation.

Requirements for the optimization instruments:

- The system temperatures (temperature level and switching differential) must be adjusted by a specialist;
- For each heating group, the temperature of the flow and return can be read;
- The heating control system should enable optimization of operation in the high or low tariff range depending on the electricity supplier;
- If a PV system is present, a control system is required to optimize operation for own electricity use;
- Smart Grid (SG)-Ready-Label for the use of variable tariffs.

ELECTRIC HEAT PUMPS

Pumps, accumulators

In order to avoid frequent switching on and off of the unit (which shortens the service life of the unit) and to be able to bridge switch-off times of the power supply, a sufficiently dimensioned heat storage must be provided.

In the case of underfloor heating, the storage effect of the floor structure must be taken into account.

An operating mode without a heating element or with a predefined limited use of an electric heating element. On very cold days it may make more sense to use electricity directly instead of overusing the heat pump.

Hot water should be provided by a separate hot water tank. A heating storage tank does not have the temperatures for fresh water. Domestic hot water production, which because of legionella needs to deliver flow temperatures of up to 60°C, should therefore be preferably supplied by other systems, e.g. by solar thermal panels with a separate hot water.



ELECTRIC HEAT PUMPS

Noise

It is ensured that the heat pump, as a source of noise, does not cause any inadmissible noise emissions (see relevant rules about noise emissions in your country). A reduction of 6 dB per doubling of distance can be assumed as a guideline value. In quiet residential areas, these values may be too high.

Noise emission into the living space must be considered, especially with lightweight construction.



ELECTRIC HEAT PUMPS

Design of earth probes / earth conductors

The design of borehole heat exchangers / ground collectors is carried out on the basis of a calculation in accordance with country's relevant regulation. The extraction rate for ground probes must not exceed max. 50 W/lfm, for ground probes and max./or 20 W/m² in the case of ground collectors. Higher values are only permissible if geology conditions allow it.

With regard to a documentation of the drilling, a site plan of the boreholes, the probe lines to the house, a protocol of the drilling foreman with drilling run sheet, grouting protocol and information on the grouting material as well as with a pressure test protocol of the probes are recommended.

Requirements for the thermal insulation of the pipework

All heating and hot water pipes in rooms must be insulated against heat loss at least in accordance to relevant regulation. Appliances and fittings must also be thermally insulated.

Indication of operating costs

The expected annual operating costs, including maintenance, are to be calculated on the basis of the annual performance factor for an agreed room temperature. A variant of operation costs with green electricity shall also be presented.



ELECTRIC HEAT PUMPS

Installation of a heat pump system

The system is to be installed in such a way that the requirements regarding regulation, acceptance protocol and system documentation are met.

The necessary fittings and measuring connections must be planned so that hydraulic balancing of the system is possible. Hydraulic balancing must be possible for each group and room.

Certified heat pump planner or installer

In addition to national installers' trainings (hopefully available), evidence of additional qualifications documents the particular commitment and specialist knowledge of the installer in question is recommended to be checked. Suitable proofs are reference installations and the certificate of a certified heat pump installer or planner, if available.

Operating instructions

For all essential functions, operating instructions including instructions for the determination of the annual performance factor should be made available by the installer or the manufacturer of the heat pump, respectively.

Adjustment, acceptance report, system documentation

After hydraulic balancing and adjustment of the operation heat pump and circulation pump to heating curve, an acceptance report should be drawn up and the system documentation should be handed over during commissioning.



ELECTRIC HEAT PUMPS

Combination of a heat pump with photovoltaics

In principle, this combination offers the possibility of using self-generated electricity, but the yields from PV systems are low during the heating season. On an average December day, only about 1 kWh of electricity per kWp can be expected.

In high winter, only part of the self-produced PV electricity can be used for heating and hot water. For the rest, electricity from the grid will be necessary. At the beginning or end of winter, however, the PV system can supply more electricity than is needed for household electricity. Then the heat pump can use energy from a photovoltaic (PV) system for its operation. The HP can make good use of the sun's supply, which fluctuates during the day:

- a) In the case of underfloor heating, the screed acts as a buffer (rule of thumb: 1 square metre of floor corresponds to 100 litres of water storage)
- b) A hot water tank the size of 300 litres can store approx. 15 kWh of heat, for which the heat pump uses about 5 kWh of electrical energy.

In the sunnier months, the heating of water with storage by means of a heat pump compared to battery storage is the more economical option. The self-consumption share of a PV system can be increased by about a fifth. Recommendation: Have your PV and heat pump planner to calculate the daily electricity yield and demand on a characteristic winter day, e.g. 21 January, at a daily mean temperature of 0°C, in order to obtain a realistic estimate of your own electricity use for the heat pump.



ELECTRIC HEAT PUMPS

Heat pumps match with...

- In many cases, heat pump systems can be successfully combined with **solar thermal systems** so that solar thermal energy can be used to meet a large proportion of the hot water requirements in summer and part of the heating load during transitional periods. Alternatively, the efficiency of heat pumps increases significantly when the temperature of the heat source is increased with solar thermal energy.
- Solar energy in combination with heat pumps is also used in the form of **PV panels**: heat pumps require electricity to run, and by installing solar PV to produce electricity, the solar PV will cover (part of) the heat pump electrical requirements.
- Last but not least, a heat pump with **thermal storage** system is a system that operates a heat pump during nighttime using inexpensive electricity; during this time, the generated thermal energy is stored in a thermal storage tank.



ELECTRIC HEAT PUMPS

WHAT COULD YOU TELL YOUR CUSTOMERS?

- **Energy efficient:** for each kW of electricity consumed by a heat pump, about 4 kW of thermal energy is generated. This corresponds to a 300% efficiency.
- **Versatile:** thanks to a reversing valve, a heat pump can change the flow of refrigerant and either heat or cool a home.
- **Sustainable:** A heat pump can be up to 100% climate-neutral if the electricity needed to operate it is also generated from renewable energy, for example if green electricity is used or the heat pump is combined with a photovoltaic system on the roof of the house.
- **European:** the vast majority of the heat pumps installed in Europe are also manufactured in Europe. In fact, the EU heat pump companies play a leadership role in the technology development.
- **Provider of energy security:** the EU imports annually energy worth over 400 billion euro. Heat pumps reduce the use of primary and final energy. So, we would need less energy and by consequence less would need to be imported. This saves costs and secures the supply of energy at the same time: we become more energy independent.
- **Electricity System Transition facilitator:** Heat pumps potentially can help integrate large amounts of fluctuating electricity from wind power and photovoltaics. Combined units in conjunction with electricity or heat storage units can be controlled in such a way that they make optimal use of self-generated PV electricity or of renewable electricity from the grid. Energy suppliers already offer more favourable tariffs for this and heat pumps showcasing the “Smart Grid Ready” label are ready to meet these requirements.



SOLAR THERMAL

Target group: individual, small and large volume buildings

Planning guidelines

A large part of the heat requirement for hot water preparation can be covered by a thermal solar system. In addition, a solar system of the appropriate size can also support the heating. Basically, a solar system can be sensibly combined with any heating system. The demand for hot water depends heavily on the behavior of the residents and is therefore subject to fluctuations. This is calculated using different methods (see the table).

| | Hot water requirement (liters) | Temperature level (° C) |
|--------------------------|-----------------------------------|----------------------------|
| Dishwashing | 12-15 | 50 |
| Hands washing | 2-4 | 50 |
| Head washing | 8-11 | 50 |
| Shower | 23-45 | 50 |
| Bath in standard bathtub | 90-135 | 50 |
| Bath in large bathtub | 188-300 | 50 |



SOLAR THERMAL

A well-planned solar thermal system should achieve a degree of coverage of 60 percent or higher with the exclusive support of water heating. If the heating system is also to be supported by the solar system, a solar coverage ratio of at least 25 percent (old building) or 70 percent (new building) of the total heat requirement (hot water and heating) should be aimed for. In the case of unrenovated buildings, it can make sense to prefer insulation measures to solar thermal heating support.

For a good acceptance of solar energy it is also important to build the systems with a high aesthetic quality. This also shows that taking design requirements into account generally does not lead to any noteworthy losses in solar yield. In most cases, a nice integration even supports the overall profitability.

When dimensioning the sizes of the most important components of a solar thermal system (collector area and hot water storage tank), the following sequence should be followed:

1. Determine the daily hot water demand (temperature level 50°C),
2. Calculate the volume of the hot water tank,
3. Determine the collector area,
4. Correction of the collector area due to deviations from the optimal inclination and orientation

The daily hot water demand can be determined in two ways. Either a rough calculation method with 50 litres per day and person (at 50°C) is used or a detailed compilation based on the following table is made. The hot water demand, like the cold water consumption, depends very much on the individual user behaviour.



SOLAR THERMAL

Once the daily hot water demand has been determined, the storage volume can also be determined. The storage volume for a solar water heating system in detached and semi-detached houses should be about twice the daily demand, thus enabling bridging on days with little sunshine and covering peaks in consumption. Since the manufacturers do not offer storage tanks in every size, one must orient towards the usual market sizes. However, the storage tank should not deviate from the calculated volume by more than 10 percent at the bottom and by more than 20 percent at the top. The usual storage tanks on the market are 300, 400, 500, 750 and 1,000 litres.

The following step is to determine the collector area. Since the collector area depends on a number of factors, these must be taken into account when dimensioning. Possible influencing factors are:

- Domestic hot water consumption
- Collector type
- Desired degree of solar coverage of domestic hot water demand
- Climatic conditions at the location
- The inclination and orientation of the collector



SOLAR THERMAL

For solar water heating, almost 100 % solar coverage should be achieved over the summer months. Then the boiler for reheating (poor efficiency) does not need to be operated during these months. When dimensioning, a solar annual coverage of the domestic hot water of about 70% is therefore to be aimed for.

The table applies to an optimal orientation (south) and a suitable collector inclination (45°). If the orientation and the collector area deviate from these optimal conditions, the resulting reduced yield can be compensated by increasing the collector area by 10-20 percent. In the case of systems integrated into the heating system, the solar collectors should be aligned with a maximum deviation of 45° (south-east to south-west) and set up with an angle of 45° to 60°. In order to be able to handle the large number of parameters more precisely and more easily when calculating the degree of coverage, the calculation of the degree of coverage should be carried out using a simulation programme. The verification should be carried out by a calculation with a recognised calculation programme with local climate data.

| Daily demand (liters / day at 50 ° C) | Volume of the hot water tank (liters) | Gross collector area m ² (flat plate collector) |
|---|---|--|
| Up to 100 | 200 | 4 |
| Up to 200 | 400 | 6 |
| Up to 300 | 500-700 | 8-12 |
| Up to 400 | 750-1.000 | 12-16 |

SOLAR THERMAL

Solar storage

The solar storage unit stores the supplied solar energy while it is not or only partially required and makes it available again at times when there is no solar radiation. There are also different systems for the storage tanks: in addition to the classic solar storage tanks, in which drinking water is heated by means of a heat exchanger, there are also buffer storage tanks in which heating water is stored. There are also stratified storage concepts, especially with the above-mentioned buffer storage tanks, in which the heated water is "stratified" in the storage tank in such a way that no undesired mixing can occur. This facilitates a combination with other heating systems for partially solar heating of rooms.

Hot water / buffer storage

A good insulation of the storage tank reduces heat losses. Even when installed in the heated area, losses can be high, therefore a good thermal insulation is necessary. If the storage tank is installed in the heated area, good insulation also reduces the risk of overheating due to unwanted heat emission. The storage tank is sufficiently good if its energy efficiency class is at least class B for storage tanks up to 500 litres or at least class C for larger storage tanks.

If a solar system is used for heating support, the buffer storage tank should be dimensioned with 50 to 70 litres per m² collector area. The technical data required for the calculation can be requested from the manufacturer.



SOLAR THERMAL

Direct-electric hot water production

Since high conversion losses and emissions are associated with electricity generation, direct-electric hot water production is not recommended under primary energy and ecological criteria. It is therefore only acceptable as a reheating system in buildings with large-scale solar thermal systems (utilisation rate for domestic hot water preparation of over 80 percent) and as a reheating system in buildings with heat pumps with hot water preparation and with a heat pump compact unit to a limited extent. Customers benefit from the avoidance of direct electric water heating through lower energy costs, as electricity is far more expensive than other common energy sources. The climate policy benefit of solar thermal water heating lies in the significantly lower carbon dioxide and pollutant emissions compared to direct electric water heating.

Control / regulation

In order to be able to operate the solar system optimally and safely, a control is necessary. Their task is to control the pumps and valves depending on the collector and storage tank temperatures or, if the solar yield is too low, to heat the storage tank via the existing heating system.

SOLAR THERMAL

Solar thermal system matches with...

- Solar thermal systems are rarely stand-alone technologies. More often, solar thermal systems can be used to produce hot water and to top up a space heating system. They can work **in combination with biomass technologies, heat pumps and photovoltaics**.
- Because of the unstable and intermittent nature of solar energy availability, a **thermal energy storage system** is required to store thermal energy and retrieve it whenever it is required. Thermal energy storage not only eliminates the discrepancy between energy supply and demand but also increases the performance and reliability of energy systems.



SOLAR THERMAL

WHAT COULD YOU TELL YOUR CUSTOMERS?

- Sunlight is free, so once you have paid for the initial purchase and installation of the system, **your hot water costs will be reduced.**
- Solar thermal systems can **reduce your electricity consumption**, for example by connecting the dishwasher and the washing machine to a hot water connection with the water heated by the sun.
- Solar hot water is a green, renewable heating system and can **reduce your carbon dioxide emissions.**
- Solar water heating can provide you with about **half to two-thirds of your annual hot water needs.**
- Solar thermal systems need **little maintenance** and the costs of it are very low.



RENEWABLE-BASED DISTRICT HEATING

Building type: suitable for all buildings in areas where district heating networks are available, irrespective of size or type

Planning guidelines

The district heating grid transports the warm heating medium to the consumers and the cooled medium back to the heating generators. In order to transfer the heat, the consumers need to be connected directly or indirectly (through heat exchangers) to the system. The connection point can be defined from a technical point of view, as well as from a legal point of view. Usually, the central heating system of the building belongs legally to the building owner, whereas the DH grid belongs to the grid operator. The heat transfer station can be owned either by the building owner or by the grid owner, depending on the business models and on the contracts.



RENEWABLE-BASED DISTRICT HEATING

Heat transfer stations

The heat transfer station is the equipment that transfers the heat from the DH grid to the consumers. Usually (i.e. in Austria and Germany), houses are connected to the district heating grid by using a heat exchanger (indirect system) to separate water from DH and installation of the house. This equipment is located in a heat transfer station at the houses. In other countries (i.e. in Denmark), often a direct system without a heat exchanger is applied.

Heat transfer stations usually consist of a heat exchanger (indirect system), a control unit to regulate the flow temperature for the house, a motor valve and a heat meter. It is standard to use differential pressure balanced motor valves, in order to lower fluctuations and to set a maximum flow rate when the valve is completely open. With this adjustment, it is possible to limit the flow rate (heat power) of the heat transfer station to a contractually guaranteed value.

Depending on the legislation, it may be necessary to install an official calibrated heat meter. The heat meter needs to be calibrated periodical. Usually heating costs consist of costs for the used heat (€/kWh), needed heat peak load (€/kW per month) and metering costs (€/a).

A monitoring system (temperatures, opening of valve and quantity of heat consumption) that is connected to the heating plate is standard nowadays. This is achieved with a bus-system for all heating stations. This monitoring system can also be used to control the differential for all heating stations. This monitoring system can also be used to control the differential pressure of the main DH pump (valve management). Additionally, monitoring helps to identify customers with higher return temperature and to apply sanctions.

Advantage of an indirect system is that DH water and heating water of the customers are separated and no oxygenation from customers' plastic pipes could damage the DH grid.



RENEWABLE-BASED DISTRICT HEATING

The heating system of the building

The heating system of the building needs to be adjusted in order to increase the overall efficiency of the system.

The hydraulic installation in the building of the consumer should enable low return temperatures to the DH grid. If the return temperatures are too high, the consumer may be instructed to change some parts of the hydraulic installation. This should also be included in the contract.

Consumers usually use radiators, floor heating, wall heating, or radiant ceiling heating to distribute the heat to the rooms. Radiators need a higher temperature than the other panel heating systems (big surface). Hence, floor, wall and ceiling heating results in lower return temperatures for the DH grid and lower the pumping costs of the grid.

If plastic pipes are used for heating, there should be an indirect connection of the consumer (heat exchanger) to prevent oxygenation and sludge accumulation at the DH grid.



RENEWABLE-BASED DISTRICT HEATING

Domestic hot water production

Besides space heating, the heat from the DH grid may be also used for domestic hot water (DHW) supply. In most heating grids in Germany or Denmark, the heat supply for preparing hot water is an integral part of the service. In some other countries, especially in southern Europe existing DH grids are only operated during winter and no service is provided for hot water supply. In this case, other equipment for the preparation of hot water is needed.

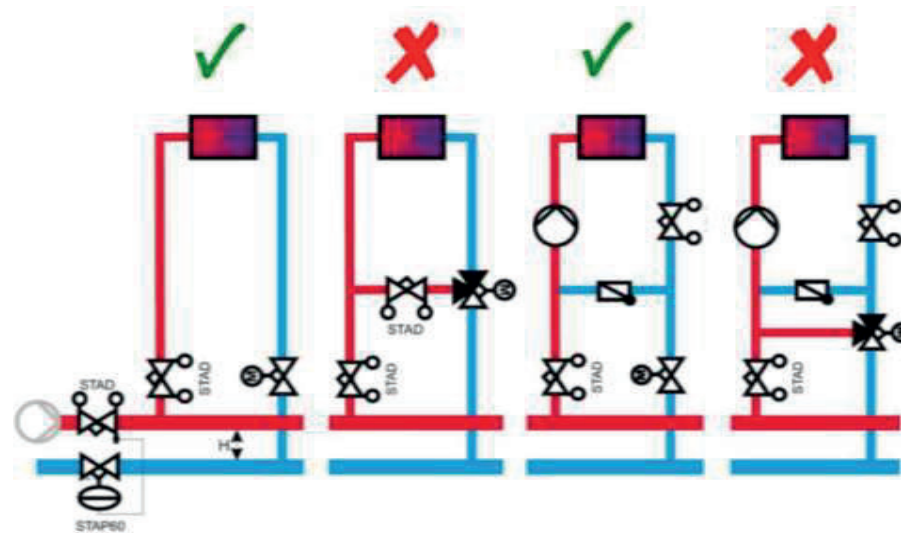
The preparation and provision of DHW needs to ensure health safety. Pathogens, such as bacteria and Legionella, may cause health problems and need to be avoided. The occurrence of them is not a specific problem related to district heating, as they may occur in all warm water systems. The contamination with Legionella takes place in the domestic hot water production and distribution facilities, i.e. in the drinking water pipe system, the circulation and the storage tank. The owner of the domestic hot water facility is responsible for ensuring health safety.

RENEWABLE-BASED DISTRICT HEATING

Connection between district heating and consumer systems

The heating system of the consumers (households) needs to be connected to the district heating system in an efficient way. Thus, the hydraulic system at the consumer side needs to be well adapted. It is important to avoid shortcuts in circuit. The system of the consumer should not raise the return temperature of the district heating system; this means that the flow of the consumer heating should not be directly mixed with the return flow.

The figure presents suitable and non-suitable hydraulic distribution systems used at the consumer's side. Practical experience shows that the third system is the most common system which is easy to plan, and which operates without hydraulic problems. When connecting the hydraulic system of the consumer to the DH system, they should ensure the good practice schemes of the figure below. If the system is not suitable, it should be changed. Furthermore, it should be considered that the systems, including the heat exchanger, pipes, valves and motor valves are not oversized.



Hydraulic distribution that can be used for DH systems at consumer side

Source: Güssing Energy Technologies, based on Tour & Andersson Ges.m.b.H., 2005

RENEWABLE-BASED DISTRICT HEATING

Often, consumers will have already installed solar heating systems on their buildings when the DH grid is planned. The integration of these solar collectors depends on various aspects, such as the type, size and age of the solar system. If there are solar collectors existing at the consumer's building, they should be mainly used for the production of domestic hot water. If it is also planned to include them into the heating system, a buffer storage tank should be used. The solar system could feed the buffer storage tank with heat and if the temperature is too low, heat of the DH grid could be used to maintain the desired temperature. Thereby, the heat could be transferred to the top of the buffer storage tank or the system could be heated externally with a heat exchanger.



RENEWABLE-BASED DISTRICT HEATING

Primary Energy Factor

If possible, heating and hot water should be provided by district heating from waste heat or CHP. The higher the share of renewable energy sources, the more positive the effect on the primary energy factor and thus on the primary energy demand or consumption.

The main criterion for assessing whether the use of a district heating system is worthwhile from an energy and ecological point of view must always be the primary energy input (primary energy factor) of the respective district heating provider. District heating only makes sense from an energy point of view if the primary energy factor is significantly lower than the primary energy factor for direct use of a fuel (e.g. gas). This is due to the sometimes very high distribution losses of a district heating system.

Since every district heating system is structured differently, information about the primary energy factor should be provided by the district heating operator, in order to adequately assess the district heating system. However, this assessment should always consider the current power plant fleet, as the share of renewable energies and thus the primary energy used depends on this.

It should also be clarified with the operator of the district heating connection whether there is an obligation to purchase certain amounts of energy over a certain period of time.

RENEWABLE-BASED DISTRICT HEATING

In addition, many district heating suppliers limit the maximum return temperature after the heat exchanger. This enables them to better utilise the district heating networks and the heat generators, but has a direct impact on the operation of the building's heating network, as it affects the return temperature of the district heating connection.

Since the primary energy consumption of a district heating system depends not only on the generation but also to a large extent on the losses, it is important to minimise these. In addition to an absolute reduction of losses through thermal insulation, other measures can also be implemented to reduce losses. On the one hand, the district heating network should be as short as possible in order to reduce the total losses. On the other hand, the ratio of the amount of heat purchased to the length of the pipe network should be as large as possible. The more buildings are connected per metre or kilometre of pipe (i.e. the more heat is tapped per metre), the lower the losses of the distribution system.

The target value to achieve a good benefit-loss ratio should be at least 1.2 MWh per metre of pipe (incl. house connection pipes).

RENEWABLE-BASED DISTRICT HEATING

Renewable-based district heating matches with...

- Many district heating systems in densely populated areas in Europe use the **combined heat and power technology (CHP)**, allowing to produce heat and power simultaneously. Regardless of the “fuel” used in any energy conversion unit (i.e. natural gas, biomass, synthetic green gas or electricity), the utilisation of the by-product or “waste” heat increases the overall energy efficiency, lowers the greenhouse gas emissions of the energy system and makes those conversion units more resilient to “fuel” prices and revenues from electricity sales, due to heat sale revenues from co-generation.
- Another significant advantage of DH is that it offers the option to utilise **waste heat** from industry, IT infrastructure, wastewater sewers (or treatment plants) etc., as well as renewable low temperature heat sources like geothermal, solar thermal or even ambient heat from lakes, rivers or coastal stripes. Heat pumps can help exploit such energy sources by pumping heat from those sources to the required supply or return temperatures of DH systems and capturing it. With very low temperature DH heat can be stored even seasonally in underground storage or building component activation or water storage ponds for an exploitation during the heating season. A precondition here is that the houses of end consumers can handle low temperature supply heat (i.e. low energy demand and floor/wall surface heating systems).

RENEWABLE-BASED DISTRICT HEATING

- Another match for DH systems is with **solar thermal energy**. In smaller DH grids, over summer it might be beneficial to bridge operation partly or completely by delivery of solar thermal energy via the grid. Often the boiler and/or the storage facilities have solar installations exactly for this purpose. If not completely shut down, the grid should be operated only for several hours per day by decentralised buffer storages. Otherwise, the heat losses might be too high in summer (as only domestic hot water is needed).
- If you have already solar thermal collectors on your rooftop, usually this can be still used when you connect to a DH system. In this case you simply save money for each kWh that you do not need from the DH grid.



RENEWABLE-BASED DISTRICT HEATING

WHAT COULD YOU TELL YOUR CUSTOMERS?

- **Local and renewable energy:** district heating can integrate combustible renewables that are difficult to manage in small boilers, for example wood waste, straw and agricultural residues as well as the biogenic fractions of municipal waste and sewage sludge. Additionally, renewable fuels including biofuels, geothermal, solar and wind energy are utilised more effectively when integrated into district heating networks.
- **Local pollution prevention and control:** district heating reduces local pollutants like particle emissions, sulphur dioxide and nitrogen oxides by relocating exhausts from individual boilers to centralised chimneys. Due to economies of scale, far more effective pollution prevention and control measures can be implemented in central production facilities.
- **High comfort:** district heating infrastructure is installed outside of people's homes. Storage, maintenance, replacement and system upgrades cause minimal disruption to citizens' lives. So, you don't have to care about anything, you just have to get connected and to pay for the heat supply bills.
- **Flexible and sustainable fuel mix:** district heating enables highly flexible energy mix. New fuels and energy sources can be integrated with minimal need for restructuring by the operator. For customers no adaptation measures at all are required when a switch of energy source is made.
- **Increased energy security:** past gas crises, notably in 2006-2007 and 2009, have made the vulnerability of the European energy supply system obvious. In several countries and cities district heating systems were able to considerably ease the situation by switching to alternative fuels.





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RESIDENTIAL HEAT DECARBONISATION SOLUTIONS

OTHER HEATING OPTIONS

PV FOR HEATING

With state-of-the-art PV technologies, PV panels can now be used not only to power homes and electric appliances, but also to heat houses and domestic water.

This can be done by complementing the main heating system such as a heat pump with a PV system.

There are different options to use PV power for heating:

- **PV power to operate a heat pump**
- **PV/T: combined photovoltaic and solar thermal collectors/modules**
- **PV power for an electric heating rod in the buffer tank**



MULTIFUNCTIONAL FAÇADE SYSTEMS

A **new multifunctional modular façade system**, currently being developed, tested and demonstrated, is behind an innovative whole building renovation concept. The concept is based on largely standardised façade and roof systems that are suitable for prefabrication. It aims at contributing to quality control and standardization based on prefabricated modules and advanced retrofit strategies. The concept focuses on prefabricated and factory-assembled roofs, façades, and HVAC systems for diverse buildings.

The modules are standardised in construction, layers and joints; they are flexible in architecture, form, and cladding; and they can be combined with each other and with non-prefabricated (conventional) retrofit options.

Fundamentally, the **module consists of**:

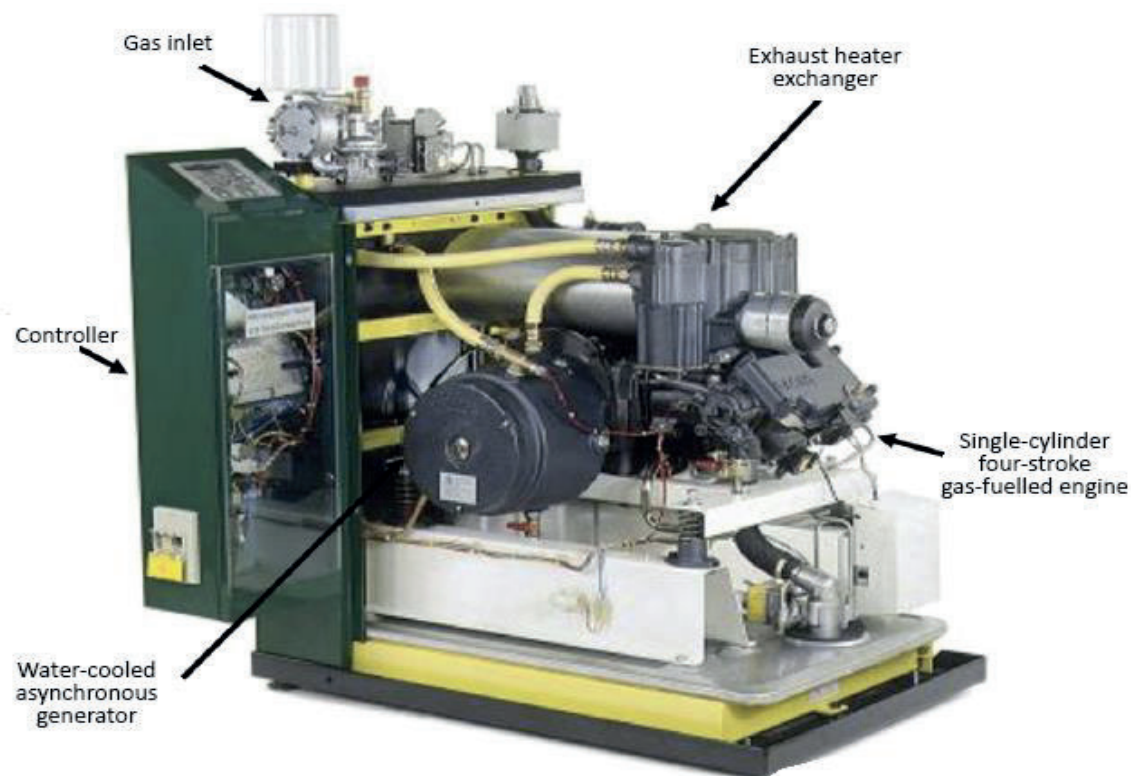
- An equalizing layer mounted on the existing outer wall
- A load bearing construction with insulation layer and integrated ducts
- A second layer of insulation material
- A cladding layer that can be prefabricated and delivered with the module, or mounted on site.



MICRO CHP

With the ability to attain overall efficiencies above 90%, micro-CHP units meet the **demand for heating**, space heating and/or hot water (and potentially cooling) in buildings, while providing electricity to replace or supplement the grid supply.

The **heat** generated could be used **on-site** and/or supplied to other homes **nearby** through district heating infrastructure. Micro-CHP systems can also provide **cooling** through the use of absorption chillers that utilize heat as their energy source. In this way, end-users from different sectors become partners **sharing responsibility** for a greener and more sustainable energy supply.



<https://www.cibsejournal.com/cpd/modules/2016-04-chp/>

MICRO CHP

A micro-CHP system can be based on **several types of technologies**, including engines (both Stirling and Internal Combustion Engine), gas and steam turbines and fuel cells. Micro-CHP systems deliver important benefits to energy consumers as well as the wider energy system, in line with EU reaching its energy and climate objectives:

- **Savings on total energy costs** for the end-user (as a function of electricity and heat savings),
- **Improved efficiency of fuel** use – better fuel utilization factor (at least 25% compared to importing electricity from the grid and using boilers to generate heat),
- High level of **fuel flexibility**, reduced emissions (up to 33%),
- **Independence and security** of power supply,
- Improving the **energy performance of buildings**
- **Supporting the electricity grid** and helping the integration of intermittent renewables



COLLECTIVE ACTIONS

Collective actions refer to actions taken together by a **group of people** whose goal is to enhance their condition and achieve a common objective. Collective actions can **raise the awareness** among the public for a certain investment.

Due to higher sales volume, **prices** are likely to **decrease**.

There are three general types to community development efforts:

- **Top-down:** the government actively initiate community development activities, while the community and the general public remain passive.
- **Bottom-up:** the community plays the active role in initiating and managing development activities, while the government plays a more supportive role, enhancing the skills and knowledge of the local community actors.
- **Partnership:** a combined effort between the government and the community to carry out community development activities.



<https://www.worldwatercouncil.org/fr/node/1630>

COLLECTIVE ACTIONS

Examples for collective actions in the field of heat supply and room air conditioning for the housing sector are:

- **Wood pellet purchase**
- **Thermal insulation** of the uppermost ceiling of single-family houses
- **Purchase of boilers/equipment** for renewable heating systems (by end consumers or installers)
- **Implementation of low-cost measures** recommended by public energy advisors or independent energy consultants at boiler inspections
- **Purchase of PV systems** with domestic hot water (boilers equipped/upgradable with) power-to-heat heating rods or together with efficient household mono- and multi-split room air conditioning systems
- **Purchase and implementation of solar** thermal systems
- **Biomass micro grids supplying** more than at least two buildings (e.g. based on farmers cooperatives, even operated as a kind of plant energy contracting completely for third parties)
- Compilation of **lists for collective purchase and installation**, with recommendations on who can implement the project



<https://dl.acm.org/doi/fullHtml/10.1145/3018005>

HEATING SYSTEMS

BOILERS AND COOLING UNITS CHECK MEASURES

HEATING SYSTEMS

Often boilers are **highly efficient** when measured in the lab; however, in real life the performance can be much poorer. The same applies to air-conditioning systems. The reason is to a large extent that the system is not well adapted to the building resp. on the users' needs or the maintenance is poor which leads by time to performance losses but also to a lower lifetime of the device.

The boiler room check measures **should be organized** together with installers or energy advisers, or with both.

Hydraulic balancing can take from several hours up to a whole day, depending on the number of rooms and radiators installed.

With such measures, the **investment would pay off** within a couple of years, depending on cost of fuel prices.



BOILERS AND COOLING UNITS CHECK MEASURES

HEATING SYSTEMS

A heating system check should include:

- The boiler itself:
 - ✓ Is the dimensioning appropriate?
 - ✓ measurement of the exhaust gas losses
 - ✓ measurement of the ventilation losses
 - ✓ Is the condensing of the exhaust gases working properly (mainly depending on the system temperatures)?
- The regulation:
 - ✓ Is the heating curve adjusted correctly?
 - ✓ Is the water circulation pump working in an efficient way and does it work with variable speed?
- The heat distribution system:
 - ✓ Are the pipes adequately insulated?
 - ✓ Is the hydraulic balancing correct?
 - ✓ Is there air in the heating circuit?
- The heat dissipation system:
 - ✓ Are the heat dissipation surfaces large enough?
 - ✓ Are there radiators covered by furniture, etc.?
 - ✓ Are the regulation valves working correctly?
- The domestic warm water system
- The usage of renewable energies: status and potential



BOILERS AND COOLING UNITS CHECK MEASURES

HEATING SYSTEMS

The most often occurring **problems are related to:**

- The over-dimensioning of the boiler,
- Non-insulated distribution pipes,
- Problems in the regulation,
- The sub-optimal operation of water circuits with old, inefficient circulation pumps (without variable speed),
- The correct setting and limitation of heating times or room temperatures,
- Missing hydraulic balancing.



Experience from performed heating system checks show that **savings of about 15%** are feasible in most cases without any negative effect on the comfort. Such heating check measures are a low investment and low involvement action and pay off quickly. At colder climates for single-family houses monetarized **energy savings of up to 2,000 Euro per year** were observed. Therefore, it is highly recommended to make an assessment with a local installer to define the scope of the action and what benefits (pay-off times) you can expect.

BOILERS AND COOLING UNITS CHECK MEASURES

COOLING SYSTEMS

Room air conditioners ensure a pleasantly cool climate in summer, but also consume a **lot of electricity**.

Additional information on cooling systems powered by renewable energy is available on the [dedicated factsheet on the REPLACE website](#).

Hints for buying a device

- Look for the EU label (energy consumption, cooling capacity).
- Cooling capacity: the unit should be adapted to the conditions, such as room size.
- For single-hose systems the effective cooling capacity can be up to 40% less than specified; for two-hose systems up to 20%.
- Split-units guarantee the best energy efficiency (lowest energy consumption).
- Check the most energy efficient devices available on dedicated websites, like topten.eu.



BOILERS AND COOLING UNITS CHECK MEASURES

COOLING SYSTEMS

For guaranteeing **the efficiency** of a split cooling system a system check should include:

- Refill or change of the refrigerant,
- Check of the system tightness,
- Check of the correct functioning,
- Cleaning and disinfection,
- Change of the air filter(s),
- Change of wear parts.

General hints for an efficient usage of cooling devices:

- Only rooms that are used should be cooled.
- Place units in the room so that the air can circulate freely.
- Use sun protection outside – this reduces the operating time of air conditioning systems and thus energy consumption.
- Only ventilate at night or in the early morning.



<https://www.cdmg.com/building-faqs/how-to-choose-an-hvac-system-for-your-metal-building>

SHADING AND INSULATION

In order to guarantee **thermal comfort in summer** – i.e. to avoid overheating of living spaces – a functional shading of the building is recommended. This is closely linked to the windows and partly to doors.

Due to the changing position of the sun during the day and the seasons, a **reasonable shading system** can only work outside. Depending on the angle of irradiation, glass allows a large part of the solar radiation energy to enter the interior. Interior blinds, even if they are reflective, are therefore very ineffective. In contrast to external shading, they cannot avoid heating up the interior.



OPTIONS FOR EXTERNAL SHADING



Eaves



Awnings



Screens



Shutters

OPTIONS FOR EXTERNAL SHADING



Louvres



External (curved) blinds

Plant shading



Verandahs



Pergolas



OPTIONS FOR INTERNAL SHADING

Internal shading is **less effective** at reducing solar heat gain than external shading because the solar radiation has already come through the glass. The shading absorbs the radiation, and while a small amount of heat is reradiated back to the outside, most remains within the interior space.

Internal shading **can be a useful** device when:

- The sun penetrates for only a short time,
- Heat build-up will not be a major problem,
- Windows can be left open adjacent to them,
- It is required to reduce glare.



<http://petarolo.hu/en/termekek/our-products/internal-shading-devices/>

OPTIONS FOR INTERNAL SHADING



Curtains



Venetian blinds



Roller blinds

Check and insulation measures can in fact reduce about 10-15% of the total heat demand, adding up to 20-30% energy savings, even before the heating system is replaced.

INFRA-RED HEATING SYSTEMS

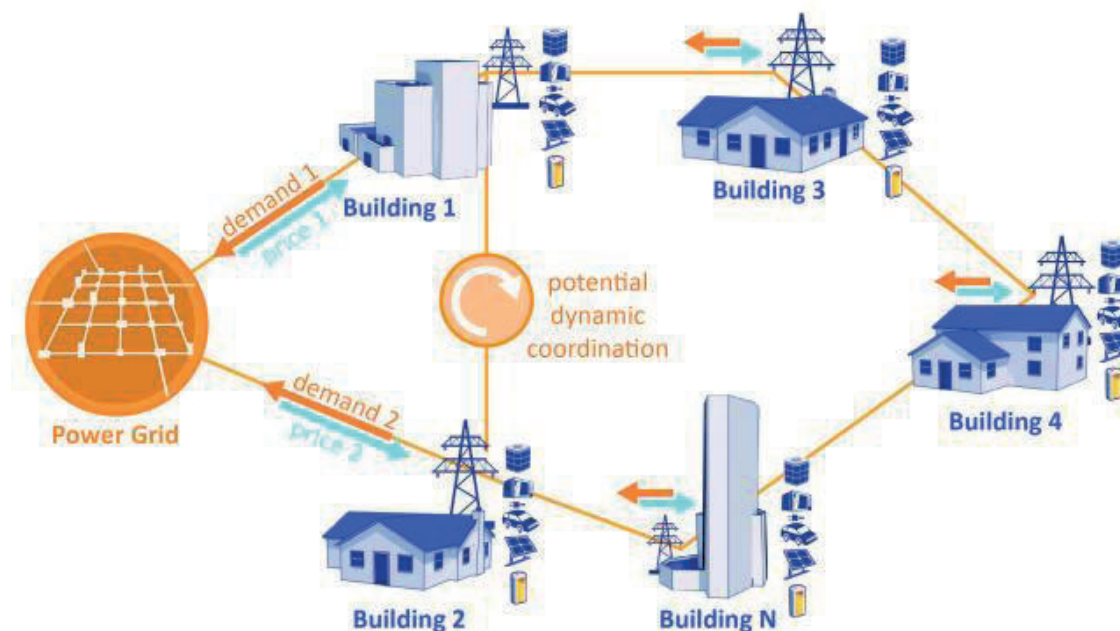
- **Comfort** - Infrared radiation is felt as more comfortable than convection e.g. from heater blowers.
- **Economic aspects** - infrared heating shows low installation costs: about 100 € per m² are realistic, but the domestic hot water demand has to be covered by another system which causes further costs.
- **Environmental aspects** - it is problematic that especially in winter the electricity mix is dominated by fossil fuels.
- **Fields of application** - infrared heating panels can be installed in passive houses; it might be useful to install an infrared heating as additional heating where heat is only needed very locally and in a limited .
- **System choice and installation** - Infrared heating systems show big differences in price and quality. A dimensioning per room is necessary as well as a careful planning of the positioning of the heating device. It might make sense to install products that can be operated remotely and programmed per time or temperature.



“DEMAND RESPONSE READY” MEASURES

Demand-response is a **concept** coming from the electricity market. Demand response is the intentional modification of normal consumption patterns by end-use customers in response to incentives facilitating stability of grids and avoidance of deviation of simultaneous consumption and production of power as well as of demand peaks that might cause costly upgrades of grid infrastructure and / or production capacities. It shall lower electricity use at times of high electricity prices or when system reliability is threatened.

If electricity price is made time-dependent, especially industrial consumers can benefit, as many of them can shift significant consumption loads to off-peak hours. But also for households, this can be an interesting option.



<https://energycentral.com/c/pip/reinforcement-learning-demand-response-and-urban-energy-management?ref=marketbulletin>

“DEMAND RESPONSE READY” MEASURES

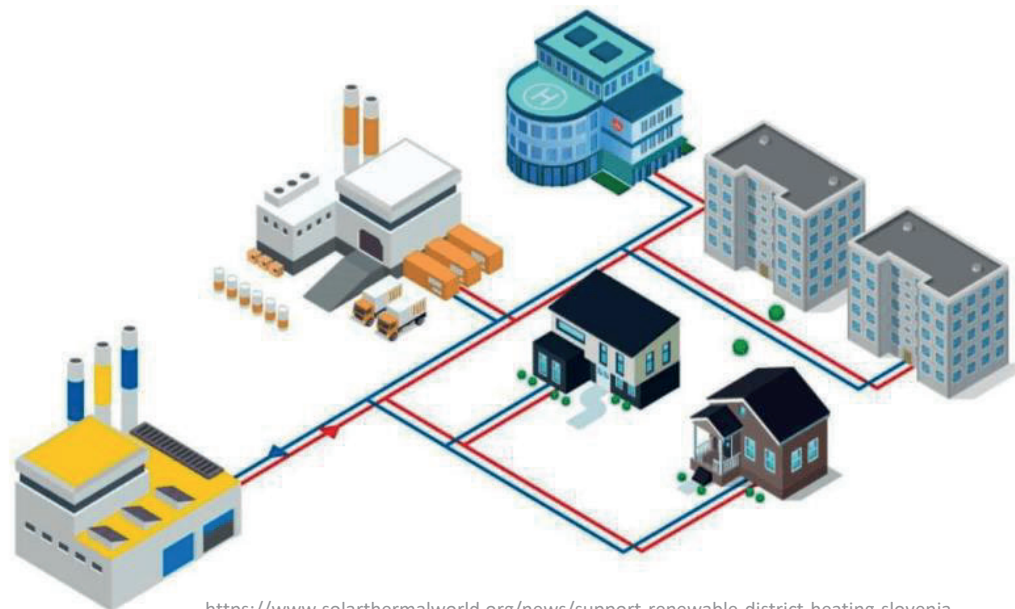
Measures related to **photovoltaics (PV) plants** can also contribute to a load shift facilitating the operational capability of the electricity system, e.g. if they are connected to a heating rod in a warm water boiler or better a domestic hot water heat pump with a heat storage lowering the stress of local electricity grids in times with high PV electricity production but low overall consumption. Such systems are only effective in summertime as PV electricity production is substantially lower in winter and overall electricity consumption substantially increases.



“DEMAND RESPONSE READY” MEASURES

In **district heating systems** peaks result from high request e.g. caused by households using hot water in the morning/afternoon at the same time e.g. for showering, or when the night-time heating temperature reduction is deactivated at the same time. Furthermore, the temperature in the whole distribution system is determined by that single consumer with the highest temperature need. Most DH systems have some peak-load boilers, working only for a few hours a year, but causing high costs and usually use fossil fuels for this short-term delivery (often fuel oil based to avoid connection and grid fees in case of natural gas).

Therefore, also in DH grids, demand-response concepts can make sense. The turn-off time of the night-time heating reduction can be adjusted so that there is a lower peak in the morning hours.



<https://www.solarthermalworld.org/news/support-renewable-district-heating-slovenia>

“DEMAND RESPONSE READY” MEASURES

Surplus electrical power from **solar or wind energy** can be used to (re)charge buffer storages in heating systems (DH or individual systems) by heating rods. By the means of large heat storages electricity and heat production can be decoupled. CHP plants can be operated rather in times of high electricity demand and do not have to follow the heat demand all the time anymore. Heating rods provide even more flexibility to CHP operation.

In general, it can be said that in the case of **centralized heating and overall in electricity systems** DR shall influence energy consumers' behavior towards a more efficient and effective electricity and district heating network operation with regard to:

- The integration of large shares of fluctuating distributed generation from RES
- Reducing demand for grid extension or reinforcement
- Reducing storage demand and short-time fossil fuel based production.



<https://www.vox.com/energy-and-environment/2018/5/18/17359730/wind-solar-power-grid-electricity-managers>



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RESIDENTIAL HEAT DECARBONISATION SOLUTIONS

HEATING & COOLING IN THE EUROPEAN UNION

HEATING & COOLING IN THE EU

- Buildings are responsible for approximately 36% of the greenhouse gas emissions in the European Union and 40% of energy consumption \Rightarrow largest energy consumer in Europe.
- 35% of the EU's buildings are over 50 years old
- Almost 75% of the building stock is energy inefficient
- Only about 1% of the building stock is renovated each year
- Renovation of existing buildings can lead to significant energy savings
- In Europe there are approximately 120 million residential individual central heating boiler systems installed
- Renewable heating & cooling systems as the mainstream choice of European consumers
- It is expected that by 2030 the energy used to cool buildings across Europe is likely to increase by 72%, while the energy used for heating buildings will fall by 30%.



EU LEGISLATIVE FRAMEWORK ON HEATING & COOLING

- The first acknowledgment at EU level of the need to prioritise heating and cooling was the **EU Strategy on Heating and Cooling**, proposed in 2016 by the European Commission. More recently, the European Commission has stressed the key role of building renovation measures, by announcing a “**renovation wave**” of public and private buildings, as part of the European Green Deal, aiming to take further action and create the necessary conditions to scale up renovations and reap the significant saving potential of the building sector
- Measures to improve the building stock are also included in the recently amended **European Performance of Buildings Directive (EPBD)**
- Together with the EPBD, also the Energy Efficiency Directive and the **Renewable Energy Directive** incorporate some provisions which contribute to a highly energy efficient and decarbonised building stock by 2050
- Another key piece of legislation for space heaters is **the Ecodesign and Energy Labelling Regulations**, which address the energy efficiency of products



BAN OF FOSSIL FUEL HEATING TECHNOLOGIES COMING SOON?

- While the sale of very inefficient boilers had already been banned by the Ecodesign and Energy Labelling requirements for space and water heaters which came into application in 2015, some Member States are pushing these requirements further and are preparing legislations on a national carbon pricing scheme and to ban the use of fossil fuel for residential heating purposes.
- Even more ambitiously, with a change to the Dutch law regulating the gas network operators (“The Gas Law”), the Dutch government now requires all new buildings to be almost energy neutral by the end of 2021, does not allow new buildings to connect to the gas grid, and targets to phase out gas in heating entirely by 2050, while many parties even recommend a government requirement that no gas-only boilers should be installed in any homes from 2021.
- In Austria, a federal law already regulates a gradual phaseout of oil and coal in the building sector, while the Austrian government is working to provide a legal basis for the replacement of gas heating systems. At the same time, the Austrian province of Salzburg plans a prohibition of like-for-like replacements of heating systems running on fossil fuels in case of a break down.
- Even though there is no legislation at EU level going in this direction at the moment, other European Member States may autonomously decide to follow this trend as a measure to achieve the objectives agreed in Paris.



USEFUL LINKS

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