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Planning

Soft Market Testing for Heat Network Zone Developer

City of London Corporation

F01: Prior information notice

Prior information only

Notice identifier: 2024/S 000-024273

Procurement identifier (OCID): ocids-h6vhtk-048717

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Section I: Contracting authority

I.1) Name and addresses

City of London Corporation

Guildhall

London

EC2P 2EJ

Contact

Onika Syeda

Email

Onika.Syeda@cityoflondon.gov.uk

Telephone

+44 2076063030

Country

United Kingdom

Region code

UK - United Kingdom

Internet address(es)

Main address

<https://www.cityoflondon.gov.uk/about-us/about-the-city-of-london-corporation>

I.3) Communication

Additional information can be obtained from the above-mentioned address

Electronic communication requires the use of tools and devices that are not generally available. Unrestricted and full direct access to these tools and devices is possible, free of charge, at

www.capitalesourcing.com

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Soft Market Testing for Heat Network Zone Developer

II.1.2) Main CPV code

- 76000000 - Services related to the oil and gas industry

II.1.3) Type of contract

Services

II.1.4) Short description

Soft Market testing Prior to considering whether to commence a formal open tender process, the City Corporation wishes to establish the level of market interest in a zonal scale heat network development within the Square Mile and potential partnerships to deliver wider energy system decarbonisation measures to address the priority areas identified in the CoL LAEP. This activity does not, however, commit the CoLC to running a competitive tender process in the future. The decision to run this process will be made when further information is available on the heat network zoning regulations and the forthcoming legal regime. Assuming the entire Square Mile becomes a heat network zone, the City Corporation wish to explore through this Soft Market testing the market interest in participating in a future competitive process which may allow for future zoning rights to be awarded for developing heat networks within this future zone.

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 24000000 - Chemical products
- 65000000 - Public utilities

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

The LAEP outlines the need for holistic thinking when considering the future energy needs of the square mile. As such, the City Corporation must consider potential partnerships and delivery models with organisations able to deliver low-carbon energy systems in the Square Mile

The City Corporation have been participating in the Department for Energy Security and Net Zero's (DESNZ) Advanced Zoning Programme (AZP), recently completing stage 1. The outputs of the initial stage of the AZP have indicated that whole of the Square Mile is likely to be designated as a Heat Network Zone when regulations are implemented. It is

estimated that this would require a total investment of over £1.2bn to decarbonise more than 1,000 GWh/year of heat delivered to over 1,200 buildings. It is envisaged that the first phase of this will require a circa £120m investment.

It should be noted that, as the heat network zoning framework, including zoning regulations and designations, is still uncertain at this stage, the CoLC cannot guarantee that the Square Mile will be a Heat Network Zone, and ultimately future decisions by the Zoning Coordinator may differ from current thinking.

There is currently an operational heat network in the Square Mile – The Citigen Heat and Chill Network. This network is owned and operated by E.ON, and connects to a number of CoLC and private buildings in an area in the North West of the Square Mile. The CoLC have a cooperation agreement to support this network by leasing space for energy centres and acting as an anchor load.

Soft Market testing

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II.3) Estimated date of publication of contract notice

1 January 2025

Section IV. Procedure

IV.1) Description

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

