Local pathways to low-carbon domestic heat: exploring the options in the UK

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Heat futures in the UK

Currently, natural gas is the predominant source of domestic heat provision. Take-up of heat pumps and district heating remains at a minimal penetration of around 0.5%. In total, only around 2.5% of heat comes from low carbon sources, compared with more than 45% of electricity. As heat accounts for around 40% of UK energy consumption and 20% of GHG emissions, the decarbonisation of the heat sector is seen as vital for the UK to reach UK emission reduction targets. Different trajectories in heat provision using parallel energy vectors (electricity, gas, alternative gases, heat networks) imply a range of infrastructure impacts.

In order to explore the different forms of local energy systems under decarbonisation scenarios, this work seeks to:

- Capture the broad forms of ‘last-mile’ network: Urban, Suburban, Rural (on/off gas grid) seen as exemplar of the UK energy system;
- Downscale whole system-derived technology mixes and construct demonstrative local energy systems representing key use cases;
- Using multi-carrier optimisation, determine the impacts of heat decarbonisation on current and future system actors.

Disaggregate UK energy system by archetype

Rural

Highly spatially diverse system - Off gas grid, high fuel costs and low building efficiency

Suburban

292 properties
- mixed semi-detached/terraced
- 1930s stock, low energy efficiency

Urban

High density system with large potential for non-heat impacts such as EVs

Stochastic Demand Modelling

Deterministic 3D building thermal model (ESP-R) coupled with stochastic human behavioural simulation, houses populated based on National Housing Survey:

- 1 house
- 292 houses

Nodal Optimisation Framework

Resource / Sink

Store

Vector

Storage conversion losses

Vector conversion losses and parasitics

Transport between nodes (network)

Arbitrary weighting that can be used later to enact multi-criteria analysis

Costs of technology

at node x

\[
\min \sum_{y} \left( \sum_{x} \left( \text{weight}(y) \times \text{CAPEX}_{\text{tech}}(x,y) + \sum_{y'} \text{OPEX}_{\text{tech}}(x,y,y') \right) \right)
\]

Costs of network for vector v between nodes x, x'

Subject to:

- Nodal energy balancing
- All energy demands met within security criteria
- Time-coupled storage dispatch
- Static/dynamic technology parameters

Decarbonised heat provision under last-mile infrastructure constraints – Suburban Example

Raw demand buffered through efficiency measures

Gas used to fill system peaks – low load factor and minimised emissions

Thermal storage increases utilisation of ASHP during off-peak periods where network capacity is available

Impacts on System Actors

Different future technology mixes imply a range of impacts on incumbents, especially network operators, and requires significant coordination by local authorities. Certain trajectories may also imply significant stranded assets, such as if gas is used as a bridging technology, or electrification eventually supplanted by hydrogen systems. The need for consumer investment is at odds with the knowledge that the majority of domestic consumers (87%) will not change their existing heating provision unless significant financial benefits will be accrued, and only then if they have funding available. All trajectories to decarbonisation involve non-incremental change for some actor at some level, for example:

- Domestic consumers investing in a change of heating technology;
- CHP and district heating systems requiring critical volume of buy-in;
- Increasing electrical demand requiring infrastructure reinforcement both locally and at higher voltages;
- Natural gas to hydrogen conversion requiring regional switch-over and potential huge costs for transmission.

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