

Where's the value in renewable heat?

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Most renewable heat conversations wrongly start with a technology question - such as whether to use a heat pump, biomass, biogas, or fully electrify the boiler - rather than aligning the business case, funding, delivery partner, and energy strategy together. This technology-first approach misses the opportunity to connect engineering decisions with commercial outcomes, market conditions, and procurement strategy that determine whether a project actually creates value.

Publication context: This article reflects its publication date. Market prices, program rules, reporting duties and deadlines may have changed. Confirm current official guidance before making a decision.

Most renewable heat conversations start with a technology question: heat pump, biomass, biogas, or electrify the whole boiler?

It's the wrong starting point. The full value won't be captured if you don't align four things that companies often treat separately: the business case, the funding available, the delivery partner, and the revised strategy on how you buy and use energy.

The market is moving faster than the models

Batteries connected to the wholesale market can no longer be ignored - they are affecting project decisions on C&I sites. They're starting to change how the wholesale market sets prices, and that has direct implications for the assumptions behind ETES, e-boiler, heat pump and broader electrification projects. If your business case still runs on a historically stable electricity price, it's worth asking how confident you really are in that number.

Certificates can be a certain income stream, not a footnote

Income from Environmental Certificate markets can shift a business case significantly. Whilst they introduce some complexity, treating them as an afterthought - something to check once a project is already committed - is too late. Which certificates matter right now, which schemes and methods are right for you, and how much are they worth are exactly the kind of detail that's needed to make the business case work.

The bill isn't as fixed as it looks

All three major components of an energy bill can be changed materially following an energy transition project.

For large energy users, environmental and network charges on the bill can be treated as a fixed cost of doing business. They're not always. Some of what shows up on the bill is more negotiable, more controllable, or more sensitive to how and when you use energy than it first appears.

Network charges have historically been stable. But in support of the energy transition, there are new tariffs that support large flexible electrical loads. These can change the future bill structure and save money while helping you to decarbonise.

Energy prices are volatile, and energy contracts are becoming more flexible. Getting a new retail supply contract that aligns with the new equipment, the revised network tariff, and new way to buy environmental certificates will set your project up for success.

Connect the case, not just the technology

We've seen people struggle to strongly connect the engineering assessment with the funding, certificates and energy market knowledge. This is lost value.

That's the thread running through our stand this year: one team, every option, the real numbers. Compare every pathway. Connect engineering, funding and certificates, and market knowledge. Capture the value that's usually left on the table.

Scheme and certificate context

Before using a certificate or grant figure, confirm the current scheme method, eligible activity, effective date, evidence requirements, price date and registration or application process.

Related guidance

Certificate services

Government schemes

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Read the original article for the source publication and its full context.

According to Northmore Gordon's article, what is the wrong starting point for most renewable heat conversations?

Most renewable heat conversations wrongly start with a technology question - such as whether to use a heat pump, biomass, biogas, or fully electrify the boiler - rather than aligning the business case, funding, delivery partner, and energy strategy together. This technology-first approach misses the opportunity to connect engineering decisions with commercial outcomes, market conditions, and procurement strategy that determine whether a project actually creates value.

What four elements does the article say need to be aligned to capture full value from a renewable heat project?

The article states that companies need to align the business case, the funding available, the delivery partner, and the revised strategy on how they buy and use energy, rather than treating these as separate considerations. This integrated approach ensures that technical feasibility, investment justification, implementation capability, and energy procurement all support the same outcomes and reinforce each other.

How are batteries connected to the wholesale market affecting renewable heat business cases?

Batteries connected to the wholesale market are affecting project decisions on commercial and industrial sites and are starting to change how the wholesale market sets prices. This has direct implications for the assumptions behind electric thermal energy storage, e-boilers, heat pumps, and broader electrification projects, as wholesale price volatility and dispatch patterns shift the financial case for different heating technologies and operating strategies.

Why does the article warn against treating environmental certificate income as an afterthought?

Income from environmental certificate markets can shift a business case significantly. While certificates introduce complexity, checking them only after a project is already committed is too late. Determining which certificates matter, which schemes and methods are right, and how much they are worth is

essential detail needed early to make the business case work and preserve eligibility across different funding pathways.

Which components of an energy bill can be changed by a renewable heat transition project, according to the article?

All three major components of an energy bill can be changed materially: environmental charges, network charges, and retail energy prices. New tariffs supporting the energy transition can reduce network charges for large flexible electrical loads, while revised procurement strategy and market conditions affect retail pricing. Understanding these combined effects is essential to realising the full financial benefit of a renewable heat project.

What does the article recommend when getting a new retail supply contract after a renewable heat upgrade?

The article recommends securing a new retail supply contract that aligns with the new equipment, the revised network tariff, and the new way to buy environmental certificates. This coordinated approach sets the project up for success, particularly important given energy price volatility and the increasing flexibility of energy contracts. Timing this negotiation to match equipment commissioning preserves options and avoids locking in unfavourable terms.

What is Northmore Gordon's stated approach to renewable heat projects described in the article?

The article describes their approach as 'one team, every option, the real numbers' - comparing every pathway and connecting engineering, funding, and certificates with market knowledge. This integrated model aims to identify and capture value that is usually left on the table when technology, commercial, and procurement decisions are made independently or sequentially rather than as part of a coordinated strategy.

What five technical questions should be answered before comparing renewable heat technologies?

The five critical technical questions are: what heat conditions (temperature, pressure, rate, and timing) the process must receive; whether the heat source and destination are compatible in temperature, timing, and physical arrangement for heat recovery; what electrical, operational, and integration work electrification would require; how backup, maintenance, and interruptions would be handled; and whether the proposed heat source is available when the heat is needed. Answering these establishes whether a technology is viable for a specific site.

How does Northmore Gordon's measurement and verification service support renewable heat project confidence?

We provide measurement and verification services including project-boundary selection, baseline modelling, savings calculation, and reporting. For renewable heat projects, M&V establishes what energy use would have been without the intervention, separating the heating system improvement from other operating changes. This verified result supports investment decisions, demonstrates actual performance against forecasts, and provides evidence for certificate claims under applicable schemes.

Why is project timing important for renewable heat projects seeking environmental certificate support?

Project timing determines eligibility under different certificate schemes. For example, ACCU projects generally must be registered before activities start, while Victorian Energy Upgrades requirements depend on whether measurement can occur before and after equipment changes. Raising funding and certificate questions while the project is still being scoped preserves evidence and prevents an already-committed project from losing available incentives due to timing conflicts with scheme prerequisites.