**ESTABLISHMENT OF SOUTH DUBLIN DISTRICT HEATING COMPANY**

South Dublin County Council is committed to meeting its 2020 EU Energy efficiency targets and thereafter national and local climate action targets as set by government. In this context we aim to facilitate growth in low-carbon renewable technologies across the county centring on Tallaght, the county town. In 2018 SDCC succeeded in a multi-city bid under Inter-Reg North West Europe, to secure funding relating to pilot-projects to promote the development of district heating. The HEATNET project secured circa. €1m to fund the development of phase 1 of a district heating piped network connecting the County Hall and adjacent civic buildings to a datacentre, now under construction on Belgard Road. The Datacentre has agreed to provide waste heat to SDCC as the initial major heat source for the new district heating network. More recently we have secured €4.5m in grant-aid under the Climate Action Fund from the Department of Communications, Climate Action and Environment, to construct an energy centre to consolidate the waste heat for efficient use in the heat network.

Based on experience elsewhere it has been decided to establish a not-for-profit company owned by the Council, to be called the “South Dublin District Heating Company” to procure the construction, management and maintenance of the district heating network and energy centre. The company which will be wholly owned by SDCC and will report to it at regular intervals, will also be responsible for forward planning and pricing policy, including the future expansion of the network. The Council has similar arrangements in place for the management of our Leisure and Arts Centres.

The stated objective of the South Dublin District Heating Company is the promotion of a low-carbon economy through the generation and supply of heat to customers within the county, using district heating networks. Operationally, the datacentre will sign a contract for the supply of waste heat to the District Heating Company and lease a site adjoining the datacentre for the construction of the energy centre. The Council will procure an energy supply company (ESCO) to design, build, operate and maintain the energy centre and heat network for a contract period of 10 years. All assets post construction will belong to the District Heating Company. Initial customers for the heat supply will be the County Hall civic complex, Technological University of Dublin Tallaght, Tallaght Innovation Centre and a number of upcoming adjacent apartment developments.



Image: Site location of Datacentre and adjacent Energy Centre

The District Heating Company will be not-for-profit, limited by guarantee with no share capital and only one share owned by SDCC, the sole member of the Company. The Company will have two directors for fiduciary and corporate governance purposes. The Company will have an Advisory Committee with representation from Elected Members and Council staff, CODEMA and sectoral stakeholders/ subject matter experts. The District Heating Company will charge for the supply of heat and any annual surplus will be re-invested in extending the heat network and maintaining good value in heat costs to customers. The ESCO will charge the District Heating Company for the supply of heat to and through the heat network. VAT will be charged on all these transactions.

It is anticipated that the ESCO will be in place by the year end and will commence the pipe laying in early 2020, with the expectation of completing this element by the end of March. It is hoped to commence construction of the energy centre by the end of February 2020 with a projected 7-8 month construction period.