



Federal Ministry
for Economic Affairs
and Climate Action

Heat planning law

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Heat Planning Law

Status of the process

- Discussion Paper BMWK July 2022, consultation event in November 2022
- **Joint leadership** of **BMWK** and **BMWSB** for drafting a federal law
- 16.08.2023: **Resolution of the draft law** by the **Federal Cabinet**
- 01.01.2024: Entry into force
- In parallel to the law, **guidelines** are being developed to provide practical recommendations and assistance in terms of methodology

Heat Planning Law

Main instruments of the law

- Introduction of mandatory heat planning
- Requirements for district heating
 - Minimum shares for renewables and waste heat for 2030 and 2040 on grid level and on average for 2030
 - Heat grid transformation and expansion plans become mandatory
- Regulation on “overriding public interest” of district heating

Heat Planning Law

Introduction of heat planning

- Regulatory system: federation → federal states → municipalities (§ 4)
 - **Federal states** are **obliged** to ensure that heat planning is carried out
 - Federal states determine the **body responsible for planning** by means of an ordinance or law: probably mainly municipalities, but not necessarily
 - Federal states **may provide for a simplified procedure** for municipal areas with less than 10,000 inhabitants (§ 22)
- **Deadlines** to complete planning (§ 4)
 - for municipal areas with more than 100,000 inhabitants: **30.06.2026**
 - for municipal areas with 100,000 inhabitants or less: **30.06.2028**
- Federation is offering limited financial support to federal states

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Participation | coordination with infrastructure planning

- Heat planning should be a **transparent process** that **actively involves** the relevant local actors. The body responsible for planning is the "master of the process" (§ 7)
 - **Participation** of the public and authorities
 - Participation of infrastructure operators (electricity, gas, heat)
 - Participation depending on the individual case at the discretion of the body responsible for planning (e.g. large producers of heat and gaseous energy sources, large and anchor customers of heat, municipalities/associations of municipalities bordering the planned area, etc.)
- In principle, there is an **obligation to participate** in heat planning (§ 7)
- **Energy grid operators** shall communicate their **existing plans** and **take into account** the provisions of the **heat plan** in their own expansion plans. (§ 8)

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Elements of heat planning

- Heat planning process: (§ 13)
 - **Pre-testing** to identify areas not suited for district heating or hydrogen (§ 14)
 - Analysis of **status quo** (§ 15)
 - **Potential** analysis (§ 16)
 - **Target scenario(s)** (§ 17)
 - **Zoning** of heat supply areas (§ 18, § 19)
 - **Implementation** strategy and measures (§ 20)
- Heat planning is initiated and adopted by resolution of the body responsible under federal state law and the heat plan is subsequently published (on the internet).
- **Zoning criteria (§ 18)**: Low costs, low realization risk, high security of supply, low climate impact

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Pre-testing and shortened heat planning (§ 14)

- For an efficient allocation of **planning resources**:
- **Shortened heat planning** for areas probably **not suitable for district heating or hydrogen**
- **District heating exclusion**
 - No existing district heating, loose settlement structure and low anticipated heat demand
- **Hydrogen grid exclusion**
 - No existing gas grid or spatial location (distance to backbone) and customer structure (industry) do not indicate that a hydrogen grid can be operated economically
- **Consequence:** No analysis of status quo and potential analysis, no zoning, no data collection.

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Legal status and updating of heat plans

- Heat plan has **no external legal effect** and does not establish any enforceable rights/obligations
- **Link to GEG (§ 26)**
 - **Zoning decision** for DH and hydrogen grids **according to § 26 has external legal effect**
 - If zoning decision is adopted, **65%-RES-obligation** can take effect **before 30.06.2026/.2028**
- **Updating (§ 25)**
 - Every five years: review and update, if necessary
 - Objective: reliable designation for whole planning area

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Requirements for district heating

- Requirement for each **existing** district heating (§ 29)
 - from 01.01.2030 at least **30 %** from renewable energies or waste heat
 - from 01.01.2040 at least **80 %** from renewable energies or waste heat
 - Exceptions and transitional periods
 - Legal consequence of non-compliance: heat consumer has a **“right to disconnect”**
- Requirements for each **new** district heating (§ 30)
 - from 01.01.2024 at least **65 %** from renewable energies or waste heat
- For all district heating systems: **climate neutrality by 2045** at the latest and limitation of biomass share (§ 31)
- **Obligation** for DH operators **to prepare DH expansion and decarbonisation roadmaps by 31.12.2026** (§ 32)

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Challenges nearly one year down the road?

- Guidelines have been published
 - Available on the website of KWW (center for local heat transition)
 - Guideline on price/cost assumptions still under development
- Federal states are working on legislation to adopt heat planning
 - So far: legislation adopted in two federal states
 - Federation provides support/consultation, organized stakeholder dialogue
- Main Challenges
 - Data collection and processing
 - Missing resources within local administration
 - Unanswered questions regarding implementation of policies and measures



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Thank you!