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# INSIGHTS FROM DANISH HEATING METERING: IMPLICATIONS FOR CHINA'S CLEAN HEATING DEVELOPMENT

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Sino-Danish Clean and Renewable Heating Cooperation

# **CONTENTS**

- HISTORY: What is the history of heat metering development in China?
- CURRENT: What is the current situation of heat metering in China?
- FUTURE: What are the future directions for heat metering in China?
- CHALLENGES: What challenges is China currently facing in heat metering?
- INSIGHTS: what insights can be gained from Denmark's experience in this field?





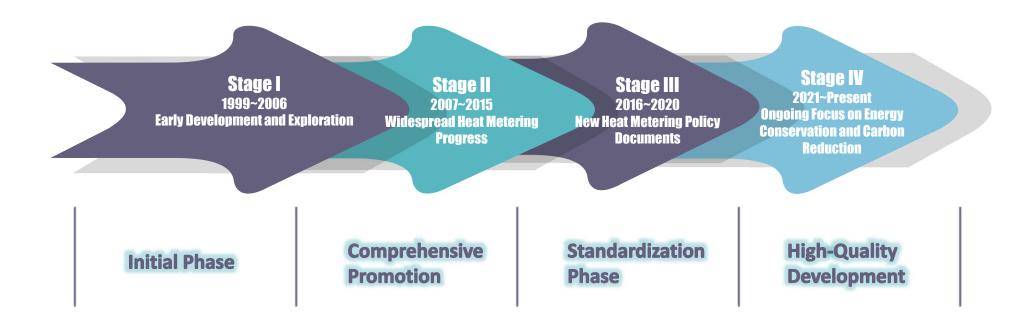


# Past, Present, and Future of Heat Metering in China





# **■** Four Phases of Heat Metering Development in China







# ■ Development of heat metering is affirmative direction



The NDRC and the MoHURD reaffirmed their commitment to advancing "heat metering reform and metered billing.



The State Council issued a notice on the "2024-2025 Energy Conservation and Carbon Reduction Action Plan," which emphasizes accelerating heat metering reform and metered billing.

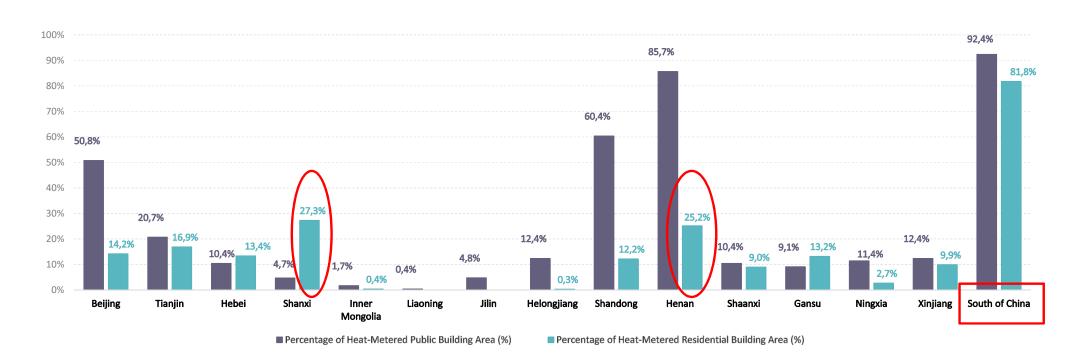


Source: www.gov.cn





# **■** Current Heat Metering Situation in China



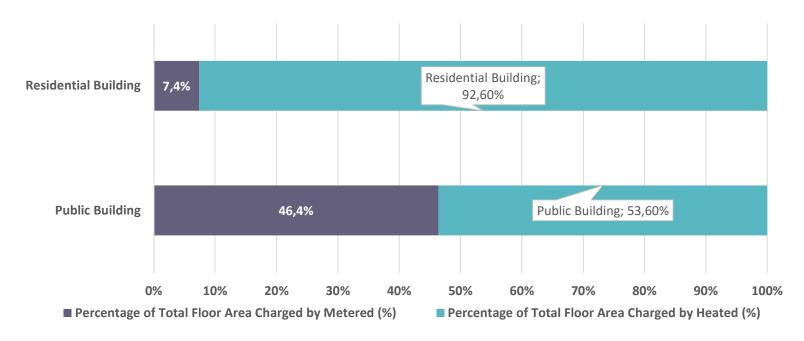
Percentage of Heat-Metered Area in Public and Residential Buildings Across 14 Northern Provinces Cities and Some Southern Regions

Source: 2023 China Urban Heating Development Report





# **■** Current Heat Metering Situation in China



Percentage of Heat-Metered Public and Residential Building Area to Total Heating Area in 14 Provinces

Source: 2023 China Urban Heating Development Report





# Challenges and Insights:

Political, economic and technical obstacles in China's heat metering, with lessons from Danish experiences.





# ■ I. Challenges on Policy and Regulatory

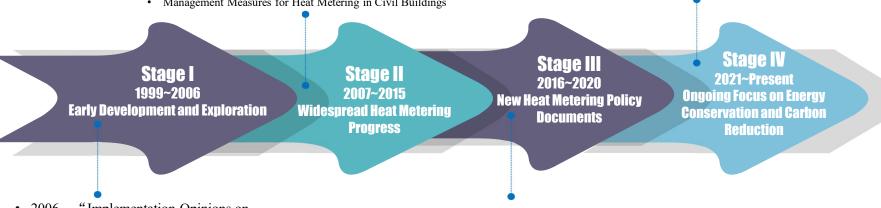
#### 2007

- Energy Conservation Law of the People's Republic of China
- Interim Measures for the Management of Incentive Funds for Heat Metering and Energy-Saving Renovation of Existing Residential Buildings in Northern Heating Areas
- Comprehensive Work Plan for Energy Conservation and Emission Reduction"
- Interim Measures for the Management of Urban Heating Prices

#### 2008

- Opinions on Further Advancing Heat Metering Reform
- Implementation Opinions on Advancing Heat Metering and In In 2008, Energy-Saving Renovation of Existing Residential Buildings in Northern Heating Areas
- Renovation of Existing Residential Buildings in Northern Heating
   Management Measures for Heat Metering in Civil Buildings

• 2024: Energy Conservation and Carbon Reduction Action Plan in 2024-2025



• 2006, "Implementation Opinions on Advancing Heat Metering, Urban Construction"

- 2020:Notice on Cleaning up and Regulating Fees in the Water, Electricity, and Gas
- Supply Industries to Promote High-Quality Development of the Sector

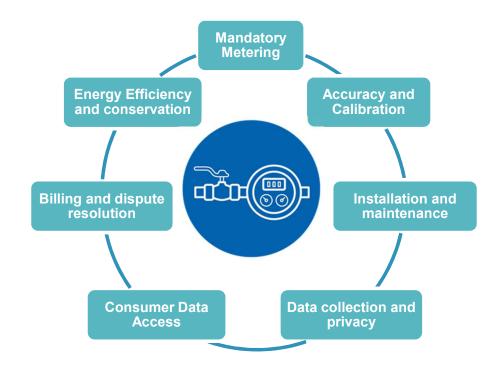
  2021:State Council Action Plan for Carbon Peaking by 2030
- 2022:Opinions on Improving Institutional Mechanisms and Policy Measures for Green and Low-Carbon Energy Transition





# ■ Regulative Insights from Denmark's Heat Supply Act









# ■ Responsibilities and Authorities of Stakeholders



NATIONAL GOVERNMENT



**MUNICIPALITY** 



HEATING COMPANIES



HEAT CONSUMERS

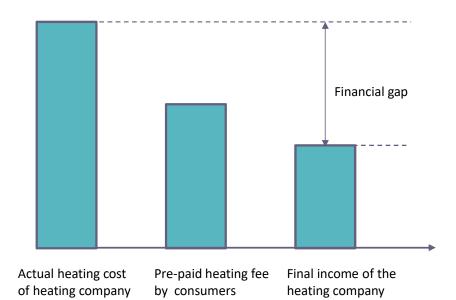




# ■ III. Challenges: Heat Billing and Tariff Mechanisms

"Refund the excess, but do not charge the shortfall" policy in China

- This policy is used during the transition to heat metering for residential buildings in China.
- Residents pay a one-time fee based on the heating area before the heating season starts.
- After the heating season, actual heating consumption is reviewed.
- If metered costs are less than the area-based fee, the excess is refunded or credited for the next season.
- Residents are not charged more if the metered cost exceeds the area-based fee during the transition.
- Ultimately, the system will evolve to charge or refund residents based on actual heat usage, ending the transitional policy.







# Danish Heating Tariff Principle and Framework

# Tariff in Heat Supply Act

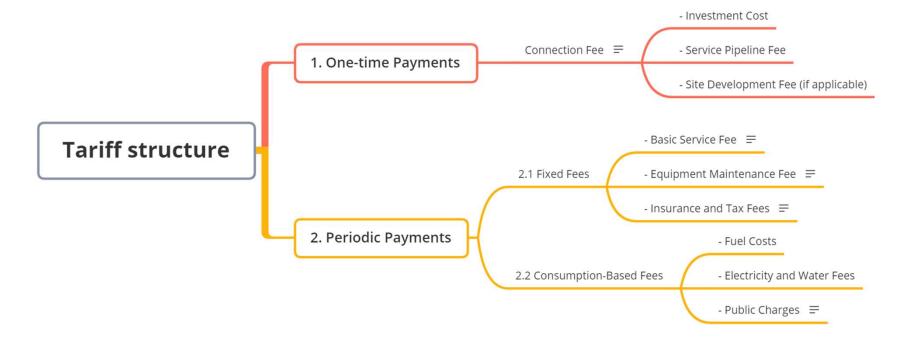
- Tariffs should comply with the following overall requirements:
- They must be cost-reflective
- They must be easily manageable with minimal costs
- They must be transparent and comprehensible by consumers
- They must ensure that all consumers make a positive contribution to the costs of the community.







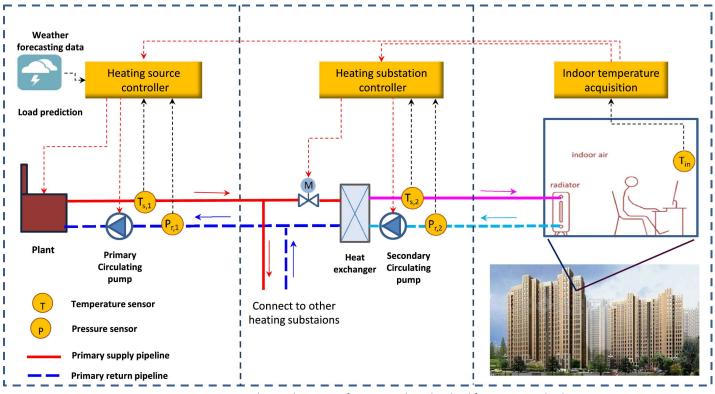
# ■ Danish Heating Tariff Principle and Framework







# ■ II. Challenges in District Heating Technical Upgrades



Sources: Integrated control strategy of DH system based on load forecasting and indoor temperature measurement

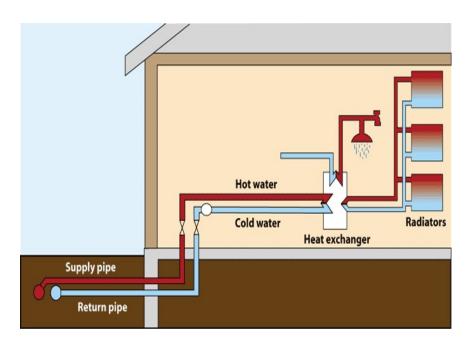




# ■ Technology Solutions Driven by Clear Objectives in Denmark

#### **Incentive Tariffs**

- Cooling Tariff: Encourages users to optimize radiator systems to achieve as low a return water temperature as possible, enhancing system energy efficiency.
- Time-Dependent Tariff: Sets different rates according to the heat demand during various times of the day, encouraging users to use heat during off-peak periods to reduce load during peak times.



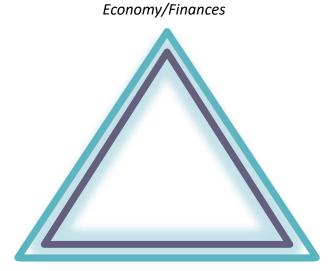
Sources: https://www.buildinggreen.com





# ■ Recommendations and Conclusions

- Policy: Develop universally applicable policies or regulations for heat metering that clearly define the principles of heat measurement and billing.
- **Technology:** Intelligent upgrades to the heating system form the foundation for implementing heat metering.
- **Economics:** The method for calculating heating charges should cover the minimum costs, benefiting stakeholders at all levels.



Politics: Energy and climate Technology Feasibility





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