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# Business Models for District Heating and Cooling

## GeoWatt – Activity 1 - Innovation for 4th Generation Thermal Networks: from Component to System Level

### Description

#### Problem?

One of the main barriers DHC faces, are serious market barriers such as capital intensive investments, financial risks, split incentives, restrictive regulations... As a result, penetration of DHC systems is uneven in Europe (most mature markets are located in Sweden and Denmark). In addition, 4th generation DHC networks require lower system temperatures to further improve network efficiency, cost competitiveness and capability of integrating sustainable energy sources like renewable and residual heat.

#### Solution

Adequate business models, adapted to the context of the DHC system, should help overcome barriers for DHC network implementation and should provide incentives for consumers to lower system costs.

### Business Model Components to be adjusted to DHC system characteristics

