

Veolia launches low-carbon heat network “Ecothermal Grid” offer in the UK with £1bn project pipeline

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Veolia has announced it has a £1bn pipeline of projects that are due to be awarded by 2030, as part of the UK deployment of a new “Ecothermal Grid” offering in the UK. It’s in line with the company’s ambitions to grow its district heating presence further in the UK, using a mix of different sources of energy to deliver carbon-neutral [heating and cooling](#).

Currently in the UK heat in buildings (heating up space, industrial heating and providing hot water) makes up over a third (37%) of the UK’s CO2 emissions and with the government’s ambitious need to reduce carbon, innovative and green solutions to heat homes are critical.

As of 2024, only around 3% of UK heat demand is met by district heating networks, however the Government target is for this to reach 20% by the year 2050 to support national decarbonisation goals. With this target set, the UK’s need for new district heating projects has never been stronger and the potential market value for district heating networks in the country is around £80bn.

Veolia is today calling for the UK Government to back a new wave of district heating and implement policies which it believes will benefit the market for low carbon heating.

Estelle Brachlianoff, Chief Executive Officer, Veolia, said: “Veolia’s ambition is to be at the forefront of a new wave of heating networks across Europe, and ultimately to become the number one player in urban heating in Europe. In so doing, we will deliver a direct route to carbon-neutral heating and cooling, using a diverse range of energy sources and integrating AI-driven smart controls and energy storage technologies

to create the most reliable and flexible networks. In order for this to happen, we need – across Europe and in the UK – funding mechanisms that provide certainty, and stable regulatory frameworks.”

Gavin Graveson, Senior Executive Vice President, Northern Europe Zone, Veolia said: “Veolia is investing heavily in new and existing heating networks. To encourage further investment in decarbonised heat in line with its 2050 targets, the government could use the UK Emissions Trading System (ETS) to incentivise electricity producers to supply local heating networks. Once the infrastructure is in place, the networks must also be fully utilised to optimise their profitability and carbon efficiency. Mandatory connections would guarantee operators stable demand.”