

ENERGY **CITIES**

The uphill battle for cities to decarbonise heating in Flanders

Adrian Hiel



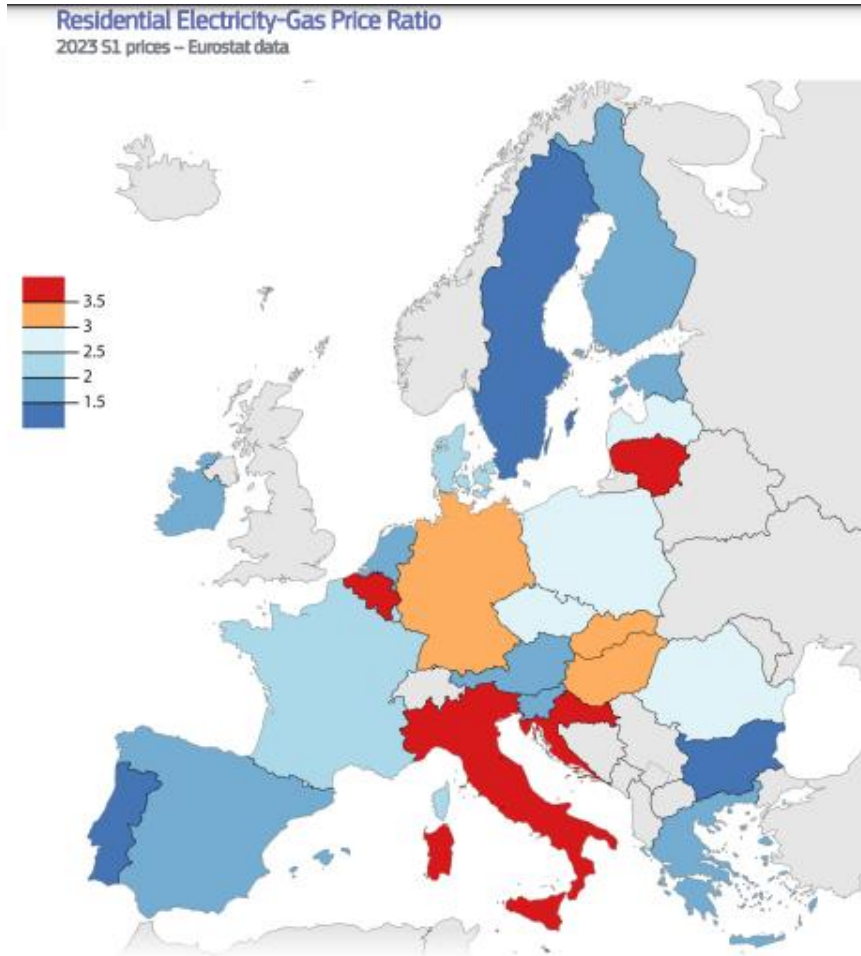
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Decarbonising buildings and our cities



- 1 Biggest hurdles in Flanders
- 2 What can cities do to help?
- 3 Reasons for optimism (maybe)

Biggest hurdles in Flanders to decarbonising buildings



Belgium has the
highest 'Spark Price' in
Europe



The Dutch lowered their spark price from 2015 while Belgium remains the highest in Europe

Figure 5 illustrates the evolution of the residential electricity-gas price ratio, while Figure 6 displays the variation of this ratio among the different Member States.

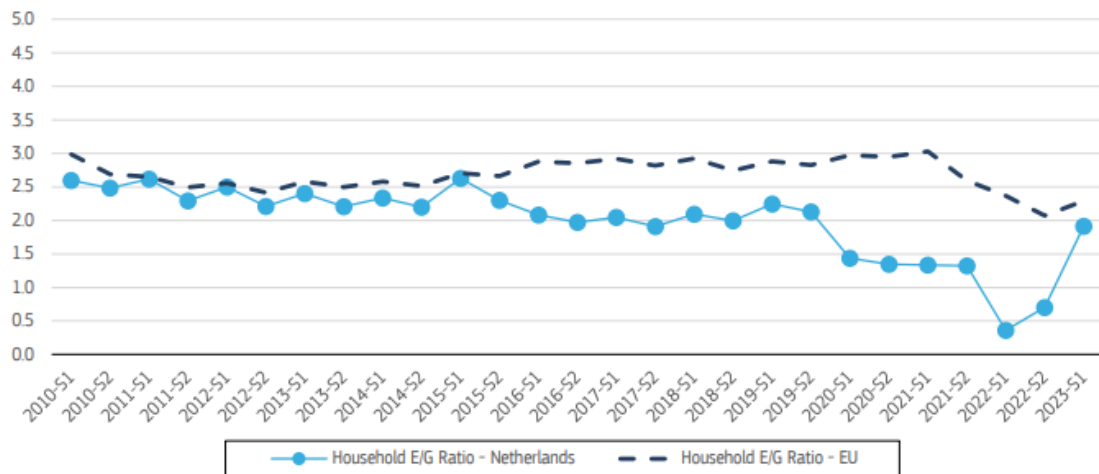


Figure 5. Evolution of the electricity-gas price ratio. Source: Eurostat, 2023.

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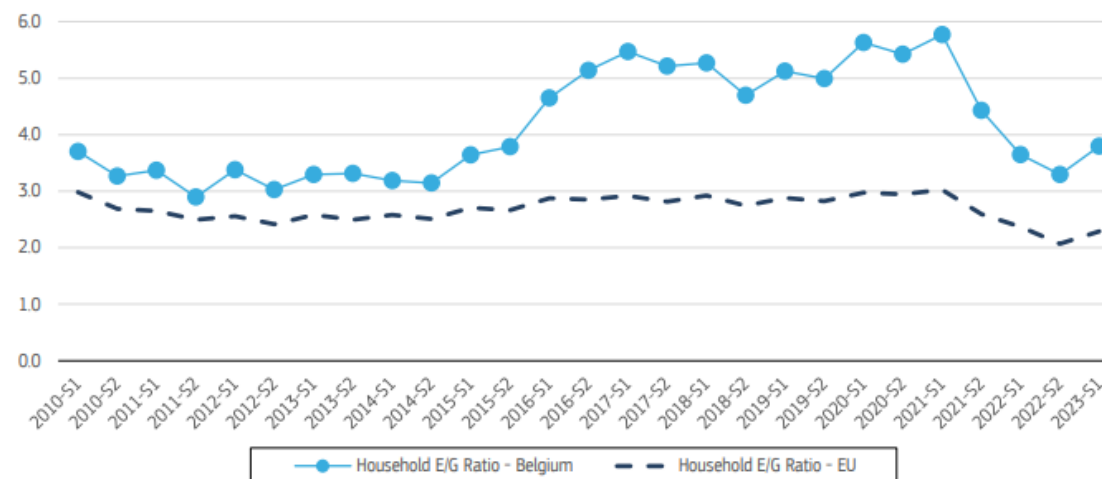


Figure 5. Evolution of the residential electricity-gas price ratio. Source: Eurostat, 2023.

The Netherlands

Belgium



And sales have climbed dramatically since

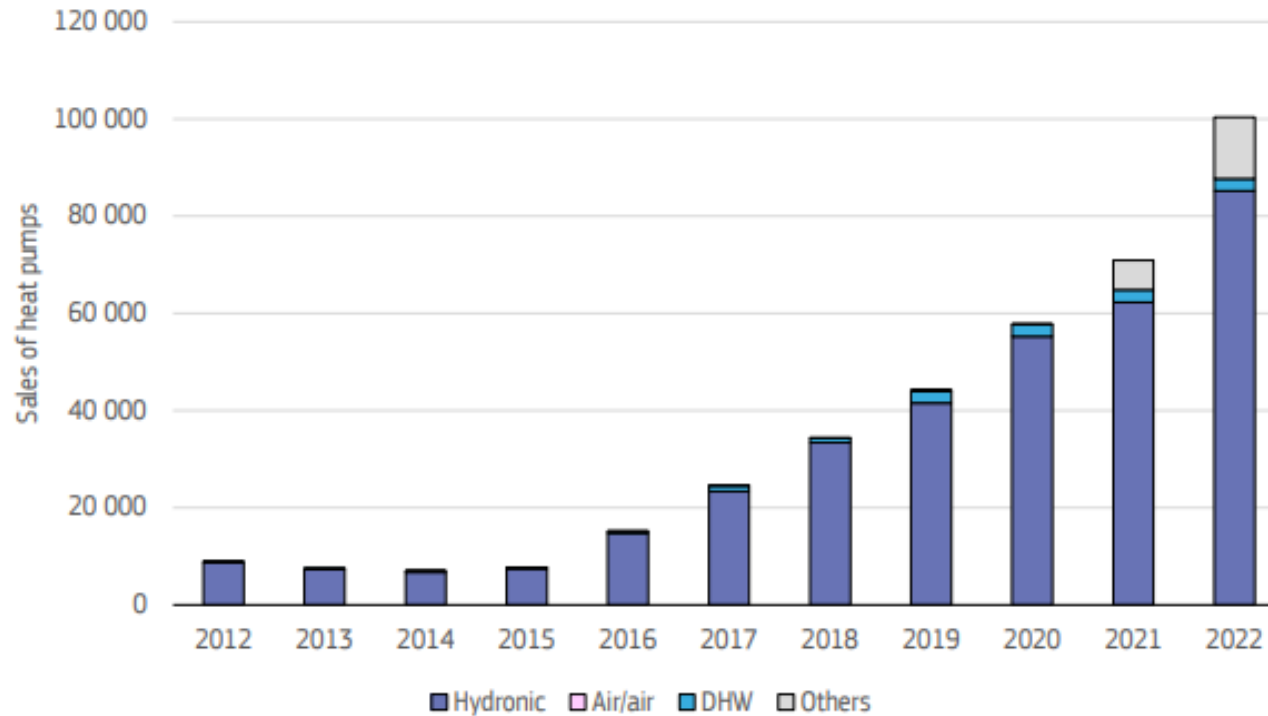


Figure 1. Yearly sales of heat pumps. Source: EHPA, 2023.

Obviously, there are other factors here too – like the Dutch declaration to phase-out gas but the big one is the spark price



BELGIUM: STATUS OF THE HEAT PUMP MARKET

Country fiche - 2024

Heating and cooling account for 85%¹ of the country's residential final energy consumption, with renewables supplying 9%² of the total energy used for heating and cooling across all sectors. There are approximately 2.8 million households using a gas boiler to heat their homes³. Around 60 000 heat pumps were sold in 2022, an increase of 118% compared to the previous year, reaching a total stock of around 209 000 installed heat pumps⁴.

Key market numbers

Heat pump stock: **209 000**⁴ (2022)

Sales of heat pumps: **60 246**⁴ (2022)

Heat pump density (number of heat pumps installed per 1 000 residents): **18**⁴ (2022)

Heat pumps' market share (i.e. heat pump sales as a portion of the total heat pump and boiler sales): **11.80%**⁴

Most common heat pump technology for space heating: **Air-water heat pump**⁶

Installed thermal capacity: **3 902 MW**¹⁶ (2022)
[The figure represents the capacity of heat pumps solely providing heating]

Non-residential/industry heat pump stock: No data

Residential electricity-gas price ratio: **3.80** (2023 S1)^{7&8}

Non-residential electricity-gas price ratio: **4.15** (2023 S1)^{7&8}

Available financial subsidies: **Up to 70%** of the cost (in Wallonia), **up to EUR 6 400**⁹ (in Flanders) (note there are several conditions deciding the amount and the available subsidies differ between the three regions)

Trade balance: **Minus EUR 27 million**¹⁰ (2022)

60 000



The main opportunity is using the industrial competitiveness agenda to push to change the non-residential price ratio



Two things I don't understand:

Has any homeowner ever said, 'What I really want it not one, but two, heating systems I don't really understand?'

The focus around hybrid heating systems is a distraction and not helpful.

Why be an 'A' and all of that effort when you can be a 'C' and have the time and money to enjoy yourself?

It's more important to get all houses to 'C' with decarbonised heating than it is to get a few houses to 'A' but still with gas heating.

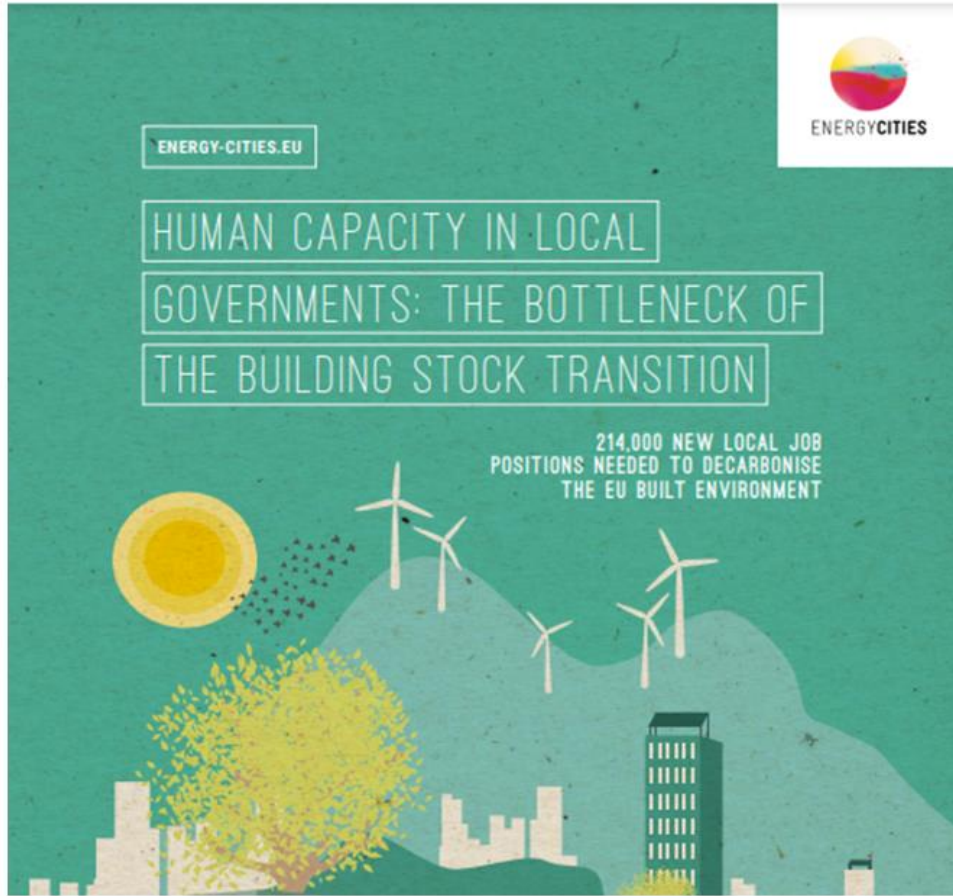


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+214000

NEW LOCAL EMPLOYMENT POSITIONS

by 2030 on average across the European Union

+3%

OF LOCAL GOVERNMENTS' PUBLIC

expenditures per year to cover the additional staff cost

+16

BILLION EUR PER YEAR

at the EU level to cover the additional staff cost



ENERGYCITIES

Flanders has good technical and legal support but big lack of funds and skills for heat planning

ENERGYCITIES
The European learning community for future-proof cities

Assessment
Legal
Framework

Support
Framework

Who we are | What we do | How we do it | Events

JOIN THE NETWORK

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The screenshot shows a map of Europe with various countries highlighted in different colors. The colors used are red, orange, yellow, green, and blue. The map is part of the ENERGYCITIES website interface, which includes a navigation menu and a search bar.

Managing expectations – how much can a town or city support heating decarbonisation?



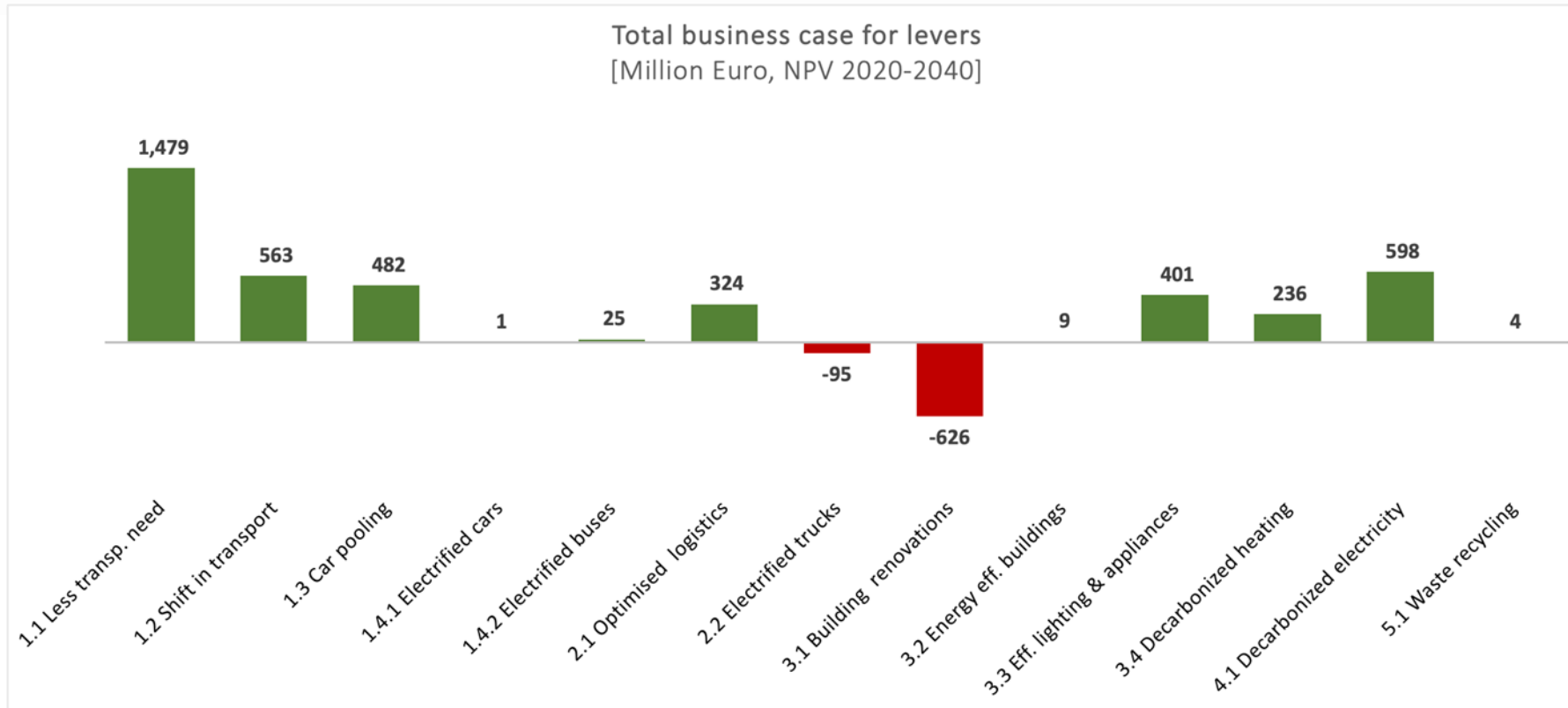
Good News: Flanders has some of the best-run, most progressive cities in Europe



Bad News: Most of the little towns and villages don't feel responsibility for heat decarbonisation or recognise the role they could play

Building renovations are very expensive and have the worst ROI for city climate actions

(This doesn't include increased building value)





Simply not an issue that I have seen in local elections.
No expectation from citizens that local government will do much on building renovations.



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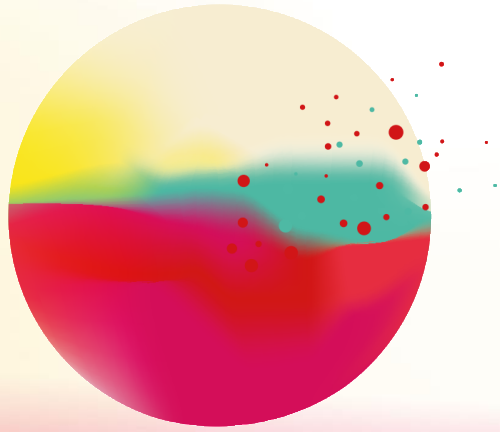


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REASONS FOR OPTIMISM:

- 1) Solar is cheaper than fencing
- 2) One-stop shops for every 80,000 people
- 3) Obligation to renovate 3% of public buildings beginning later this decade
- 4) Emissions Trading Scheme in 2027 will move price ratio a bit
- 5) First draft of Long-Term Building Renovation Strategy is due Dec. 2025
- 6) There is a window right now in political negotiations to make the price ratio an issue



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