



Speaker: Nicole Niesler

Title: District Heat Decoded

Abstract:

This presentation outlines the preliminary stages of research focused on developing a framework for evaluating the effectiveness of regulatory interventions in district heating pricing, with attention to the principles outlined in the current discussion on the amendment of the AVBFernwärmeV. Prior to the liberalisation of energy markets, price adjustment clauses were a more common pricing mechanism used as a tool to compensate for cost fluctuations while maintaining contractual flexibility. However, recent literature on district heating in Germany points to notable transparency problems as consumers face rising district heating prices linked to long-term contracts of 5 to 10 years.

Further complicating regulatory oversight, subsequent research suggests that the need to decarbonise the district heating infrastructure may require large infrastructure investments that are not accounted for in the current pricing rules of the AVBFernwärmeV.

Using clustering algorithms, this research first seeks to identify patterns in the observed price adjustment clauses for a large sample of district heating operators in Germany. Second, it aims to test and provide insights into how pricing structures could be better regulated to increase transparency and affordability.