

From analysis to investment: 10 district heating systems advancing towards low-carbon transition

The Low2HighDH project has reached a key implementation milestone in supporting the decarbonisation of district heating systems in Central and Eastern Europe. Following the closure of its second Call for Applications, four additional pilot sites have been selected, bringing the total number of active pilots to 10 district heating systems across Lithuania, Poland, and Slovakia.

These sites are now working closely with project partners to develop site-specific investment plans that enable the integration of low-grade renewable energy and waste heat sources into existing high-temperature networks.

Where are we now?

All 10 pilot sites are actively progressing, with work advancing from initial assessments towards concrete, investment-oriented solutions.

From concept to 1st Call for applications pilots



The six pilots selected in the first call are now approaching the final stage of their investment planning.

Their development has moved beyond feasibility screening into:

- **Refined technical configurations, often combining multiple solutions (e.g. water to water heat pumps using heat from rivers, waste water treatment plants, or geothermal exchange)**
- **System-level optimisation, including network upgrades, temperature reduction strategies, and improved operational efficiency**
- **Preliminary investment structuring, supported by analysis of CAPEX, OPEX, and long-term financial performance**

Importantly, several pilots are addressing structural challenges typical for the region, such as:

- **Ageing infrastructure**
- **Dependence on fossil fuels**
- **Limited access to affordable financing**

As a result, the emerging plans are not only technically sound; but increasingly aligned with real market conditions and investment constraints. As for the latter, the focus is on building realistic financing structures that combine multiple sources, such as debt, public subsidies, and corporate loans, to reflect practical funding pathways for implementation.

Building the foundation (2nd Call pilots)



The four newly selected pilots are currently in the technical assessment phase, laying the groundwork for their future investment plans.

Their work includes:

- **Mapping available local energy sources, including industrial waste heat and renewable potential**
- **Assessing technology suitability and system compatibility**
- **Identifying priority intervention areas within their networks**

This stage is critical to ensure that each pilot develops a robust, context-specific transition pathway, rather than applying one-size-fits-all solutions.

Stakeholder engagement and replication in action



Low2HighDH goes beyond technical analysis by embedding the investment planning process within a structured stakeholder ecosystem.

At local level, liaison groups bring together district heating operators, municipalities, and key market actors, enabling:

- **Alignment with local development priorities**
- **Improved decision-making processes**
- **Stronger ownership of proposed solutions**

At broader level, national and international stakeholder communities, together with a growing network of project Ambassadors, facilitate:

- **Exchange of experiences between regions**
- **Identification of common barriers and solutions**
- **Replication of successful approaches beyond the pilot sites**

This multi-level engagement is essential to ensure that the project's results are not limited to individual cases, but contribute to system-wide transformation of the district heating sector.

In this context, further district heating systems in Lithuania, Poland, and Slovakia have been approached to participate in the project as replicants, to validate the Low2HighDH approach with them through a streamlined process, including our insights so far, to support the clean transition of these systems by integrating low-grade renewable energy and waste heat sources into their networks.

If you own and/or operate a district heating system, or know someone who does, and would like to participate in replication activities, please reach out at contact@low2highdh.eu.

Capacity building through webinars

L2H Low2HighDH

Core financial concepts and analytical approaches for district heating site renovations:

 **18 March 2026**

 **09:30 - 10:30 CET**

Organized by: GNE FINANCE

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- What bankability is and why it matters.
- CAPEX, OPEX and revenues.
- Economic and financial analysis of district heating projects.
- Credit risk analysis.



**Join the
Webinar**

To complement the technical and financial work, the project is implementing a targeted capacity-building programme.

Three local webinars have already been delivered, focusing on:

- **Country-specific regulatory and market conditions**
- **Early findings from pilot analyses**
- **Practical challenges faced by district heating operators**

Also 2 out of 3 additional webinars have already been held, addressing :

- **Integration of low-grade renewable and waste heat technologies**
- **Financing mechanisms and risk mitigation approaches**
- **Strategies for moving from planning to implementation**

The last 3rd one from the 2nd series will be held most probably on the 1st of April.

These activities ensure that knowledge generated within the project is translated into practical know-how for stakeholders across the sector.

The recordings of these webinars will be available on the Low2HighDH website.
Stay connected with us to be informed about this.

Low2HighDH Website

What are the next steps?



In the coming period, the project will focus on:

- **Finalising investment plans for the first six pilots**
- **Advancing technical and financial development of the new pilot sites**
- **Conducting validation processes with local stakeholders**
- **Strengthening investment readiness, including financing strategies and risk assessment**
- **Expanding dissemination efforts to support replication and market uptake**
- **Formulating targeted policy recommendations to reduce regulatory and investment barriers, based on evidence from the pilot investment plans**

This next phase will be critical in bridging the gap between analysis and real investment decisions.

Why it matters?

District heating systems play a central role in Europe's energy transition, particularly in regions where they represent a major share of heat supply.

More importantly, the project demonstrates how high-temperature district heating systems can transition towards low-carbon solutions in a financially viable way, addressing one of the key bottlenecks in the sector.

Thank you for joining us on this journey towards a sustainable and energy-efficient future!



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