

# Accelerating the Deployment of Heat Pumps in Scotland

Heat Pump Association, Nesta and The MCS Foundation

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## Background - Why Heat Pumps?



Heating is one of Scotland's largest sources of emissions with fossil fuel boilers in homes and businesses accounting for around **13% of total greenhouse gas emissions**<sup>1</sup>.



Heat pumps are a **proven, scalable solution that can rapidly decarbonise** while delivering clean, comfortable heating year-round.



Scotland has over 2.5 million homes yet **only 11% of households** have a renewable or very low emissions heating system<sup>2</sup>.



By **2045, 92% of existing homes will need to have low-carbon heating**, reaching all homes by 2050. Annual heat pump installations in existing homes will need to accelerate rapidly, reaching nearly **35,000 by 2030**<sup>3</sup> compared to 7,355 MCS certified heat pump installations in 2024.



The **Heat in Buildings Strategy** has set important ambitions, but **policy certainty, skills investment, and consumer affordability** are now critical to unlock deployment at scale.



Scotland is **producing more renewable electricity than it uses, with the equivalent of over a third exported in 2023**<sup>4</sup>. Accelerating the rollout of electrified heating technologies that use this energy locally is a clear strategic opportunity to cut exports, strengthen energy security and keep the economic and environmental benefits within Scotland.

<sup>1</sup> Scottish Government, Heat in Buildings Strategy (2021)

<sup>2</sup> MCS Data Dashboard (accessed August 2025)

<sup>3</sup> CCC, Scotland's Carbon Budgets: Advice for the Scottish Government (2025)

<sup>4</sup> Scottish Government, Energy Statistics for Scotland – Q3 2024 (2024)



# Three Key Policy Priorities

## 1. Certainty

**Introduce and pass an ambitious Heat in Buildings Bill in the final year of this Scottish Parliament.**



- Provide **primary legislative powers** to allow for legislating for **phasing out fossil fuel heating and point of purchase requirements**, to come into effect for end users once electricity prices have fallen.
- Support the **growth in the installations of heat pumps** in Scotland. Currently, there is nothing in the Bill to support increased heat pump installs explicitly.
- Give **industry confidence** to invest and expand by **setting firm timelines**.
- Align targets with **Scotland's net zero commitments** and 2045 goal.

## 2. Workforce and Training

**Build workforce and supply chain skills to deliver a transition to low carbon heating.**



- Introduce a **grant for Heat Pump Training courses**, offering a minimum of £500 per person towards recognised training courses.
- Continue to **fund and support the first-year fees of MCS certification** for heat pump installation businesses.

### 3. Affordability

Ensure households and businesses can access and benefit from low carbon heating.



- Continue funding the universally available **Home Energy Scotland Grant and Loan Scheme**.
- Continue to provide full-cost funding for heat pumps through the **Warmer Homes Scotland and related fuel poverty schemes**, and incentives for social housing to install heat pumps.
- Maintain funding for the **Scottish Heat Network Fund** to support deployment of heat pumps via shared and ambient loop networks.
- Streamline the Home Energy Scotland Grant and Loan Scheme to make it **quicker and easier for both consumers and installers** to access.
- We call for **the installer to play a much more proactive, leading role** in applying for the Home Energy Scotland Grant and would support the installer being paid directly.
- Publish **monthly data on Home Energy Scotland Grant and Loan applications and installations** to improve transparency and track progress.

#### UK Wide Actions

The UK Government has committed to consulting on how best to reduce the price of electricity relative to gas, aiming to make electricity cheaper and provide a greater incentive for those transitioning to electric heating.

This reform would improve the **running cost advantage of heat pumps** over fossil fuel boilers and help households and businesses make the switch sooner.

- The UK Government should deliver **swift and ambitious rebalancing of electricity and gas prices** to maximise the cost benefit of heat pumps.
- The **Scottish Government should continue to actively engage** with the UK Government regarding making electricity cheaper relative to gas and **advocate for Scottish consumers to see low-cost renewable electricity generation reflected in their electricity bills**.