



Department for  
Business, Energy  
& Industrial Strategy

Regulatory Delivery

# Heat Networks Regulations Update

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## We have been changing (names)

- NMRO merged with BRDO on 1 April 2016. This formed Regulatory Delivery, within BIS
  - Focus on better regulatory delivery
  - Build a national “centre of excellence” for enforcement
- BIS merged with DECC to form BEIS in July 2016

## Present Regulations – **ON HOLD**

- Retrofitting of individual meters in communal and older district networks subject to viability tests
  - Confirmed by the Financial Conduct Authority (FCA) that they will not see this as non-compliance
  - New economic viability tool to be released with amended regulations (and detailed in public consultation)
- Fitting of individual meters subject to viability in new build and renovated communal

# Present Regulations – **NOT ON HOLD**

- Notifying of networks (statutory deadline passed)
- Fitting building level meters on District Networks
- Fitting of individual meters
- Maintaining meters
- Billing subject to actual use

# Notifications

- 17,125 Networks have Notified BEIS.
  - Continuously increasing with late submissions and an expanding heat network market
- Notification returns with errors will need to be followed up (if not already)

**If you have notifications you are late with and working on let us know **ASAP****

# Notifications

- 17,125 Heat Networks Notified in UK
  - 15,548 in England
  - 1,068 in Scotland
  - 419 in Wales
  - 90 in Northern Ireland

## Notifications – Local Authorities

- **80%** of LAs either notified or confirmed they are not heat suppliers
  - **51%** submitted a notification
  - **29%** confirmed not heat suppliers
- **20%** of LAs not confirmed heat supplier status or notified

# 2017 / 18 Priorities



# Housing Associations

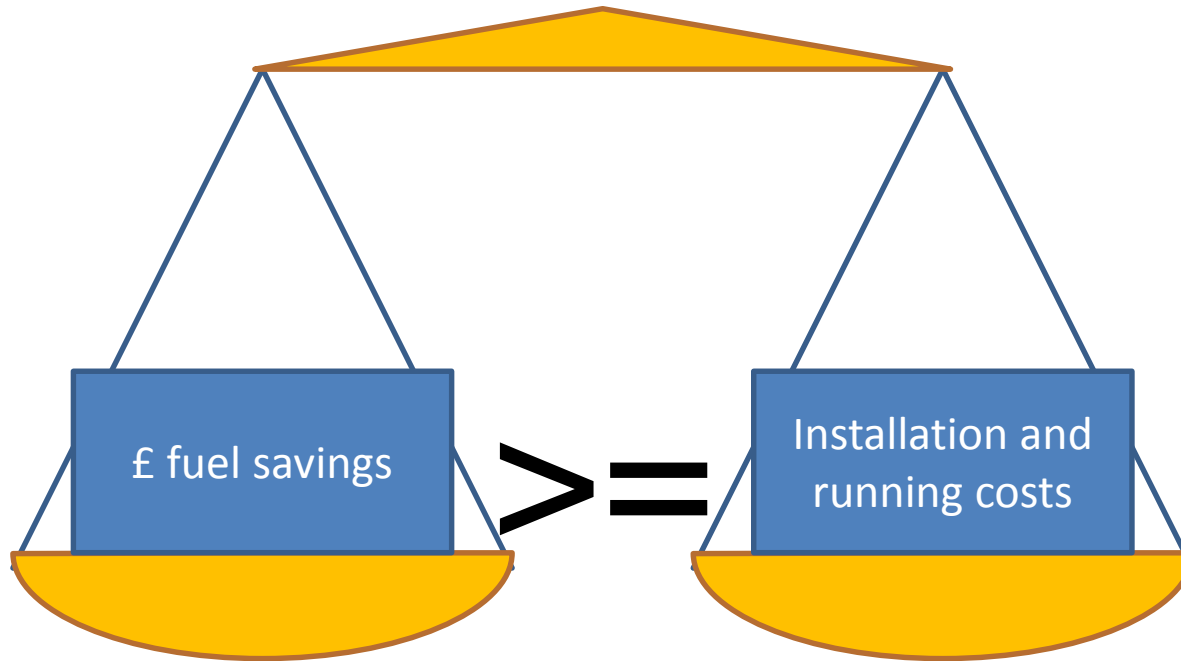
- Planned to be a major focus for RD in 2017/18
- Follow up with previous non-compliance (Notifications)
- Raising awareness of legislative changes and providing any other support required
- Action and support towards billing and installation of meters (especially if amended Regs bring more into scope)

# New Regulations

- BEIS policy plan for
  - Public Consultation Summer 2017
  - New Regulations Autumn 2017
- Make regulations clearer, and addressing snags
- BEIS policy planning to set a new date for fitting of meters
- New viability test and new tool

# VIABILITY TOOL

# Viability Tool Principles



10 Year period

## New Viability Tool Principles

- Use actual numbers and not benchmark costs for energy use
- Market costs for meters, fitting and billing
- Test over 10 years
- Allow testing of networks or sections of networks, not every building

## New Tool

- Release aligned with new regulations
- Will be based on principles discussed
- Cover meters and HCAs
- Assumptions in tool will be founded on evidence base
- Tool's use will not be statutory, you can use your own method but will need to justify

## Other changes

Going into the Public Consultation (in addition to the new viability tool) also includes:

- Agreed exclusions
  - e.g. Grade 1 listed buildings
  - low energy properties
  - non-wet systems
- Clarifying some wording
- Defining more regulated entities, rather than just ‘Heat Suppliers’
  - e.g. managing agents

## Website

[www.gov.uk/heat-networks](http://www.gov.uk/heat-networks)

## Enquiry Service

[www.rohs.bis.gov.uk/enquiry.aspx](http://www.rohs.bis.gov.uk/enquiry.aspx)

## E-mail alerts sign up

<https://public.govdelivery.com/accounts/UKNMO/subscriber/new>