

Heat Network (Metering & Billing) Regulations Compliance Guide

Overview

The Heat Network (Metering & Billing) Regulations (HNMBR) affect suppliers of heat networks in the UK, requiring them to notify the Secretary of State about their networks every 4 years and, where necessary, install heat metering devices.

The HNMBR were introduced as the UK's response to the EU Energy Efficiency Directive (EED) and aim to drive energy efficiency and transparency within heat networks by ensuring end customers can monitor their usage, with a view to direct behavioural change, and receive competitively priced energy from their suppliers.

An entity is deemed a heat supplier when they charge for the supply of heating, cooling or hot water to an end customer through a district or communal heat network. This includes social housing providers and Local Authorities.

The regulations have undergone two revisions since their inception in 2014 and in November 2020 new requirements were added to the regulations.

Now as part of the regulations there are two requirements on heat suppliers which they must comply with:

1. **Notification**
2. **Building Viability Assessment**

What's the difference?

A district heat network:
two or more buildings sharing a heat source with at least two-end users

A communal heat network:
a single building with two or more end users sharing the heat source



1 Notification Requirements

Part of the HNMBR since its inception in 2014, heat network operators are required to notify the Secretary of State via the Office for Product Safety and Standards (OPSS).

Notification is required at various stages:

1. For a new heat network, the OPSS must be notified on or before the day it becomes operational.
2. After the initial notification, heat suppliers must submit a renotification within every four-year period thereafter. This is required for ALL networks that they operate.

The original deadline for complying with part 1 of the regulations was 31 December 2015.

2 Building Viability Assessment

Part 2 of the HNMBR was introduced on 27 November 2020. It sets out 3 classes of building to determine whether heat meters or heat cost allocators should be installed on buildings that form heat networks.

The 3 classes are:

VIABLE – heat meters must be installed

OPEN – the viability assessment must be completed to determine whether installs are required

EXEMPT – no action required

The deadline to determine what class buildings fall into and complete the viability tool (if it is determined the building falls into the open class) is **27 November 2021**.

For viable buildings and those that the viability assessment has indicated heat meters are required to be installed, the deadline for installations is **1 September 2022**.

3 Which buildings fall in which class?

VIABLE

Any newly constructed building connected to a **district heat network** on or after **27 Nov 2020**

Any newly constructed building connected to a **communal heat network** or after **1 Sep 2022**

A building that connected to a **district heat network** that undergoes major renovations (worth 25% of building value) on or after **27 Nov 2020**

OPEN

Any newly constructed building connected to **communal heating between 27 Nov 2020 and 1 Sep 2022**

Any other building not falling into viable or exempt class

EXEMPT

An existing building connected to either **communal or district heat networks** that is classed as supported housing, almshouse accommodation or purpose-built student accommodation

New buildings connected to **communal heating** after **27 Nov 2020** and existing buildings on either **communal or district heating** that do not consist of mainly private dwellings where heating is distributed by means of a system other than hot water



Next Steps...

1. All heat network operators that are required to comply with the regulations should continue to notify every four years. After **1 September 2022** notification will also involve additional information on building classes.

2. By **27 November 2021** heat network operators should have defined which building class their networks fall into. If the building falls into the open class, network operators must complete the viability tool assessment to determine whether they need to install heat meters or not.

For social housing: all heat networks (except those that are classed as 'supported housing') will fall in either the viable or open class and landlords must comply with the regulations.

The deadline for open class buildings to use the viability tool is also **27 November 2021**.

There are 2 versions of the viability assessment tool. The reduced version should be used where energy consumption is known and a quote for metering installation costs is available. The full version is for occasions where either energy consumption data is estimated, or metering install costs are unknown.

The viability tool is available to download from the gov.uk website

What is classed as supported housing?

Supported housing is defined as any of the following low cost rental accommodation provided by a social housing provider—

- (a) sheltered housing or extra care housing providing additional support for residents;
- (b) emergency accommodation for the homeless;
- (c) a domestic violence refuge or a domestic abuse refuge;
- (d) housing which is provided in conjunction with support and is made available exclusively for—
 - i. people with drug or alcohol problems;
 - ii. people with mental health problems;
 - iii. people with learning disabilities;
 - iv. people with physical disabilities;
 - v. offenders and people at risk of offending;
 - vi. young people leaving care;
 - vii. teenage parents; or
 - viii. refugees

3. For all viable buildings and those in the open class where the viability tool has determined heat meters are required, the deadline for completing installations on buildings is **1 September 2022**.

Need assistance?

If you have any questions on HNMBR and what steps you need to take next, including help completing the viability tool or accessing quotes, feel free to get in touch with Procure Plus's sustainability team ellie.voke@procure-plus and david.kemp@procure-plus.com.

Along with advice and guidance our latest Low and Zero Carbon Technologies Framework will be well equipped to assist with heat meter supply and installation requirements for compliance with Part 2 of the regulations.



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