



Office for Product
Safety & Standards

Heat Network (Metering and Billing) Regulations 2014

Frequently asked questions

November 2019



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1. Background

This document is designed to answer Frequently Asked Questions (FAQs) received by the Office for Product Safety and Standards (OPSS) and its predecessors in relation to the Heat Network (Metering and Billing) Regulations 2014 and its associated amendments. It should be used as a guide only. The Regulations implement the metering and billing requirements in the EU Energy Efficiency Directive (EED).

1.1. What are the Heat Network (Metering and Billing) Regulations 2014?

The Heat Network Regulations implement the requirements in the EED particularly with respect to Articles 9, 10 and 11.

The Regulations place certain responsibilities on anyone supplying and charging for heating, cooling or hot water (called the “heat supplier”). These include the following responsibilities:

- To notify OPSS of the existence of their network(s) (Regulation 3);
- To fit heat meters (where it is cost-effective and technically feasible) to accurately measure, memorise and display consumption of final customers and some buildings (Regulations 4, 5 and 7);
- In buildings with more than one final customer, to fit Heat Cost Allocators (HCAs), hot water meters and Thermostatic Radiator Valves (TRVs) to measure the consumption of final customers where installing heat meters is not feasible (Regulation 6);
- To ensure heat meters or HCAs are continuously operating, maintained and periodically checked for errors (Regulation 8);
- To bill customers transparently and based on actual consumption where economically justified to do so (Regulation 9).

1.2. What is a heat network?

The Regulations relate to the supply of heated or chilled water from a central point of generation (such as a boiler or plant room) through a pipe network to final customers for the purposes of heating, hot water or cooling. The Regulations do not cover the provision or metering of gas, electricity or any other type of fuel.

Detailed guidance on what constitutes a heat network and which heat networks are covered by the Regulations is available in our Scope Guidance Document.

2. Notifications

OPSS must be notified of certain information about each heat network. Heat suppliers must provide this information every four years from the date of initial notification. They can submit notification forms earlier than this if they choose too. Heat suppliers will be reminded of upcoming deadlines for submission via the email address they provided on the most recent notification form.

2.1. How do I notify OPSS about my network(s)?

The notification form and guidance is available at www.gov.uk/heat-networks Download the form to your device, complete it and save changes before emailing the completed form to heatnotifications@beis.gov.uk.

2.2. When is the deadline for sending completed notification forms?

The deadline for submitting forms to OPSS was initially 31st December 2015. Any outstanding notifications for existing networks should be submitted as soon as possible. OPSS should be informed of newly-created heat networks on or before the date they come into operation (i.e. the date customers are first supplied with heating, cooling or hot water through the network). Heat suppliers must submit a fresh notification every four years thereafter.

2.3. Who must provide the completed form?

The responsibility to notify OPSS of a network ultimately rests with the heat supplier [see section 3] although OPSS will accept notifications from somebody acting on behalf of the heat supplier.

2.4. I don't have answers for every question on the form; can I leave unknown fields blank?

It is a legislative requirement to complete questions 1-26 unless otherwise indicated on the form. [See section 2.7. for more on questions 16 and 17.] Please endeavour to find all the information required; consult the guidance available at www.gov.uk/heat-networks and lodge an enquiry with OPSS if still unsure. Questions 27-29 are optional. Answers given to these questions will be useful for analysis of Government policies.

2.5. Some buildings I supply with heat are used partially or wholly by me. How do I notify OPSS of these networks?

A heat supplier cannot be their own final customer, so only building occupants that are separate legal entities from the heat supplier should be counted as final customers.

When confirming the number of buildings on a network, heat suppliers should include those without any final customers (i.e. those used by the heat supplier for its own purposes) as well as those with final customers.

2.6. If my network is not covered by the Regulations, do I still have to submit a notification form?

No, if your network is not covered [see section 1.2.] then the Regulations do not apply to you and you do not need to notify OPSS of the network.

2.7. How do I calculate total heat/hot water/cooling capacity, heat/hot water/cooling generation and heat/hot water/cooling supply?

The capacity of a network (question 15 on the notification form) is the combined size in kilowatts of the boilers (or other heat sources) powering the network. If a network is powered by a single 100KW boiler, the answer to this question is '100'. If the network is powered by two 100KW boilers, the answer is '200', and so on. There is space on the form to record the capacity of any back-up systems (which would only come into operation in an emergency if the primary heat source failed). The capacity of boilers can be confirmed by the vendor or network engineer. The capacity should also be available in the documentation that accompanied the boilers and will often be marked on the boilers.

The questions concerning heat generation (question 16) and heat supply (question 17) should only be answered for networks with meters installed to capture this data. OPSS does not require heat suppliers with unmetered networks to make estimates.

3. Heat Supplier

3.1. Who is a heat supplier?

A heat supplier is any legal entity that supplies and charges for the supply of heating, cooling or hot water to a final customer through a heat network. In some situations, these responsibilities can be shared between managing agents, landlords and other parties. An assessment should be carried out to decide which party is the heat supplier according to existing arrangements. Where the identity of a heat supplier is in doubt, OPSS will seek to establish which party is the beneficiary of customers' payments and treat this party as the heat supplier unless it can be shown that this is not the case based on the circumstances under which the network is operated.

Note: OPSS will accept notification forms from somebody acting on behalf of the heat supplier [see section 2.3.].

3.2. I do not bill my tenants separately for heat. The provision of heat is included in the rent or service charge. Does this mean I am not a heat supplier and my network is not covered by the Regulations?

Charging for the supply of heating, cooling or hot water includes the supply as part of a package, paid for indirectly perhaps through ground rent, a service contract or other means. Such a payment does not need to explicitly mention the supply of heat but there will be a reasonable expectation by the final customer that heat supply is part of the service.

Where a tenant currently has space heating, cooling or hot water implicitly included in their rent payments, they are still being charged for heat and the person receiving the rent payment is a heat supplier.

An example of where customers are not charged for the supply of heating, cooling or hot water is a prison because prisoners are not charged in any way for the provision of heat.

3.3. If a customer of a heat network sub-lets space to multiple further final customers (sub-tenants), who is the heat supplier to those sub-tenants?

In this scenario, the person sub-letting would be both a final customer of the network and a heat supplier to the sub-tenants. [See the Scope Guidance Document for 'cascading responsibilities'.]

Note: A heat network customer who sub-lets a single building to a single tenant will not be considered a heat supplier to that sub-tenant, as this arrangement does not meet the minimum criteria to be considered a district or communal heat network.

3.4. Where there are multiple heat suppliers on a network, should multiple notification forms be submitted?

In this situation, OPSS advises that an arrangement is made for the primary heat supplier to submit a notification form for the network which encompasses all of the other heat suppliers' information (i.e. total number of final customers). If this is not possible, each secondary heat supplier will be responsible for notifying OPSS of the network that supplies their customers.

4. Final Customers

4.1. Two organisations with the same parent company rent space from me in a building. Are they one or two final customers?

Final customers must be separate legal entities from one another, regardless of their shared relationship with the parent company.

4.2. Should everyone who lives or works in a building be treated as a final customer?

No. Only billpayers should be counted as final customers. In a block of 20 flats, there will be one billpayer per flat so the number of final customers is 20 regardless of how many people actually live in the block.

5. Communal and Shared Areas

5.1. Do communal areas of office or residential buildings need to be metered and the customers billed accordingly?

No, communal areas such as atriums, reception areas, shared bathrooms, hallways and stairwells do not need to be metered. The cost of providing heating, cooling or hot water to these areas can be apportioned as the heat supplier sees fit.

5.2. How should I include communal areas in the notification form?

The communal areas should not be included as final customers in the form. The answer to question 20 concerning heating, cooling or hot water supplied to customers should not include the supply to communal areas, only what is supplied to final customers and captured by the meters measuring final customers' consumption. [See section 4.]

5.3. I only provide heating to the communal areas of the building and the tenants have their own heating arrangements. Do I have to comply?

If heating is only provided to communal areas, this is not covered by the Regulations.

5.4. Do I need to meter every room in a House in Multiple Occupation (HMO)?

Such arrangements are not covered by the Regulations, if residents share at least one of the following: a kitchen (or cooking area), a bathroom (including a toilet), and a space for living and sleeping in. Similarly, the Regulations do not cover other sites where one or more of these facilities are shared such as sheltered housing complexes, care homes, hostels and student accommodation.

5.5. How do I meter two or more customers who share open plan office space?

Final customers must have use of a self-contained partitioned area to be covered by the Regulations. For commercial or retail properties, this would mean that a final customer has a partitioned office area for their exclusive use. If two or more separate legal entities share an open plan office space, none of them should be counted as a final customer.

6. Exemptions

6.1. My building has a heating system covered by the Regulations, but the cooling system is not covered. Does this mean the whole building is ruled out?

No, the heating system, hot water system and cooling system should be viewed separately for the purposes of the Regulations. If any of these systems in a building are covered, then they should be operated in compliance with the Regulations.

6.2. Are there any exemptions for charities or public bodies?

No, the Regulations do not provide any exemptions for types of heat suppliers. All heat suppliers must comply with the Regulations including, but not limited to; charities, public bodies, housing associations, religious buildings and the military.

6.3. Are nursing homes exempt?

There is a spectrum of residential and nursing care home arrangements. A nursing home which is more akin to a hospital-type 24-hour care arrangement is unlikely to be covered by the Regulations. The key determinant is whether the home is providing self-contained residential accommodation (in which each client has a private kitchen, bathroom and bedroom) or nursing care, where all or most services are provided communally (as it does not fulfil its normal role as a residence). This is a decision that would need to be made by the heat supplier on a case by case basis.

6.4. My tenants tend to stay for short periods. Is this a 'transient' arrangement and therefore not covered?

Generally, where a property would be used as a dwelling it would be covered. Hotels, for example, are generally considered to not be covered as they don't fulfil a normal understanding of a dwelling. However, a hotel would be covered if a room was used for an extended period i.e. it became a dwelling. For an arrangement to be considered transient, it is likely to last a matter of weeks rather than months or years.

6.5. My building is very small. What is the minimum size of a heat network?

There is no physical size limit (minimum or maximum) for a heat network.

The minimum criteria for an installation to be considered a district heat network are 2 buildings being supplied with heat and at least 1 final customer.

The minimum criteria for an installation to be considered communal heating are 1 building being supplied with heat and at least 2 final customers.

Note: Heat suppliers cannot be their own final customer [see section 2.5.].

7. Metering

7.1. What is a heat meter?

A heat meter is comprised of 3 main parts: a flow meter, a pair of temperature sensors and a calculator. The heat taken from (or added to) a system is a function of the flow rate, the entry temperature and the return temperature of the heat transmitting fluid (normally water).

7.2. What is a Heat Cost Allocator?

HCA's (Heat Cost Allocators) are devices attached to radiators used to measure heat output at the radiator level. HCA's can be installed with TRVs and hot water meters where installing heat meters is not feasible.

7.3. Heat meters or HCA's, TRVs and hot water meters?

Heat meters are the preferred solution but not technically feasible for some building configurations. HCA's, TRVs and hot water meters can be fitted to nearly all building configurations. Although they have limitations when compared with heat meters, they are still appropriate for bill apportionment.

7.4. Do all unmetered networks have to be metered under the Regulations?

The Regulations refer to two types of meters, namely building level meters (also known as block or bulk meters) and final customer meters. The requirements differ for each type. For the requirements concerning building level meters, see section 7.6. In the case of final customer meters, there is not a blanket requirement to install on every network. If you do not currently have operational meters installed on your heat network, you may in future be required to install meters on your network and bill according to consumption if this is found to be cost-effective and technically feasible.

The Department for Business, Energy and Industrial Strategy (BEIS) launched a public consultation on a revised methodology for assessing the cost-effectiveness of metering for district and communal heat networks on 17 October 2019. The consultation will be taken forward in the context of considering the right long-term framework for the market. Following the consultation, BEIS intends to launch a new cost-effectiveness tool and accompanying regulatory amendments. The closing date for responses to the consultation is 9 January 2020.

More information about the consultation and how to respond is available here:

<https://www.gov.uk/government/consultations/heat-network-metering-and-billing-regulations-2014-proposed-amendments>

7.5. Do heat meters have to comply with any particular standard?

Regulation 5 requires meters to be accurate and Regulation 8 requires meters to be properly maintained and periodically checked for errors. Although a fitted meter is required to be of a suitable quality and performance, the Regulations do not set any specific technical parameters for its accuracy and quality.

Where an MID (Measuring Instrument Directive) or BS EN1434 approved heat meter is used, OPSS will generally accept this route for approval of the meter. If a meter is not approved to these standards, OPSS may seek further assurances of the meter's ability to fulfil its purpose.

7.6. When and where do building level meters need to be installed?

Regulation 4 (1) states that building level meters must be installed to measure the total consumption of heating, cooling or hot water of any building on a district heat network containing multiple final customers. Regulation 4 (2) adds that such meters should be fitted at a heat exchanger in that building or at the point of entry of the district heat network pipes into the building.

7.7. How do the Regulations define a building?

The Regulations do not specifically define the term 'building'; for the purposes of the Regulations the natural (dictionary) meaning will generally apply.

For example, if a district heating scheme serves a block of flats and a row of terraced houses; a flat is a residence in a larger building so the consumption of the block as a whole must be measured using a building level meter. A terraced house is a building that shares walls with other buildings, so a row would constitute many single-occupancy buildings and would not require a building level meter under Regulation 4 (1).

7.8. Why do I need a building level meter installed if I already have individual meters for each final customer?

The Regulations mandate that building level meters are installed for every multi-occupancy building on a district heat network. This is in keeping with the EED. Building level meters facilitate good operation and support system efficiency and maintenance of heat networks.

However, the OPSS will consider a range of metering options to meet this requirement, to provide heat suppliers with as much flexibility in implementation as possible. The key characteristic will be to support system efficiency monitoring and, when combined with final customer metering, to identify in-building losses, which can be significant.

8. Billing

8.1. Do I have to charge customers differently if I don't have final customer meters?

No, Regulation 9 (Billing) only applies where final customer meters or Heat Cost Allocators have been installed as a duty under the Regulations (following a determination of cost-effectiveness) to measure the consumption of heating, cooling or hot water by each final customer.

8.2. Can a heat supplier make a profit from heat provision or billing?

A heat supplier can make a profit from the supply of heating, cooling or hot water. The Regulations do not fix a price for any variable or fixed charges for the provision of heating, cooling or hot water. A heat supplier's costs of providing bills and billing information may be passed on to final customers provided that no profit is made from such charges. This is the case unless, in buildings with more than one final customer, billing services are undertaken by a third party, in which case reasonable charges may be passed on to final customers. Additionally, a heat supplier must not make a specific charge to a final customer for the provision of a bill or billing information other than in respect of the supply of additional copies.

8.3. What if producing bills will be disproportionately expensive?

If the cost of producing bills and billing information in accordance with Regulation 9 (1) would cost more than £70 per final customer per calendar year, then the heat supplier is not obligated to produce bills in accordance with Regulation 9 (1). [See Schedule 2 (6) & (7) of the Regulations.]

8.4. Are prepayment meters acceptable as a method of billing final customers?

Yes, prepayment meters are acceptable as a billing method as long as they are able to comply with all the criteria set out in Regulation 9 and Schedule 2.

8.5. What needs to be in the billing information?

Billing information should include the following:

- (a) current energy prices charged to the final customer by the heat supplier;
- (b) information about the final customer's energy consumption from the heat supplier;
- (c) where available, comparisons of the final customer's current energy consumption from the heat supplier with consumption for the same period in the previous year, if possible displayed in a graph;
- (d) contact information, including website addresses, for organisations from which information may be obtained on available energy efficiency improvement measures and technical specifications for products which use energy.

Billing information must be issued by the heat supplier at least twice a year and with every bill issued. A bill must be issued to a customer at least once per year based on actual rather than estimated consumption.

9. Miscellaneous

9.1. The billing arrangements are written into the contract with the tenant and I am unable to change them. Can I continue charging the way I am now?

No, the Regulations (as a statutory instrument) have effect at criminal law. The Regulations must be complied with and contractual (civil) arrangements would not constitute a defence.

9.2. Do the Regulations apply to existing buildings or just new builds?

The Regulations apply to both existing buildings and new builds (i.e. buildings that came into operation after the Regulations came into force on December 18, 2014). In some cases, this will require the retrofitting of heat meters. Regulation 7 (2) applies some stricter requirements for new builds than existing buildings. In the case of new district heating connections to newly-constructed buildings, there is a mandatory requirement to install final customer meters. The same requirement exists for buildings on district heat networks that undergo major renovations, defined as renovations costing more than 25% of the value of the building.

9.3. Construction of my building started before the Regulations came into effect. Am I required to comply?

Yes. Even if the building was in the construction/planning stages prior to the start of the Regulations, it would still be required to comply.

9.4. Can I pass on the cost of installing meters to my tenants?

Where meters must be installed, the heat supplier will be responsible for doing this. The Regulations allow for fixed as well as variable charges to be passed on to final customers. Any fixed charges for recovery of investment would need to be clearly explained in the billing information, in line with Regulation 9(7)(c).

9.5. What's the point of these Regulations?

The Regulations implement the EED. They aim to ensure that final customers are aware of the amount of heat they are consuming and to help them reduce their heating costs by only using the amount of heat they actually require. This would also help the wider EU target to reduce energy consumption by 20% by 2020.

9.6. What will you do with the information from notifications?

The information will be used to create a national database identifying the extent of heating supplied through shared networks in the UK. This information will facilitate a better understanding of the impact of heat networks and may be shared to help inform policy decisions in the future.

9.7. Is the database publicly accessible?

No. However, we can confirm whether any specific networks are registered with us. You will need to provide us with the address and post code of the network in question. If there are multiple post codes, please provide all related post codes. We will be able to confirm whether we have a record of a network registered under the details you have provided.

Unfortunately, we cannot provide you with any information that is considered personal or commercially sensitive, such as email addresses or specific locations.

9.8. How do I find the Unique Property Reference Number (UPRN)?

If the network is located in Scotland, a UPRN must be provided for the property that contains the energy centre or boiler for the network.

You can search for the UPRN free of charge at <https://www.osg.scot/>

10. Contact details

Office for Product Safety and Standards
Lower Ground Floor
Victoria Square House
Victoria Square
Birmingham
B2 4AJ

Enquiry Telephone: 0121 345 1201

Website: www.gov.uk/heat-networks

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