

Office for Product Safety & Standards

Heat Networks (Metering and Billing) Regulations 2014

March 2018 update

Office for Product Safety & Standards



Contents

- Policy ambitions
- Definitions
- Duties under the Regulations for heat suppliers
- Enforcement approach

Policy Ambitions

- Carbon saving
- Support the consumer
- Energy security
- Support deployment of heat networks
- Improved infrastructure
- Accurately reflect cost and benefits

Definitions

- Heat supplier
- Final customer
- Communal heat network
- District heat network
- Meters

Heat Supplier

- Anyone supplying heat to the final customer
- Anyone collecting payment
- Somebody buying fuel
- A person with the authority to fit meters

These could be:

- The owner
- Operator / managing agent
- Service agent

Final Customer

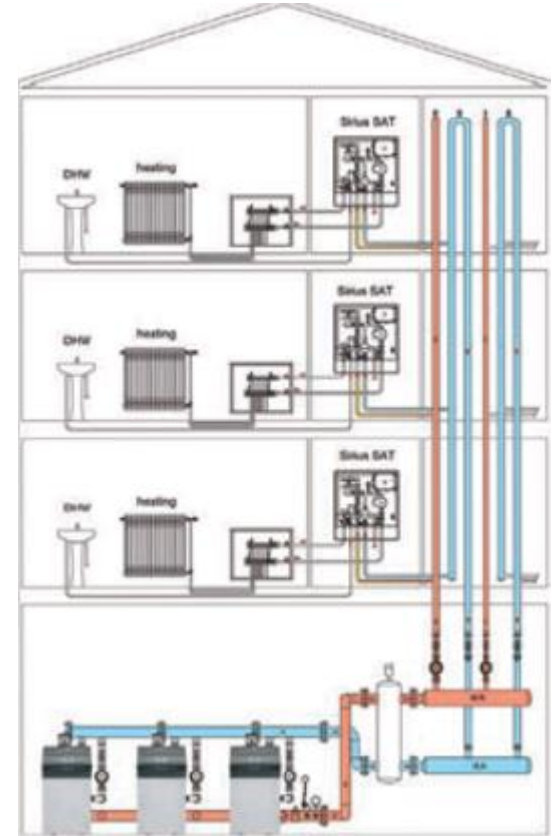
- A person who purchases heating or hot water for their own end consumption from a heat supplier

Communal Heat Networks

- 1 building
 - 2 or more final customers

e.g.

- Block of flats with single boiler
- Shop with flat above

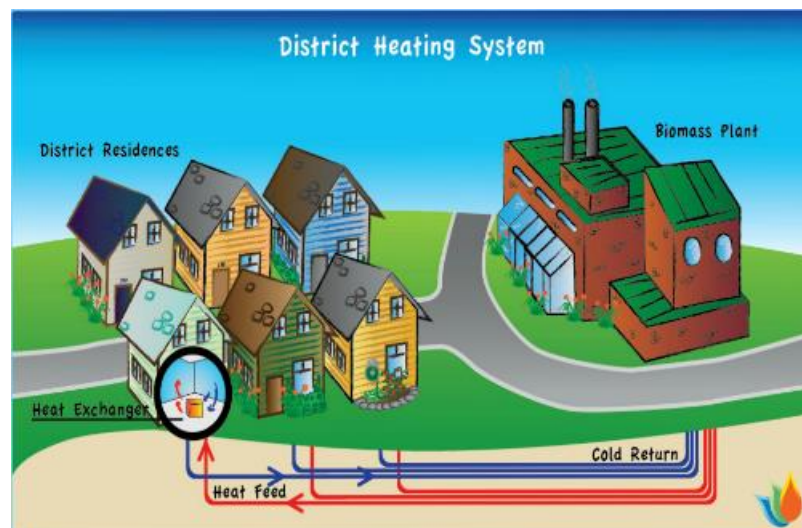


District Heat Networks

- Multiple buildings
 - 1 or more customers

e.g.

- City-wide municipal heating
- Hospital or university campus
- 2 houses sharing a common boiler



Meters

- Final Customer Meters
- Building (or Block/Bulk) Level meters
- Must accurately measure, memorise and display consumption by a final customer
- Office for Product Safety & Standards recommends using MID approved meters

What do heat suppliers need to do?



Duty to notify

- Heat suppliers must notify the Office for Product Safety and Standards about heat networks they operate
- If you have not submitted a notification for a network, we recommend that you do so as soon as possible
- UPRNs for Scotland
- Incomplete or incorrect notifications will be chased up
- Notification template available at [gov.uk/heat-networks](https://www.gov.uk/heat-networks)



Duty to notify

- The Office for Product Safety & Standards has received more than 18,000 network notifications so far, representing more than 2,000 suppliers
- It is estimated that this figure represents between one third and two thirds of the UK heat networks in scope of the Regulations (based on a 2017 review)

Duty to install Building Level meters

- Building Level meters **must** be installed to buildings with more than one final customer on **district** networks
- The meters can be installed at the point of entry of the pipes or at the heat exchanger in that building

Duty to install Final Customer meters

For **district and communal networks**, final customer meters **must** be installed for each final customer **unless** it is not cost-effective or technically feasible to do so, which can be determined using the **cost-effectiveness test**

Duty to install Final Customer meters (continued)

However, final customer meters **must** be installed on **district networks** where:

- a new district heating connection is made to **a newly constructed building**;
- a building supplied by district heating undergoes **major renovation**

Major renovation is defined as costing greater than 25% of the value of the building excluding land.

Cost-effectiveness test

- The test is likely to be based on a 10-year return
- Behavioural change savings are estimated to be 20%+

Public Consultation on the Cost-effectiveness test

- BEIS is working towards launching a public consultation in 2018 on a revised methodology for assessing the cost-effectiveness of metering for district and communal heat networks
- Following the planned public consultation, BEIS intends to launch the cost-effectiveness tool and accompanying regulatory amendments

Duty to provide bills and billing information

- Where meters are fitted in accordance with the Regulations, bills and billing information must be accurate, based on actual consumption and compliant with Schedule 2 of the Regulations
- Heat suppliers must not make a specific charge for the provision of a bill or billing information, but reasonable costs may be passed on to final customers

Duty to provide bills and billing information (continued)

Requirements of **Schedule 2**:

- Bills must be issued at least annually
- Billing information must be issued at least biannually (at least quarterly for e-billing or at a customer's request)
- Billing information means:
 - ❖ current energy prices charged to customer;
 - ❖ information about customer's energy consumption;
 - ❖ year-on-year comparison of customer's consumption;
 - ❖ contacts for organisations promoting energy efficiency

Duty to provide bills and billing information (continued)

- Heat suppliers **must** clearly explain the information contained in a bill, including how it was calculated and specifying any fixed and variable charges.
- Heat suppliers must, at a **final customer's request**:
 - supply a final customer's billing information to an energy efficiency services provider;
 - provide electronic billing and billing information;
 - provide information and estimates of energy costs, in a format enabling comparison of suppliers' charges

Enforcement Policy

- Enforcement is based on intelligence and risk
- Minimum burdens on compliant businesses
- Outcome-based approach
- Proportionate enforcement actions
- Fair markets
- Work with businesses to improve compliance

Enforcement Actions

- Informal warning
- Enforcement undertaking
- Non-compliance penalty
- Formal caution
- Court action
- Publicity

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