



Department for
Energy Security
& Net Zero

January 2026

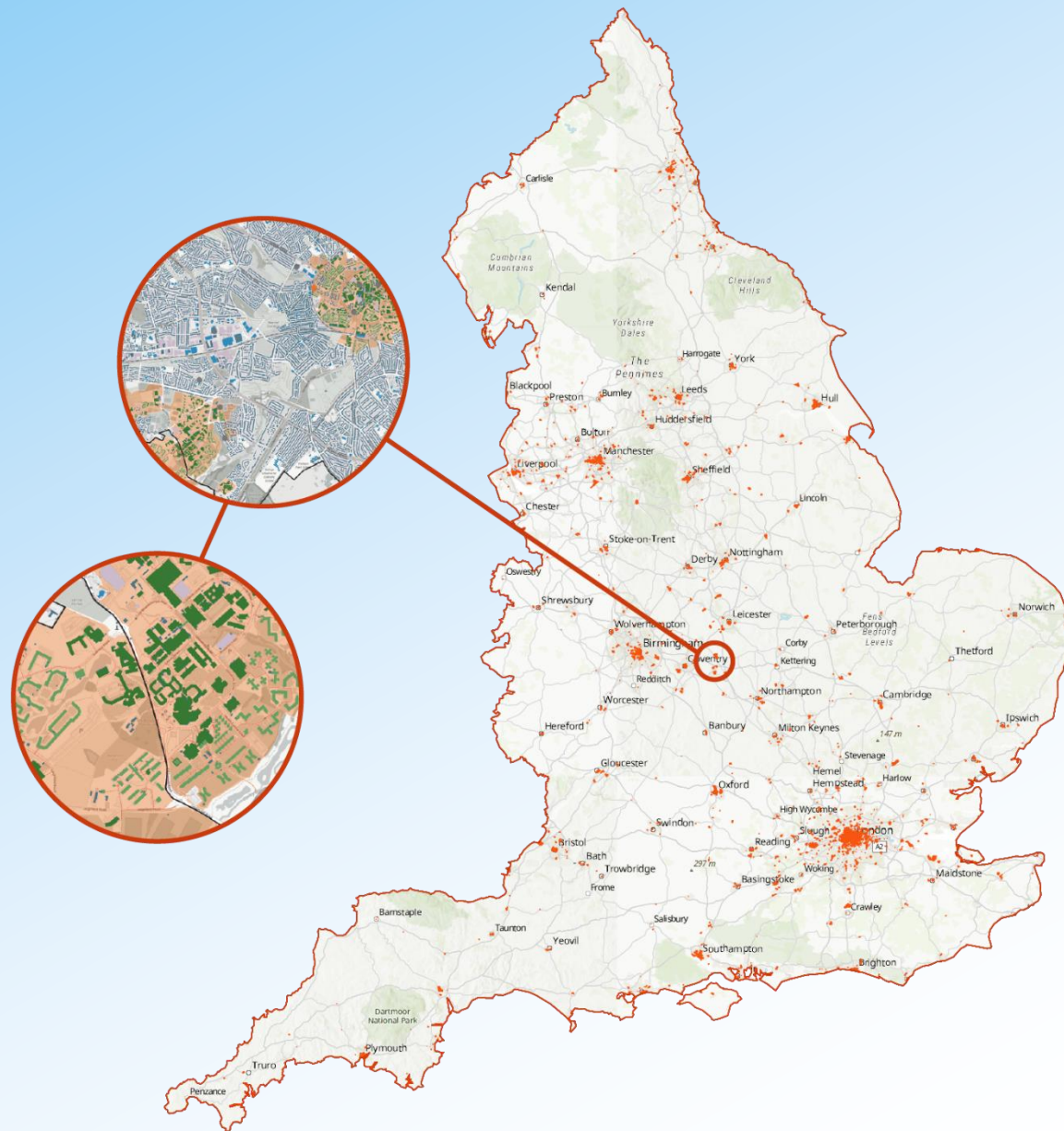
Heat Network Zoning

An overview of proposals for heat network zoning in England



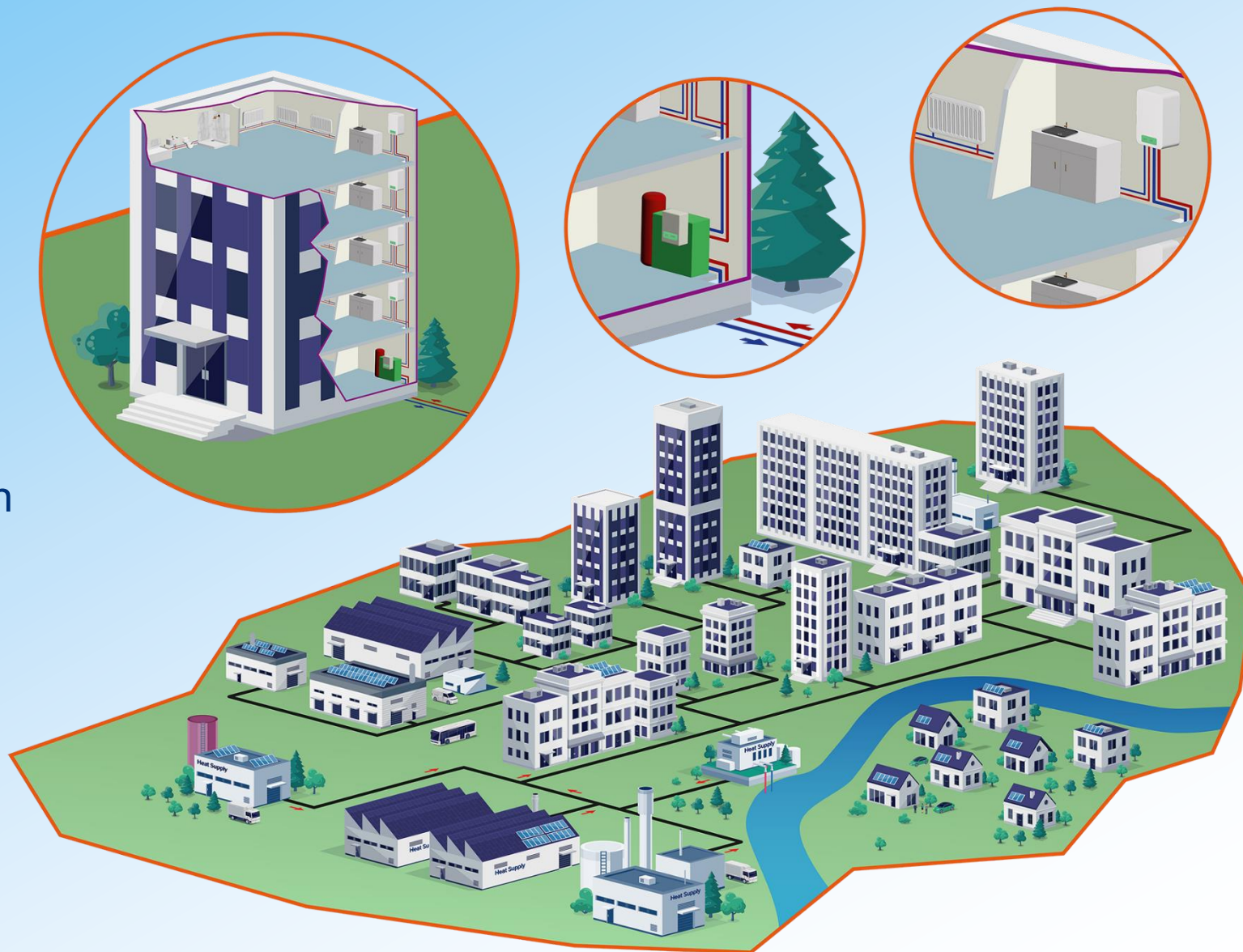
Introduction

- Government published its **Warm Homes Plan** in January 2026
- Alongside this plan, it has responded to its consultation on **Heat Network Zoning**
- Zoning will fundamentally transform the development of new heat networks in England, using powers in the Energy Act 2023
- Currently, heat networks **supply around 3%** of the UK's heat. This is expected to **grow to supply around a fifth of the UK's heat by 2050**



Heat Networks

- Highly-insulated underground pipes **distributing heat from centralised sources** direct to consumers
- Utilises many heat sources, such as renewables and waste heat from industry



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Heat network zoning designates areas where heat networks are expected to provide the lowest-cost low-carbon heating

Empowers local communities to accelerate the development of heat networks

This unlocks investment by creating certainty for investors and developers



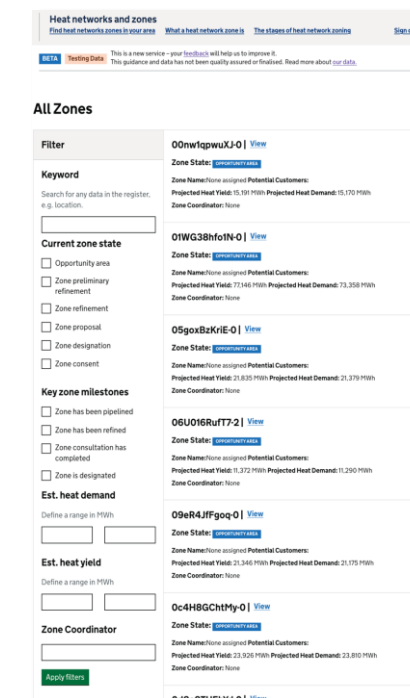
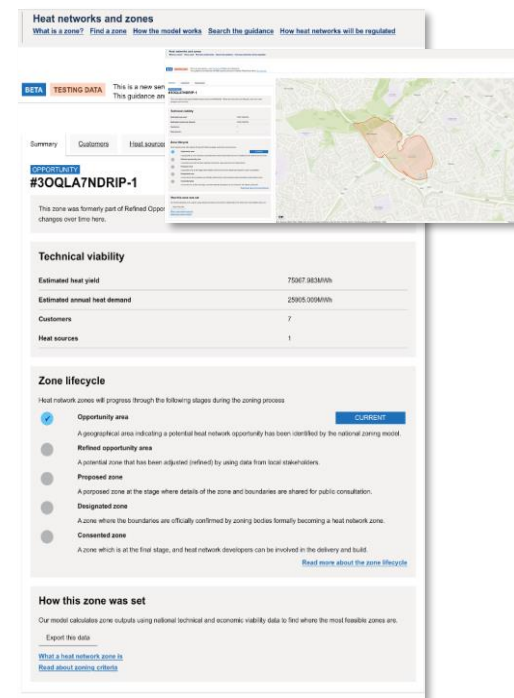
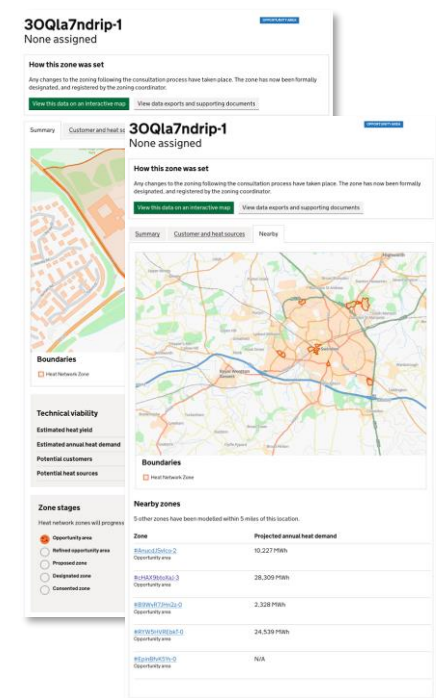
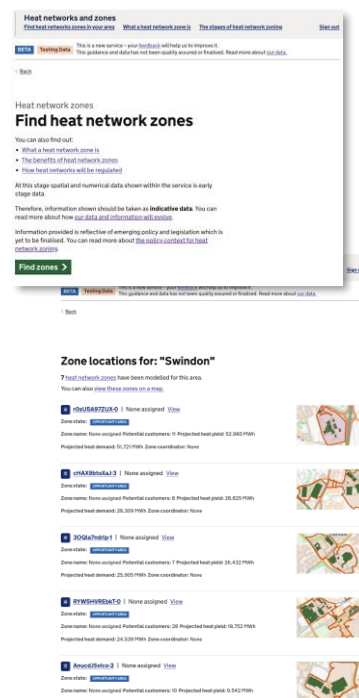
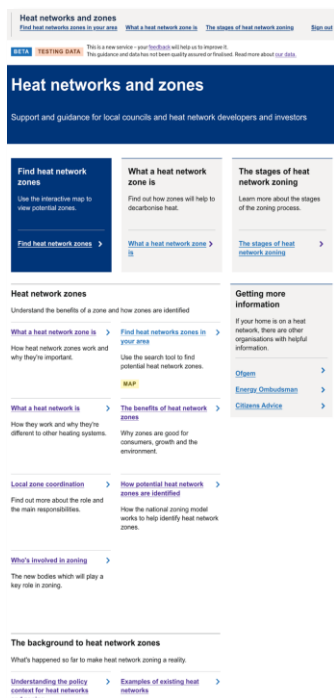
Identifying Zones

- A **National Zoning Model** has been developed to identify the areas where heat networks offer the lowest-cost low-carbon heat
- The model uses spatial data such as building size, type and existing energy use
- Local heat sources are also considered
- **Heat network opportunity areas** have been identified throughout England
- An interactive **Heat Networks and Zones Service** website will be launched in early 2026 (beta version)



Heat Networks and Zones Service

An interactive website due to be launched in early 2026



Information and
guidance

Area search

Zone dashboard
(opportunity
areas)

Interactive
searchable map

All zones list



Delivering zoning

- New **heat network zoning authority** to oversee the delivery of zoning
- **Zone coordination bodies** will be appointed to coordinate zone activity at a local level. This is expected to be predominantly staffed by local government – supported and funded by the heat network zoning authority
- Competitive process for appointing **heat network zone developers**
- From 2026 **Ofgem** will oversee **consumer protection, standards and regulation**



Roles and responsibilities

Heat network zoning authority

- Government team set up to coordinate heat network zoning (inside DESNZ)
- Identify, refine, designate and review zones
- Publishing pipeline of priority heat network zone opportunities
- Coordinate and support zone coordination bodies
- Manage data
- Review zone coordination body decisions

Zone coordination bodies

- Local coordination for the development of heat networks within zones
- Running local public consultation on proposed zone boundaries
- Publishing zonal market prospectus setting out opportunities in each zone
- Running competitive process to select heat network zone developers
- Investigating heat sources
- Enforcing zone requirements

Heat network zone developers

- Competitively bid for exclusive rights to develop and operate the heat network within one or more zones
- Carry out commercial and engineering planning for zone
- Work to agreed standard set conditions such as:
 - Speed of zone delivery
 - Providing benefits to local communities
- Meet emissions targets for heat delivered in the zone

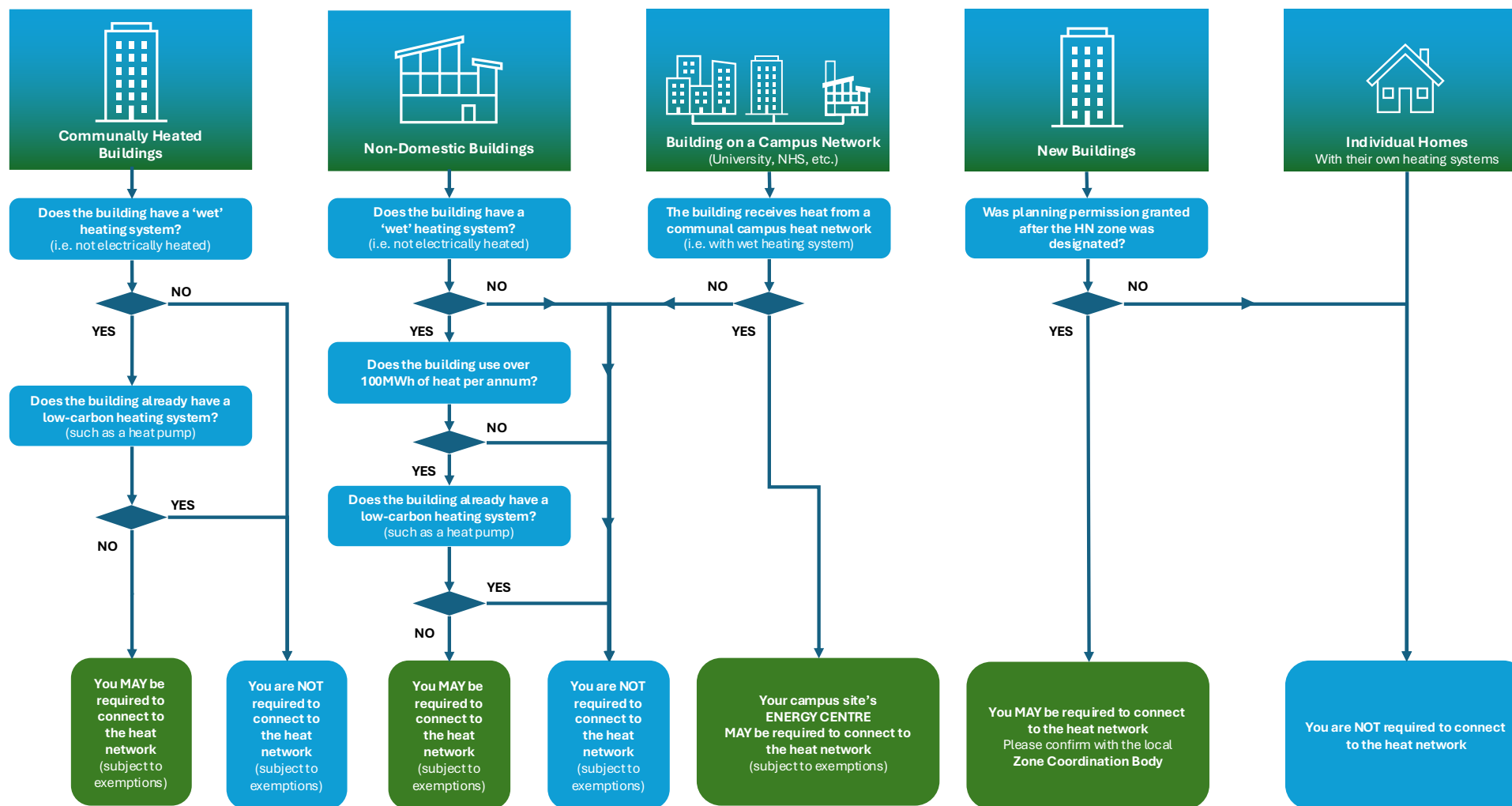


Heat network connections

- To ensure the best outcomes, heat network zoning may require that certain types of buildings and heat sources have to connect to the heat network
- This is subject to a range of criteria and exemptions that ensure the process is fair
- Potential sources of waste heat may also be required to supply the heat network



Buildings that may be required to connect





Exemptions and appeals

- When given notice to connect to the heat network zone, building owners and developers **may apply for an exemption**
- This is subject to a range of criteria such as:
 - Having an **existing low-carbon heat system**
 - Unresolvable technical incompatibilities
- Exemptions granted may also be temporary on a short-term deferral basis
- The **zone coordination body** oversees this process



Roll out of zones

National Zoning Pipeline

- The heat networks zoning authority will use outputs from the National Zoning Model to build a pipeline of zones expected to be designated in the next five years
- This pipeline will be reviewed annually

Advanced Zoning Programme

- A selection of towns and cities have been supported to establish the first zonal-scale heat networks ready for development when zoning launches in 2026





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Keeping up to date

- If you would like to receive the latest news, updates and announcements from the Department for Energy Security and Net Zero Heat Networks team, please subscribe to our mailing list
- It's a simple, three-step process and you can specify your areas of interest and unsubscribe at any time.
- To subscribe, please visit: www.gov.uk/guidance/heat-networks-overview or **scan the QR code** (see right)
- You can also visit the heat network zoning gov.uk page for the latest updates - <https://www.gov.uk/government/collections/heat-network-zoning>



Thank you