

What are the regulations?

The Heat Network (Metering and Billing) Regulations 2014 implement the requirements in the Energy Efficiency Directive (EED) with respect to the supply of distributed heat, cooling, and hot water. The EED promotes energy efficiency to achieve the 2020 20% headline target on carbon reduction. There are currently around 2000 heat networks in the UK, serving 2% of domestic, public and commercial demand.

There are obligations for anyone who is responsible for a District or Communal heating network and it is important to understand the impact of these regulations and the potential benefits.

Quick Overview of the Regulations

Building owners of multi-let properties where heating, cooling or hot water is supplied to tenants through a district or communal heating network are now legally obliged to do the following:-

**Each final customer
to be metered and
billed individually**



**Each building to be
metered at the
network point of entry**



**Energy bills to show
comparison with the
previous period**



**Detailed report of billing
information must be
provided to BEIS yearly**

Latest Update from BEIS

The regulations were previously enforced by DECC with the National Measurement and Regulations Office (NMRO), which have both now been integrated into the Department for Business Energy and Industrial Strategy (BEIS). The NMRO is now Regulatory Delivery (RD, a directorate within BEIS). RD is responsible for the enforcement of Heat Networks. The BEIS announced the following:

- New regulations are due mid-2019
- They plan to make the regulations clearer
- The new regulations will deal with snags that have been identified
- Reviewing bulk meters in the consultation
- New viability test and new tool is due to be introduced in 2019
- The date from which final customer meters must be fitted subject to cost-effective tests will be detailed in the amended regulations planned for 2019

The Legislation – What are the requirements?

Notification

Heat suppliers must provide information to the Regulatory Delivery within the BEIS. The required information includes the following -

- The location of the heating;
- The estimated total per year of the installed heating capacity, heat generated and heat supplied;
- The number and types of buildings supplied;
- The number and type of meters or heat cost allocators installed in any buildings supplied;
- The number of final customers supplied;
- The name and business address of the heat supplier;
- The expected frequency and content of billing information provided to the Final Customers;
- Any analysis as to cost effectiveness or technical feasibility;
- Any other information that may help to confirm that the heat supplier have complied with its duties.

Metering

Where there is more than one final customer, heat suppliers must ensure that meters are installed in that building to measure the consumption of heat, cooling or hot water by each final customer.

District Heating – Point of Entry & Bulk Meters

For buildings supplied by a district heating system there is a requirement to install heat meters to record the heating, cooling or hot water delivered to that building. This refers to the installation of point of entry meters for each building or riser, and bulk meters for the central plant that supply's energy to each building.

Communal Heating and District Heating

For new-builds with more than one final customer which is supplied by either a district heating system or by communal heating, the Heat Supplier must ensure that meters are installed to accurately measure the consumption of heating, cooling or hot water by each final customer.

Although retrofitting final customer meters to existing district or communal schemes is not yet compulsory (pending the introduction of the new viability tool), it is mandatory for new-builds and most buildings undergoing major renovation. If these meters are not feasible, the viability of heat cost allocators must be considered.

Billing

Final customers must be billed using actual meter readings. The billing provider must ensure that bills and billing information for the consumption of heating, cooling or hot water are accurate and based on actual consumptions.

Examples of required information that should be displayed on the residents' bill are –

- Current energy prices being charged
- Energy consumption information
- A comparison of the current energy consumption compared to the consumption for the same period in the previous year – displayed in a graphical format
- Contact information including web addresses for organisations where information can be obtained about energy efficiency measures

**Evinox Energy billing services meet with all aspects of the regulations –
Talk to us today to find out more about our tailored solutions and services.**

Enforcement and penalties

Although the deadlines for the installation of meters has been extended, it is always advisable to be prepared ahead of time to ensure everything is in place. These new regulations are being enforced by the Secretary of State and carry both civil and criminal penalties. There are no excuses for non-compliance.

Responsibility

Although these regulations name the heat supplier as the responsible party for compliance with the regulations, responsibilities may also be shared between billing managers, network managers or building operators. It is likely that discussion between all parties will be required on an individual project basis, to establish who is best placed to undertake the notification, installation of meters and final customer billing.

Act Now to Ensure Your District or Communal Scheme Meets with the Regulations

How can Evinox help?

- o We can offer advice about how to register your existing scheme(s) with BEIS. And if required we can act on your behalf and complete the registration process.
- o Our billing services meet all requirements of the regulations – let us take care of your scheme
- o We can assess your existing communal or district development and advise on the most cost effective, suitable metering and billing solution

Contact our heat network specialists on 01372 722277, email info@evinoxenergy.co.uk or visit our website - www.evinoxenergy.co.uk

Useful Information

Definitions

Heat – For the purposes of this guide any reference to heat and heating also means cooling and the supply of hot water.

Heat Supplier - a person who supplies and charges for the supply of heating, cooling or hot water to a final customer through communal heating or a district heat network.

Definition from the Heat Networks Scope Guidance document –

“Heat Suppliers are the people or organisations selling heat. Generally, whoever is supplying the end user with heat is the Heat Supplier, whether they are the owner, service provider or another party responsible for supply. This includes the supply of heat as part of 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 be a reasonable expectation of the final customer that heat supply is part of the service. Heat Suppliers are not just local authorities and owners of energy service companies, many smaller suppliers are identified within the regulations as a Heat Supplier”.

Communal Heating - The distribution of thermal energy in the form of steam, hot water, or chilled liquids from a central source in a building which is occupied by more than one final customer for the use of space or process heating, cooling or hot water.

A communal heating system serves only one building. The minimum size for a communal heating system is 2 final customers. Where a remote source is supplying a single building with multiple occupants this is communal heating not a district heat network.

District Heat Network - The distribution of thermal energy in the form of steam, hot water, or chilled liquids from a central source of production through a network to multiple buildings or sites for the use of space or process heating, cooling or hot water.

The minimum size for a district heat network is 2 buildings and 1 final customer. In the scenario where a heat producer is using the heat to heat their own premises and is also supplying heat to a second party in another building then this is classed as a district heat network.

Final Customer – The person who purchases heating, cooling or hot water for their consumption from the Heat Supplier. There will be a direct financial arrangement between the Heat Supplier and the Final Customer for the supply.

Important Dates

- Heat suppliers must register schemes now with the Regulatory Delivery, by providing information to the BEIS.

(The information for each scheme must be updated every 4 years)

- **Meter Installation**

Where there is more than one final customer, heat suppliers must ensure that meters are installed in that building to measure the consumption of heat, cooling or hot water by each final customer.

The date from which final customer meters must be fitted subject to cost-effective tests will be detailed in the amended regulations planned for 2019)

