

Heat Network Regulation changes



What's changed and what do heat network operators need to do?

New regulation is bringing heat networks under a much more comprehensive regulatory framework, with greater oversight, new consumer protection requirements and technical standards on the horizon.

If your organisation operates or supplies a heat network, **now** is the time to understand what the changes mean for you and make sure you are prepared.

Heat networks are entering a new regulatory era

Historically, heat networks have been subject to relatively limited regulation, primarily through the **Heat Network (Metering and Billing) Regulations 2014**. That is changing.

The **Heat Networks (Market Framework) (Great Britain) Regulations 2025**, introduced under the Energy Act 2023, establish a much broader regulatory framework for heat networks across Great Britain.

Ofgem is now the regulator, with the new regulatory regime coming into effect from **27 January 2026**. Existing heat network operators and suppliers must register their relevant networks with Ofgem by **27 January 2027**.

The changes are primarily designed to improve **consumer protection, market oversight, financial resilience and the quality and reliability of heat network services**.

What has changed?

1. Heat networks are now subject to greater regulatory oversight

Previously:

Heat networks were subject to the Metering and Billing Regulations, with relatively limited regulatory oversight.



Now:

Heat networks are being brought into a formal regulatory framework, with **Ofgem responsible for regulation, authorisation, compliance and enforcement**.

Operators and suppliers of relevant heat networks need to understand their responsibilities and demonstrate ongoing compliance.

2. More organisations may now be in scope

The regulatory framework applies to **relevant heat networks**, including networks supplying heating, cooling or hot water to more than one property from a central source.

This means the changes are not limited to traditional commercial district heating schemes.

Organisations that may need to consider their position include:

- Hospitals and healthcare sites
- Universities and education campuses
- Industrial sites
- Commercial and residential developments
- Private multi-building estates
- Communal and district heat networks

The proposal highlights that the definition can bring **self-supply, multi-building networks** within scope – something organisations may not previously have considered a regulatory issue.



3. Operators and suppliers must register with Ofgem

Existing operators and suppliers of relevant heat networks need to identify their responsibilities and **register with Ofgem by 27 January 2027**.

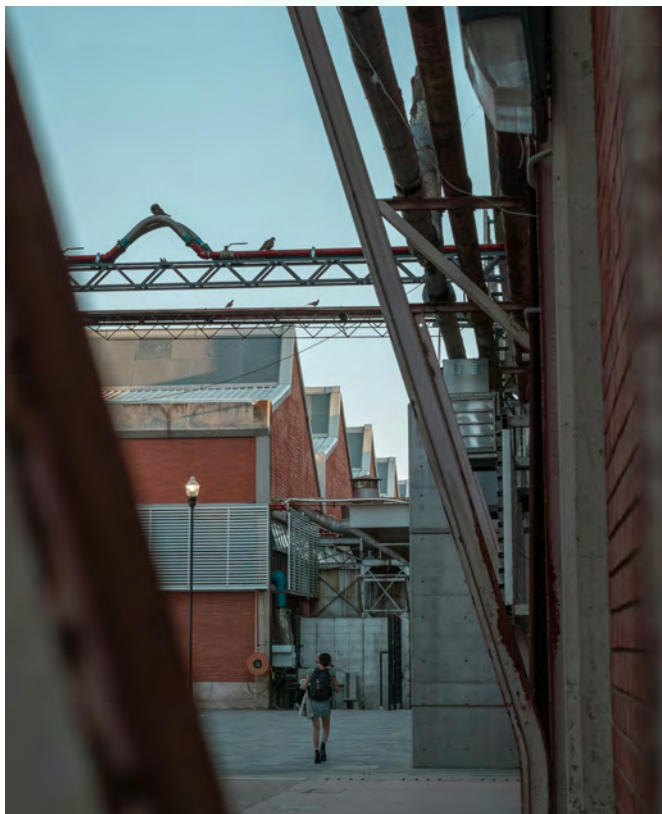
Registration requires information about areas including:

- The organisation and ownership of the network
- The heat network itself
- Operator and supplier arrangements
- Financial resilience
- Consumer protection arrangements

Ofgem's registration service is already available for organisations to begin preparing and registering.

4. Consumer protection requirements are increasing

The new framework introduces a much stronger focus on the experience and protection of heat network customers.



Depending on the network and customer base, organisations may need to review:

- Metering arrangements
- Heating controls
- Billing and invoice content
- Customer communications
- Complaints procedures
- Continuity arrangements
- Financial resilience
- Significant managerial responsibility
- Redress arrangements

Heat suppliers serving domestic customers or microbusinesses may also need to join an approved **Energy Ombudsman Redress Scheme**.

What about the Metering and Billing Regulations?

The **Heat Network (Metering and Billing) Regulations 2014** have not simply disappeared overnight. They remain an important part of the transition, particularly around:

- Heat metering
- Billing accuracy
- Customer information
- Metering data

However, they are being superseded by the broader Market Framework, which brings heat networks into a much more comprehensive regulatory regime.

In practice, organisations should therefore look beyond metering and billing alone and consider their wider governance, customer and operational arrangements.

What's coming next?

Heat Network Technical Assurance Scheme (HNTAS)

The next major development is the introduction of **technical standards and the Heat Network Technical Assurance Scheme (HNTAS)**.



HNTAS is planned to launch in **2027** and will introduce technical requirements and assurance processes covering both **new and existing heat networks**.

The emerging framework is expected to place greater emphasis on:

- Network performance
- Technical standards
- Metering and monitoring
- Maintenance
- Performance assessment
- Evidence and record keeping
- Ongoing compliance
- Performance improvement

Draft technical specifications have already been published for areas including energy centres, distribution networks, substations, consumer connections and consumer heat systems.

This means organisations shouldn't wait for HNTAS to become mandatory before assessing their network.

What should you do now?

01 – Establish whether you're in scope

Understand whether your organisation operates or supplies a **relevant heat network** and identify the physical boundaries of the network.

This may include:

Energy centre → Distribution network → Substations → Consumer connections → Consumer heat systems

The proposal specifically recommends establishing the network's elements and identifying the organisations responsible for operating and supplying it.

02 – Identify your regulatory responsibilities

Determine who is acting as the **Heat Network Operator** and **Heat Network Supplier**, and what obligations apply to each.



03 – Review your current arrangements

Assess your existing systems, procedures and documentation against the new requirements.

This should cover both **regulatory and customer-facing arrangements**, including metering, billing, complaints, continuity, financial resilience and governance.

04 – Prepare for Ofgem registration

Gather the information needed for registration and make sure responsibilities are clear ahead of the **27 January 2027** deadline.

05 – Start preparing for HNTAS

Review the technical performance of your network now, including:

- Heat and temperature metering
- Pressure loss
- Pump electricity consumption
- Water use and leaks
- Controls and system logic
- Maintenance arrangements
- Performance monitoring
- Likely KPIs

These areas are already identified in JRP's proposed HNTAS gap analysis approach.



A practical route to compliance

Understand → Assess → Improve → Register → Monitor

Understand: Establish your heat network, its boundaries, operators, suppliers and regulatory obligations.

Assess: Carry out a gap analysis against the current Market Framework and Metering and Billing requirements, alongside emerging HNTAS requirements.

Improve: Address gaps in governance, customer processes, metering, monitoring, maintenance and network performance.

Register: Complete the required Ofgem registration and establish the information and processes needed for ongoing reporting.

Monitor: Put systems in place to maintain compliance and demonstrate performance as requirements develop.

Is there funding available?

Funding for heat network optimisation studies and optimisation capital works is available from the Heat Network Efficiency Scheme (HNES) run by DESNZ. Contact us for further details.

How JRP can help

Heat Network Compliance and Gap Analysis

JRP can help organisations understand where they currently stand and what they need to do next. Our approach combines **regulatory compliance with technical and operational insight**, helping you prepare not only for current requirements but for the technical standards coming through HNTAS.

Our support can include:

Regulatory scope review

Confirm whether your organisation and heat network fall within the regulatory framework.

Network assessment

Map the network's assets, boundaries, operators and suppliers.

Compliance gap analysis

Review existing arrangements against the Market Framework and Metering and Billing Regulations.

Ofgem registration support

Help gather the information required and support the registration process.

HNTAS readiness assessment

Assess metering, monitoring, controls, maintenance and network performance against the emerging requirements.

Compliance roadmap

Provide practical recommendations prioritised around risk, compliance and network efficiency.

Ongoing reporting support

Help establish the systems and processes needed to collect data and support ongoing regulatory reporting.

Don't wait for the deadline

The regulatory landscape for heat networks is changing quickly. **Ofgem registration is already underway, with a deadline of 27 January 2027, while HNTAS is expected to introduce further technical requirements from 2027.**

Understanding your position now gives you time to identify gaps, plan improvements and avoid having to respond reactively as new requirements come into force.

