
STATUTORY INSTRUMENTS

2026 No. 7

ENERGY

**The Heat Networks (Market Framework)
(Great Britain) (Amendment) Regulations 2026**

Made - - - - 6th January 2026

Coming into force in accordance with regulation 2

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 217(2), 219(1) and (4) and 330(1) of, and Parts 3, 7 and 9 to 12 of Schedule 18 to, the Energy Act 2023⁽¹⁾.

In accordance with sections 219(7) and 220 of that Act, before making these Regulations, the Secretary of State—

- (a) consulted such persons or bodies as the Secretary of State considered appropriate; and
- (b) gave notice to, and considered the representations of, the Scottish Ministers.

In accordance with sections 217(6) and 221(2) of that Act⁽²⁾, a draft of this instrument was laid before, and approved by a resolution of, each House of Parliament.

PART 1

Introductory

Citation

1. These Regulations may be cited as the Heat Networks (Market Framework) (Great Britain) (Amendment) Regulations 2026.

Commencement

2.—(1) Except as provided in paragraph (2), these Regulations come into force on the day after the day on which they are made.

(2) The following come into force on 27th January 2026—

- (a) regulation 8 (regulation 23A inserted);

⁽¹⁾ 2023 c. 52. See section 219(9) of the meaning of “the appropriate authority” in section 219(1).

⁽²⁾ See section 331(3) for the meaning of the affirmative procedure in sections 217(6) and 221(2).

- (b) regulation 9 (Part 3A inserted);
- (c) regulation 12 (Heat Network (Metering and Billing) Regulations 2014⁽³⁾ amended).

Extent

- 3. These Regulations extend to England and Wales and to Scotland.

PART 2

Heat Networks (Market Framework) (Great Britain) Regulations 2025 amended

Heat Networks (Market Framework) (Great Britain) Regulations 2025 amended

- 4. The Heat Networks (Market Framework) (Great Britain) Regulations 2025⁽⁴⁾ are amended in accordance with this Part.

Regulation 2 amended (interpretation)

- 5.—(1) Regulation 2 is amended as follows.
- (2) In the definition of “the court” after “means” insert “, except in Part 7A,”.
- (3) After the definition of “general authorisation conditions” insert—
 - ““heat network administration order” has the meaning given in regulation 59B;
 - “heat network administrator” has the meaning given in regulation 59B;”.

Regulation 2A inserted

- 6. After regulation 2 insert—

“Regulations do not apply to certain communal heat networks providing air-conditioning

2A.—(1) These Regulations do not apply to a communal heat network⁽⁵⁾ by means of which cooling is supplied if—

- (a) cooling, and any heating supplied by means of the network, are provided only by air-conditioning; and
- (b) hot water is not supplied by means of the network.

(2) Accordingly, in these Regulations, “relevant heat network⁽⁶⁾” does not include a communal heat network referred to in paragraph (1).”.

Regulation 20 amended (scope of authorisation conditions)

- 7.—(1) Regulation 20 is amended as follows.
- (2) In paragraph (1)—
 - (a) in sub-paragraph (b) after “connected to” insert “, or supplied by means of,”;

⁽³⁾ [S.I. 2014/3120](#), amended by [S.I. 2015/855](#) and [2020/1221](#).

⁽⁴⁾ [S.I. 2025/269](#).

⁽⁵⁾ See section 216(2) of the Energy Act 2023 for the definition of “communal heat network”.

⁽⁶⁾ See section 216(1) of the Energy Act 2023 for the definition of “relevant heat network”.

- (b) in sub-paragraph (c) for “the operator of a relevant heat network to make an offer of connection” substitute “an authorised person to make an offer of connection or supply”;
- (c) in sub-paragraph (d) after “maintaining” insert “, and the operation of,”;
- (d) after sub-paragraph (e)(iv) insert—
 - “(v) the conduct of authorised persons towards heat network consumers or in relation to premises connected, or proposed to be connected, to a relevant heat network, including—
 - (aa) a condition about conduct if payments relating to the supply of heating, cooling or hot water are not made (including restricting when premises may be disconnected);
 - (bb) a condition requiring credit to be provided to heat network consumers with pre-payment meters;”;
- (e) in sub-paragraph (g) in the words before paragraph (i) after “complying with technical standards” insert “(including those for which provision is made in a designated document(7))”;
- (f) after sub-paragraph (j) insert—
 - “(ja) conditions requiring an authorised person to comply with the provisions of a designated document;
 - (jb) conditions—
 - (i) requiring an authorised person to pay such sums relating to the costs of a heat network administration order as may be determined by the Secretary of State under the conditions to such persons as may be so determined for the purpose of—
 - (aa) enabling the Secretary of State to recover losses and expenses referred to in paragraph (5)(a);
 - (bb) reducing or discharging obligations referred to in paragraph (5)(b);
 - (ii) requiring or enabling an authorised person to modify the charges on heat network consumers imposed by the authorised person so as to raise those sums;
 - (iii) requiring the sums so raised to be held on trust pending payment;”.
- (3) After paragraph (3) insert—
 - “(3A) For the purpose of a condition referred to in paragraph (1)(e)(i)(bb) (disproportionate charges), the Regulator(8)—
 - (a) may from time to time specify the methods that are to be used by the Regulator to determine whether charges are disproportionate; and
 - (b) must publish them in such manner as the Regulator thinks appropriate.”.
- (4) After paragraph (4) insert—
 - “(5) For the purpose of this regulation, the costs of a heat network administration order are—
 - (a) losses and expenses—
 - (i) that are incurred by the Secretary of State in, as a result of or in connection with giving relevant financial assistance—

(7) “Designated document” is defined in paragraph 22(1) of Schedule 18 to the Energy Act 2023.

(8) See section 217(1)(a) of the Energy Act 2023 for the definition of “the Regulator”.

- (aa) to, or in respect of, a company that is or was subject to the order; or
- (bb) otherwise in connection with the order; and
- (ii) that the Secretary of State does not expect to recover (except by means of an authorisation condition);
- (b) obligations of the company subject to the order to make payments—
 - (i) in respect of the expenses or remuneration of the heat network administrator of the company;
 - (ii) in discharge of a debt or liability of the company arising out of a contract entered into by the heat network administrator at a time when the order was in force;
 - (iii) in respect of interest on relevant financial assistance or any expenses, remuneration, debt or liability referred to in paragraph (i) or (ii), to the extent that the property of the company available to pay them is insufficient.
- (6) In paragraph (5), “relevant financial assistance” means any of the following—
 - (a) a grant or loan given under section 165 of the Energy Act 2004⁽⁹⁾, as applied by regulation 59D;
 - (b) a sum paid by the Secretary of State in consequence of an indemnity given under section 166 of that Act, as so applied;
 - (c) a sum paid out by the Secretary of State under a guarantee given under section 167 of that Act, as so applied.”.

Regulation 23A inserted

8. After regulation 23 insert—

“Costs of heat network administration orders: Secretary of State may modify authorisation conditions

23A.—(1) The Secretary of State may make modifications to authorisation conditions to add, amend or revoke conditions referred to in regulation 20(1)(jb) (costs of heat network administration order).

(2) For the purpose of paragraph (1), regulations 21 or, as the case may be, 22 and 23 apply as if references in those regulations to the Regulator were references to the Secretary of State.

(3) This regulation does not limit the Regulator’s powers under regulation 21 or 22.”.

Part 3A inserted

9. After regulation 27 insert—

(9) 2004 c. 20.

“PART 3A

Supply to premises

Deemed contracts

27A.—(1) This regulation applies to authorised persons who carry on a regulated activity referred to in regulation 13(1)(b) (supplying heating, cooling or hot water to a heat network consumer by means of a relevant heat network).

(2) Where premises are supplied with heating, cooling or hot water by an authorised person without agreement as to the terms on which the supply is made, the authorised person is deemed to have made a contract for the supply (a “deemed contract”) with the occupier or, if the premises are unoccupied, the owner as from the relevant time.

(3) The “relevant time” is the time the supply begins or, if the supply begins before this regulation comes into force, 27th January 2026.

(4) A deemed contract must be treated as incorporating the express terms and conditions determined under a scheme made under paragraph (5).

(5) Except where it is reasonably expected that paragraph (2) will not apply, each authorised person must make, and may from time to time revise, a scheme for determining the express terms and conditions of a deemed contract.

(6) The terms and conditions determined under a scheme—

- (a) may include terms and conditions to enable the authorised person to determine, in any case where the meter (if any) is not read immediately before the relevant time, the quantity of heating, cooling or hot water to be treated as supplied to, or consumed at, the premises during the period beginning with the relevant time and ending with the earlier of—
 - (i) the time when the meter is first read after the relevant time; and
 - (ii) the time when the authorised person ceases to supply heating, cooling or hot water to the premises;
- (b) must provide that the charges payable for the supply are no higher than those payable under the authorised person’s applicable standard variable supply contract;
- (c) must comply with the authorisation conditions of the authorised person’s heat network authorisation.

(7) A scheme may make different provisions for different cases or classes of cases, or for different areas, determined by, or in accordance with, the provisions of the scheme.

(8) As soon as reasonably practicable after an authorised person makes or revises a scheme, the authorised person must—

- (a) publish, in such manner as the authorised person considers appropriate for bringing it to the attention of persons likely to be affected by it, a notice stating the effect of the scheme or the revised scheme; and
- (b) send a copy of the scheme or the revised scheme to the Regulator, Citizens Advice and Consumer Scotland.

(9) If requested to do so by, or on behalf of, a heat network consumer supplied by means of the relevant heat network to which an authorised person’s heat network authorisation relates, the authorised person must, without charge, send a copy of a scheme or a revised scheme to the person making the request.”

Regulation 56 amended (application of Part 2 of the Consumers, Estate Agents and Redress Act 2007 with modifications)

- 10.**—(1) Regulation 56 is amended as follows.
- (2) In paragraph (7)(b) after “for the purposes of” insert “a small business or”.
- (3) In paragraph (11)—
- (a) for the definition of “a micro-business” substitute—
- ““micro-business” means a business that—
- (a) consumes less than 247,000 kilowatt hours of heat per year;
- (b) has fewer than 10 full-time equivalent employees; or
- (c) has either—
- (i) an annual turnover of £2 million or less; or
- (ii) a balance sheet total of £2 million or less;”;
- (b) after the definition of “the Scheme Terms” insert—
- ““small business” means a business that—
- (a) either—
- (i) consumes less than 420,000 kilowatt hours of heat per year; or
- (ii) has fewer than 50 full-time equivalent employees; and
- (b) has either—
- (i) an annual turnover of £6.5 million or less; or
- (ii) a balance sheet total of £5 million or less.”.
- (4) After paragraph (11) insert—
- “(12) For the purpose of this regulation, the number of full-time equivalent employees of a business must be calculated by taking the number of full-time employees and adding, for each employee who is not a full-time employee, such fraction as is reasonable.”.

Part 7A inserted

- 11.** After regulation 59 insert—

“PART 7A

Special administration regime

Interpretation of Part 7A

59A. In this Part—

- “court” has the meaning given in section 171(1) of the Energy Act 2004⁽¹⁰⁾;
- “protected heat network company” means a company⁽¹¹⁾ that holds a heat network authorisation other than any of the following—
- (a) a registered provider of social housing⁽¹²⁾;

⁽¹⁰⁾ The definition of “court” was substituted by [S.I. 2009/1941](#).

⁽¹¹⁾ See paragraph 51 of Schedule 18 to the Energy Act 2023 for the meaning of “company”.

⁽¹²⁾ Section 80(2) of the Housing and Regeneration Act 2008 ([c. 17](#)) provides that persons listed in the register of providers of social housing established by that Act may be referred to in an enactment as “registered providers of social housing”.

- (b) a body registered as a social landlord under Part 1 of the Housing Act 1996⁽¹³⁾ (social rented sector regulated by Welsh Ministers);
- (c) a body registered in the register maintained under section 20(1) of the Housing (Scotland) Act 2010⁽¹⁴⁾.

Heat network administration orders

59B.—(1) The court may make a heat network administration order in relation to a protected heat network company.

(2) A “heat network administration order” is an order directing that, while the order is in force, the affairs, business and property of the company are to be managed by a person appointed by the court.

(3) The person appointed by the court is the “heat network administrator” of the company.

(4) The heat network administrator of a protected heat network company must manage the company’s affairs, business and property, and exercise all other functions that the person has as heat network administrator, so as to achieve the objectives set out in regulation 59C so far as possible.

(5) Where a non-GB company⁽¹⁵⁾ is subject to a heat network administration order—

- (a) the effect of the order is limited to the company’s affairs and business so far as carried on in Great Britain and to its property in Great Britain only;
- (b) references in this regulation to the affairs, business and property of the company must be construed accordingly.

Objectives of heat network administration order

59C.—(1) The objectives of a heat network administration order are to secure the following—

- (a) that the supply of heating, cooling or hot water is continued at the lowest cost that it is reasonably practicable to incur;
- (b) insofar as consistent with sub-paragraph (a), that the company’s relevant heat network is, and continues to be maintained and developed as, an efficient and economical system; and
- (c) that it becomes unnecessary, by using one or more of the means referred to in paragraph (2), for the order to remain in force for those purposes.

(2) The means are—

- (a) the rescue as a going concern of the company subject to the heat network administration order;
- (b) transfers falling within paragraph (3);
- (c) the heat network administrator making arrangements for securing that heat network consumers supplied with heating, cooling or hot water by the company’s relevant heat network have an alternative supply of heating or, as the case may be, cooling or hot water.

⁽¹³⁾ 1996 c. 52.

⁽¹⁴⁾ 2010 asp 17.

⁽¹⁵⁾ See paragraph 51 of Schedule 18 to the Energy Act 2013 for the meaning of “non-GB company”.

(3) A transfer falls within this paragraph if it is a transfer as a going concern of so much of the undertaking of the company subject to the heat network administration order as is associated with the company's relevant heat network—

- (a) to another company; or
 - (b) as respects different parts of that undertaking, to two or more different companies,
- as it is appropriate to transfer for the purposes of achieving the objectives of the order.

(4) The means by which a transfer falling within paragraph (3) may be effected include—

- (a) a transfer to a wholly-owned subsidiary of the company;
- (b) a transfer to another company of securities of a wholly-owned subsidiary to which there has been a transfer falling within sub-paragraph (a).

(5) The objectives of a heat network administration order may be achieved by a transfer falling within paragraph (3) only to the extent that—

- (a) the rescue as a going concern of the company subject to the order is not reasonably practicable or is not reasonably practicable without such a transfer;
- (b) the rescue of the company as a going concern will not achieve the objectives or will not do so without such a transfer;
- (c) such a transfer would produce a result for the company's creditors as a whole that is better than the result that would be produced without it; or
- (d) such a transfer would, without prejudicing the interests of the company's creditors as a whole, produce a result for that company's members as a whole that is better than the result that would be produced without it.

(6) In this regulation, a reference to the relevant heat network of a company subject to a heat network administration order is a reference to—

- (a) the relevant heat network specified in the company's heat network authorisation; or
- (b) where regulation 27 applies, the relevant heat network to which the company's heat network authorisation relates.

Heat network administration orders: application of certain provisions of Energy Act 2004

59D.—(1) Sections 156 to 167 of, and Schedules 20 and 21 to, the Energy Act 2004⁽¹⁶⁾ (special administration regime for energy licensees) apply in relation to a heat network administration order as they apply in relation to an energy administration order (as defined in section 154(1) of that Act), with the modifications set out in paragraphs (2) to (5).

(2) Those provisions must be read as if—

- (a) for “energy administration” in each place there were substituted “heat network administration”;
- (b) for “energy administrator” in each place there were substituted “heat network administrator”;
- (c) for “protected energy company” in each place there were substituted “protected heat network company”.

⁽¹⁶⁾ Section 159 is amended by section 97 of the Energy Act 2011 (c. 16), section 34 of the Nuclear Energy (Financing) Act 2022 (c. 15) and section 45 of the Energy Act 2023. Section 166 is amended by section 93 of the Energy Act 2011. Schedule 20 is amended by S.I. 2008/948 and 2009/1941, section 101 of the Energy Act 2011, paragraph 101 of Schedule 18 to the Financial Services Act 2012 (c. 21) and paragraph 27 of Schedule 9 to the Corporate Insolvency and Governance Act 2020 (c. 12). Schedule 21 is amended by S.I. 2019/530.

(3) Section 159 must be read as if in subsection (3) for “or section 44 of the Energy Act 2023” there were substituted “, section 44 of the Energy Act 2023 or regulation 59D of the 2025 Regulations”.

(4) Schedule 20 must be read as if—

(a) in paragraph 12—

(i) in the opening words for “the existing text is to be sub-paragraph (1) and after that sub-paragraph” there were substituted “after sub-paragraph (2)”;

(ii) for the inserted text there were substituted—

“(3) The heat network administrator of a company has the power to act on behalf of the company for the purposes of any enactment or subordinate legislation which confers a power on the company, or imposes a duty on it.

(4) In sub-paragraph (3), “enactment” has the same meaning as in the Energy Act 2004.”;

(b) in paragraph 25 for “sub-paragraphs (2)(b) and (3)” there were substituted “sub-paragraphs (2)(b) and (ba), (3) and (3A)”;

(c) in paragraph 32(1)—

(i) in paragraph (a) ““correspondence”,” were omitted;

(ii) for paragraphs (c) and (d) there were substituted—

“(c) after the definition of “appropriate value” (as inserted by paragraph (b)) insert—

““company”, “court” and “heat network administration order” have the same meanings as in Chapter 3 of Part 3 of the Energy Act 2004, as applied by regulation 59D of the Heat Networks (Market Framework) (Great Britain) Regulations 2025 (the “2025 Regulations”);”;

(d) after the definition of “floating charge” insert—

““GEMA” means the Gas and Electricity Markets Authority;

“heat network administration application” means an application to the court for a heat network administration order under Chapter 3 of Part 3 of the Energy Act 2004, as applied by regulation 59D of the 2025 Regulations;”;

(iii) in paragraph (e)—

(aa) in the inserted definition of “objective” for “section 155 of the Energy Act 2004” there were substituted “regulation 59C of the 2025 Regulations”;

(bb) in the inserted definition of “prescribed” after “Energy Act 2004” there were inserted “, as applied by regulation 59D of the 2025 Regulations”;

(d) after paragraph 32(1) there were inserted—

“(1A) Omit sub-paragraphs (1A) and (1B) of that paragraph.”;

(e) in paragraph 36(1) for “section 154(4) of this Act” there were substituted “regulation 59B(5) of the 2025 Regulations”;

- (f) in paragraph 43 in the inserted text after “the Energy Act 2004” there were inserted “and regulation 59D of the Heat Networks (Market Framework) (Great Britain) Regulations 2025”;
 - (g) in paragraph 44(5) in the inserted text after “the Energy Act 2004” there were inserted “and regulation 59D of the Heat Networks (Market Framework) (Great Britain) Regulations 2025”;
 - (h) in paragraph 45 after “section 157(1)(e) of this Act” there were inserted “, as applied by regulation 59D of the 2025 Regulations”;
 - (i) in paragraph 46(1)—
 - (i) for paragraph (b) there were substituted—
 - “(b) any other provision that relates to insolvency, or makes provision by reference to anything that is or may be done under the Insolvency Act 1986⁽¹⁷⁾, and is—
 - (i) contained in an Act passed before the Energy Act 2023 or in the same Session; or
 - (ii) made under an Act before the order comes into force,”;
 - (ii) in the words following paragraph (b) for “section 96 of the Energy Act 2011” there were substituted “regulation 59D of the 2025 Regulations”;
 - (j) in paragraph 47 in the definitions of “enters energy administration” and “in energy administration” after “Part 1 of this Schedule” there were inserted “and regulation 59D of the 2025 Regulations”.
- (5) Schedule 21 must be read as if—
- (a) for “energy transfer scheme” in each place there were substituted “heat network transfer scheme”;
 - (b) for “old energy company” in each place there were substituted “old heat network company”;
 - (c) for “new energy company” in each place there were substituted “new heat network company”;
 - (d) in paragraph 1(b) for “section 155(3)” there were substituted “regulation 59C(3) of the 2025 Regulations”;
 - (e) in paragraph 5 for “relevant licence” or “licence” in each place there were substituted “heat network authorisation”;
 - (f) in paragraph 12—
 - (i) for “subsection (3) of section 155” there were substituted “paragraph (3) of regulation 59C of the 2025 Regulations”;
 - (ii) for “subsection (4)(a) of that section” there were substituted “paragraph (4) (a) of that regulation”.
- (6) Sections 171 and 196 of the Energy Act 2004⁽¹⁸⁾ (interpretation) apply for the purposes of the application by paragraph (1) of the provisions of the Energy Act 2004 referred to in that paragraph, with the modifications set out in paragraph (7).
- (7) Section 171(1) must be read as if—
- (a) the following definitions were omitted—

⁽¹⁷⁾ 1986 c. 45.

⁽¹⁸⁾ Section 171 is amended by S.I. 2009/1941. Section 196 is amended by section 100 of the Climate Change Act 2008 (c. 27), S.I. 2009/1941 and S.I. 2010/675.

- (i) “energy administration order”;
- (ii) “energy administration rules”;
- (iii) “energy administrator”;
- (iv) “objective of the energy administration”;
- (v) “protected energy company”;
- (vi) “relevant licence”;
- (b) the following definitions were inserted at the appropriate places—
 - (i) ““2025 Regulations” means the Heat Networks (Market Framework) (Great Britain) Regulations 2025;”;
 - (ii) ““heat network administration” means the administration of a protected heat network company in accordance with a heat network administration order;”;
 - (iii) ““heat network administration order” has the meaning given in regulation 59B of the 2025 Regulations;”;
 - (iv) ““heat network administration rules” means rules made under section 411 of the 1986 Act by virtue of section 159(3) of this Act, for the purpose of giving effect to this Chapter as applied by regulation 59D of the 2025 Regulations;”;
 - (v) ““heat network administrator” has the meaning given in regulation 59B of the 2025 Regulations;”;
 - (vi) ““heat network authorisation” means a heat network authorisation under the 2025 Regulations;”;
 - (vii) ““objective of the heat network administration” is to be construed in accordance with regulation 59C of the 2025 Regulations;”;
 - (viii) ““protected heat network company” has the meaning given in regulation 59A of the 2025 Regulations;”.”.

PART 3

Heat Network (Metering and Billing) Regulations 2014 amended

Heat Network (Metering and Billing) Regulations 2014 amended

- 12.**—(1) The Heat Network (Metering and Billing) Regulations 2014 are amended as follows.
- (2) In regulation 2 (interpretation) omit the definition of “billing information”.
 - (3) In regulation 2A (classes of building) in paragraph (4)(b) for “applies” substitute “applied before that regulation was revoked”.
 - (4) Omit regulation 3 (duty to notify).
 - (5) In regulation 4 (duty to install meters) omit paragraphs (2B) to (2D) and (6) to (7A).
 - (6) Omit regulation 6 (duty to install heat cost allocators, thermostatic radiator valves and hot water meters).
 - (7) After regulation 8 insert—

“No continuing duty to install heat cost allocators, thermostatic radiator valves and hot water meters

8A.—(1) Despite section 16 of the Interpretation Act 1978⁽¹⁹⁾ (general savings), a heat supplier who, immediately before the revocation of regulation 6, was under an obligation to comply with paragraph (2) of that regulation (duty to install heat cost allocators, thermostatic radiator valves and hot water meters) is no longer under that obligation.

(2) Paragraph (1) does not otherwise affect the operation of section 16 of the Interpretation Act 1978 in relation to the amendments to these Regulations made by regulation 12 of the Heat Networks (Market Framework) (Great Britain) (Amendment) Regulations 2026.”.

(8) Omit regulation 9 (billing).

(9) In regulation 11 (offences) omit paragraph (1)(a), (c) and (f).

(10) In regulation 13 (penalties) in paragraph (1) for “regulation 11(1)(a), (e) or (f)” substitute “regulation 11(1)(e)”.

(11) In regulation 14 (time limit for prosecution of offences) in paragraph (1) for “regulation 11(1)(a), (e) or (f)” substitute “regulation 11(1)(e)”.

(12) Omit Schedule 1 (analysis of cost effectiveness and technical feasibility).

(13) Omit Schedule 2 (minimum requirements for billing and billing information).

6th January 2026

Martin McCluskey
Parliamentary Under-Secretary of State
Department for Energy Security and Net Zero

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Heat Networks (Market Framework) (Great Britain) Regulations 2025 (the “2025 Regulations”). The 2025 Regulations provide for persons carrying on a “regulated activity” in relation to heat networks to be required to hold a “heat network authorisation” conferred by the Gas and Electricity Markets Authority (“Ofgem”). Those with heat network authorisations are referred to as “authorised persons”. The amendments provide for the following—

- Certain heat networks providing air-conditioning are excluded from regulation (see new regulation 2A of the 2025 Regulations).
- The scope of conditions (“authorisation conditions”) that may be included in a heat network authorisation is extended (see amendments to regulation 20 of the 2025 Regulations).
- If an authorisation condition provides that an authorised person must not impose disproportionate charges, Ofgem may specify the methods to be used to determine whether charges are disproportionate (see new paragraph (3A) of regulation 20 of the 2025 Regulations).
- Authorised persons who supply heating, cooling or hot water to consumers without agreement as to the terms on which the supply is made are deemed to have made a contract for the supply (see new regulation 27A of the 2025 Regulations). Authorised persons must make a scheme to provide for the terms and conditions of deemed contracts.
- The requirement on authorised persons to be members of a redress scheme is extended so as to apply to consumer complaints relating to supply to a “small business” and a “micro-business”, as newly defined (see amendments to regulation 56 of the 2025 Regulations).
- Provision is made for a special administration regime for “protected heat network companies” if an application is made to the court for a “heat network administration order”. Authorisation conditions may require authorised persons to pay the costs of a heat network administration order (see amendments to regulation 20, new regulation 23A and new Part 7A of the 2025 Regulations).

Regulation 12 of these Regulations also amends the Heat Network (Metering and Billing) Regulations 2014 to remove requirements on “heat suppliers” to notify certain matters; to make determinations whether it is cost effective and technically feasible to install meters; to install heat cost allocators, thermostatic radiator valves and hot water meters; and to comply with certain requirements as to billing.

A full impact assessment of the effect of the 2025 Regulations on the costs of business, the voluntary sector and the public sector is available alongside the 2025 Regulations on www.legislation.gov.uk. An impact assessment of the effect of these Regulations is also available on that site. Hard copies may be obtained from the Heat Networks Policy team, Department for Energy Security and Net Zero, 55 Whitehall, London SW1A 2HP.