



Energy Act 2023

2023 CHAPTER 52

PART 8

HEAT NETWORKS

CHAPTER 2

HEAT NETWORK ZONES

Zones regulations

226 Regulations about heat network zones

- (1) The Secretary of State may by regulations make provision about heat network zones (“zones regulations”).
- (2) A heat network zone is an area in England that is designated as such under zones regulations by virtue of being appropriate for the construction and operation of one or more district heat networks.
- (3) The provision made by this Chapter is without prejudice to the generality of [subsection \(1\)](#).
- (4) Subject to [subsection \(5\)](#), zones regulations are subject to the affirmative procedure.
- (5) Zones regulations which make provision of the kind described in [section 229\(1\)\(c\)](#) or [\(4\)\(c\)](#) or [230\(2\)\(c\)](#) or [\(4\)](#) (and no other provision) are subject to the negative procedure.
- (6) If, apart from this section, a draft of an instrument containing zones regulations would be treated for the purposes of the standing orders of either House of Parliament as a hybrid instrument, it is to proceed in that House as if it were not such an instrument.

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Heat Network Zones Authority and zone coordinators

227 Heat Network Zones Authority

- (1) Zones regulations may designate a person to act as the Heat Network Zones Authority (referred to in this Chapter as “the Authority”).
- (2) The purpose of the Authority is to carry out functions in relation to heat network zones conferred on it by zones regulations.
- (3) The Secretary of State may, but need not, be designated for the purposes of [subsection \(1\)](#).
- (4) Zones regulations may provide for the Authority to delegate any of its functions to persons specified in the regulations.

228 Zone coordinators

- (1) Zones regulations may make provision about zone coordinators.
- (2) The purpose of zone coordinators is to carry out functions conferred on them by zones regulations in relation to particular heat network zones.
- (3) Regulations made by virtue of [subsection \(1\)](#) may—
 - (a) make provision for, or in connection with, the designation of a person as a zone coordinator by a local authority for its area, or a part or parts of its area (including the local authority designating itself);
 - (b) make provision for, or in connection with, the designation of a person as a zone coordinator by two or more local authorities for their areas or parts of their areas (including the local authorities designating one of themselves);
 - (c) make provision for, or in connection with, the establishment of a body by one or more local authorities which is intended to be designated as a zone coordinator in accordance with regulations made by virtue of [paragraph \(a\)](#) or [\(b\)](#);
 - (d) make provision about the funding of zone coordinators;
 - (e) make provision about the governance of zone coordinators;
 - (f) make provision about zone coordinators cooperating with the Regulator in relation to zone coordinators’ functions or the Regulator’s functions;
 - (g) make provision for the Authority to perform any function of a zone coordinator in circumstances, and subject to requirements, specified by the regulations;
 - (h) make provision for the Authority to direct a zone coordinator to perform any of its functions in the manner the Authority considers appropriate in circumstances, and subject to requirements, specified by the regulations.
- (4) Regulations made by virtue of [subsection \(3\)\(a\)](#) and [\(b\)](#) may make provision for the Authority—
 - (a) to require a local authority, or two or more local authorities, to designate a person as a zone coordinator in circumstances, and subject to requirements, specified by the regulations;
 - (b) to designate a person as a zone coordinator where a local authority (or local authorities) fail to comply with a requirement imposed by virtue of [paragraph \(a\)](#).

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- (5) In [this section](#), “local authority” means—
- (a) a county, district or parish council in England;
 - (b) a London borough council;
 - (c) the Common Council of the City of London;
 - (d) the Council of the Isles of Scilly;
 - (e) a combined authority established under section 103 of the Local Democracy, Economic Development and Construction Act 2009;
 - (f) another body or person specified by zones regulations.

Identification, designation and review of zones

229 Identification, designation and review of zones

- (1) Zones regulations may make provision for, or in connection with—
- (a) the identification by the Authority and zone coordinators of areas which are appropriate for the construction and operation of one or more district heat networks,
 - (b) the designation of those areas as heat network zones by zone coordinators or the Authority, and
 - (c) the review by zone coordinators, or the Authority, of the designation of areas as heat network zones.
- (2) Regulations made by virtue of [subsection \(1\)\(a\)](#) must require the identification of areas to be carried out in accordance with the zoning methodology established under [section 230](#).
- (3) Regulations made by virtue of [subsection \(1\)\(b\)](#) may—
- (a) make provision about the variation or revocation of designations by zone coordinators or the Authority;
 - (b) make provision about procedure;
 - (c) make provision about the publication of designations (and the variation or revocation of designations);
 - (d) require zone coordinators to notify the Authority of designations (and the variation or revocation of designations);
 - (e) make provision for, or in connection with, the maintenance by the Authority of a register of areas designated as heat network zones.
- (4) Regulations made by virtue of [subsection \(3\)\(a\)](#) may, in particular—
- (a) specify the circumstances in which a zone coordinator or the Authority may vary or revoke a designation;
 - (b) specify the factors a zone coordinator or the Authority may or must take into consideration in determining whether to vary or revoke a designation;
 - (c) impose on zone coordinators or the Authority requirements as to consultation.
- (5) Regulations made by virtue of [subsection \(1\)\(c\)](#) may—
- (a) make provision about the circumstances in which reviews must be carried out and the frequency of reviews;
 - (b) set out the criteria against which the designation of areas as heat network zones is to be reviewed;

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- (c) impose on zone coordinators or the Authority requirements as to consultation;
- (d) make provision requiring reports of reviews to be published.

230 Zoning methodology

- (1) Zones regulations may make provision for a methodology (to be known as “the zoning methodology”) for the Authority and zone coordinators to identify areas which are appropriate for the construction and operation of one or more district heat networks.
- (2) Regulations made by virtue of [subsection \(1\)](#) may include in the zoning methodology—
 - (a) the criteria for determining whether an area is appropriate;
 - (b) the roles of the Authority and zone coordinators;
 - (c) requirements as to consultation;
 - (d) provision about how the identification of areas is to be recorded, including provision about the use of maps;
 - (e) requirements as to publication of areas which have been identified.
- (3) Zones regulations may make provision for the Authority to issue guidance in relation to the zoning methodology.
- (4) Zones regulations may make provision about the Secretary of State carrying out reviews of the zoning methodology.
- (5) Regulations made by virtue of [subsection \(4\)](#) may—
 - (a) make provision about the circumstances in which reviews must be carried out and the frequency of reviews;
 - (b) set out the criteria against which the zoning methodology is to be reviewed;
 - (c) impose on the Secretary of State requirements as to consultation;
 - (d) make provision for the Authority or zone coordinators to consult persons on behalf of the Secretary of State;
 - (e) make provision requiring reports of reviews to be published.

231 Requests for information in connection with [section 229](#) or [230](#)

- (1) Zones regulations may make provision about the Authority and zone coordinators requesting information in connection with their functions under regulations made by virtue of [section 229](#) or [230](#).
- (2) Regulations made by virtue of [subsection \(1\)](#) may provide for—
 - (a) the Authority or a zone coordinator to request information by notice from a person of a description specified in the regulations;
 - (b) the requested information to be provided within the period, and in the form and manner, specified in the notice;
 - (c) the Authority or zone coordinator to impose a penalty on a person for not complying with the notice;
 - (d) the disclosing of information requested by the zone coordinator not to breach any obligation of confidence owed by the person making the disclosure or any other restriction on the disclosure of information (however imposed);
 - (e) a request for information not to require a disclosure of information if disclosure would contravene the data protection legislation (but for a

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- requirement imposed by virtue of regulations made by virtue of [subsection \(1\)](#) to be taken into account in determining whether a disclosure would do so);
- (f) zone coordinators to delegate functions conferred on them by regulations made by virtue of [subsection \(1\)](#) to a description of person, and in the circumstances and subject to the conditions, specified by the regulations.

Heat networks within zones

232 Heat networks within zones

- (1) Zones regulations may make provision about heat networks within heat network zones.
- (2) Regulations made by virtue of [subsection \(1\)](#) may, in particular—
- (a) make provision imposing requirements on persons of a description specified in the regulations for the purpose of securing that buildings of types specified by the regulations situated within a heat network zone are connected to a district heat network within the zone—
 - (i) in circumstances specified by the regulations, and
 - (ii) within a time specified by, or determined in accordance with, the regulations;
 - (b) make provision about zone coordinators giving notice of requirements imposed by regulations made by virtue of [paragraph \(a\)](#) to persons on whom requirements are imposed;
 - (c) make provision about the grant by zone coordinators of exemptions from requirements imposed by regulations made by virtue of [paragraph \(a\)](#);
 - (d) make provision imposing requirements on persons of a description specified in the regulations for the purpose of securing that buildings of types specified by the regulations situated within a heat network zone are installed with communal heat networks—
 - (i) in circumstances specified by the regulations,
 - (ii) within a time specified by, or determined in accordance with, the regulations, and
 - (iii) in a manner that would allow the communal heat networks to be connected to a district heat network;
 - (e) make provision for, or in connection with, the requesting of information from a person, by notice given by a zone coordinator, about a source of thermal energy located on the person's premises that may be suitable to supply a district heat network within a heat network zone;
 - (f) make provision for, or in connection with, the imposition of a requirement on a person, by notice given by a zone coordinator, to allow the installation of equipment on the person's premises, and the connection of that equipment to a district heat network, to enable a source of thermal energy located on the premises to supply a district heat network within a heat network zone;
 - (g) make provision imposing requirements on persons of a description specified in the regulations for the purpose of securing that machinery and other equipment of types specified by the regulations are designed, and installed on premises, in a manner which would enable thermal energy generated by the machinery or other equipment to be supplied to a district heat network within a heat network zone;

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- (h) make provision about the terms on which thermal energy is supplied to a district heat network in pursuance of regulations made by virtue of [paragraph \(f\)](#) or [\(g\)](#) (including in particular provision about the amount that may be charged);
 - (i) make provision for, or in connection with, the setting by zone coordinators of limits on emissions of targeted greenhouse gases resulting from district heat networks within heat network zones;
 - (j) make provision about zone coordinators affording a grace period to a person who is required to comply with a limit imposed under regulations made by virtue of [paragraph \(i\)](#).
- (3) Regulations made by virtue of [subsection \(2\)\(c\)](#) may—
- (a) specify the criteria in accordance with which a zone coordinator is to determine an application for an exemption;
 - (b) make provision about procedure;
 - (c) specify how, and on what grounds, a refusal to grant an exemption may be appealed.
- (4) Regulations made by virtue of [subsection \(2\)\(e\)](#) may—
- (a) specify the information about the source of thermal energy that may be requested;
 - (b) require the requested information to be provided within the period, and in the form and manner, specified in the notice;
 - (c) provide for the disclosing of information requested by the zone coordinator not to breach any obligation of confidence owed by the person making the disclosure or any other restriction on the disclosure of information (however imposed);
 - (d) provide for a request for information not to require a disclosure of information if disclosure would contravene the data protection legislation (but for a requirement imposed by virtue of [subsection \(2\)\(e\)](#) to be taken into account in determining whether a disclosure would do so);
 - (e) provide for zone coordinators to delegate functions conferred on them by regulations made by virtue of [subsection \(2\)\(e\)](#) to a description of person, and in circumstances and subject to conditions, specified by the regulations.
- (5) Regulations made by virtue of [subsection \(2\)\(f\)](#) may—
- (a) specify the types of sources of thermal energy in respect of which a zone coordinator may or must impose a requirement on a person and in what circumstances;
 - (b) make provision about the period within which a person must comply with a requirement;
 - (c) specify how, and on what grounds, a requirement imposed on a person in respect of a source of thermal energy may be appealed.
- (6) Regulations made by virtue of [subsection \(2\)\(i\)](#) may—
- (a) specify the manner and form in which the limits are to be set;
 - (b) require zone coordinators to obtain the consent of the Authority before setting a limit.
- (7) Regulations made by virtue of [subsection \(2\)\(j\)](#) may—

- (a) specify the circumstances in which a zone coordinator may or must afford a person a grace period;
 - (b) make provision for the Authority to issue guidance about grace periods;
 - (c) make provision about procedure;
 - (d) specify how, and on what grounds, a refusal to grant a grace period may be appealed.
- (8) In [subsection \(2\)\(d\)](#), “communal heat network” has the meaning given by [section 216\(2\)](#).
- (9) In [subsection \(2\)\(i\)](#), “emissions” and “targeted greenhouse gas” have the same meaning as in the Climate Change Act 2008 (see sections 24 and 97 of that Act).
- (10) In [subsections \(2\)\(j\) and \(7\)](#), “grace period” means a period to comply before enforcement action is taken.

233 Delivery of district heat networks within zones

- (1) Zones regulations may make provision about the delivery of district heat networks within heat network zones.
- (2) Regulations made by virtue of [subsection \(1\)](#) may, in particular—
- (a) make provision about zone coordinators deciding—
 - (i) what district heat networks may be constructed and operated within a heat network zone;
 - (ii) who will design, construct, operate and maintain district heat networks within heat network zones;
 - (b) make provision about zone coordinators designing, constructing, operating or maintaining district heat networks within heat network zones, or arranging for their design, construction, operation or maintenance;
 - (c) make provision about the giving of advice by the Authority to zone coordinators about the delivery of district heat networks within heat network zones.
- (3) Regulations made by virtue of [subsection \(2\)\(a\)\(ii\)](#) may—
- (a) make provision for the construction, operation or maintenance of district heat networks within heat network zones to be subject to the consent of zone coordinators;
 - (b) make provision for the grant by zone coordinators of an exclusive right to design, construct, operate or maintain district heat networks within heat network zones or parts of heat network zones.
- (4) Regulations made by virtue of [subsection \(3\)\(b\)](#) may—
- (a) make provision for the Authority to publish the standard conditions that zone coordinators must use when granting an exclusive right (and for the Authority to amend or replace the standard conditions);
 - (b) specify the circumstances in which zone coordinators may grant an exclusive right.
- (5) Regulations made by virtue of [subsection \(2\)\(a\)](#) may—
- (a) specify the manner and form of zone coordinators’ decisions under regulations made by virtue of [subsection \(2\)\(a\)](#);

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- (b) make provision for a zone coordinator to vary or revoke a decision;
- (c) specify considerations a zone coordinator may or must take into account when making, varying or revoking a decision;
- (d) make provision about procedure;
- (e) make provision about the publication of a decision (or the variation or revocation of a decision);
- (f) specify how, and on what grounds, a decision, or a variation or revocation of a decision, may be appealed;
- (g) make provision for a zone coordinator to lose the power to decide the matters specified in [subsection \(2\)\(a\)\(i\)](#) and [\(ii\)](#), and instead for those matters to no longer be subject to the zone coordinator’s control, if the zone coordinator does not take steps specified by the regulations within a time specified by the regulations.

Enforcement

234 Enforcement of heat network zone requirements

- (1) Zones regulations may make provision about the enforcement of heat network zone requirements.
- (2) Regulations made by virtue of [subsection \(1\)](#) may, in particular, provide for a zone coordinator—
 - (a) to issue a notice requiring a person to demonstrate compliance with a heat network zone requirement where the zone coordinator suspects that the person is not complying with the requirement;
 - (b) to issue a notice specifying steps a person is required to take in order to comply with a heat network zone requirement where the zone coordinator is satisfied that the person is not complying with the requirement;
 - (c) to impose a penalty on a person for the contravention of—
 - (i) a heat network zone requirement, or
 - (ii) a requirement imposed by a notice under regulations made by virtue of [paragraph \(a\)](#) or [\(b\)](#).
- (3) Regulations made by virtue of [subsection \(2\)\(a\)](#) or [\(b\)](#) may—
 - (a) make provision about the period within which a person must comply with a notice;
 - (b) make provision about procedure;
 - (c) specify how, and on what grounds, a notice may be appealed.
- (4) In [this section](#), “heat network zone requirement” means a requirement imposed by or by virtue of regulations made by virtue of [section 232](#) or [233](#).

235 Penalties

- (1) Zones regulations made by virtue of [section 231\(2\)\(c\)](#) or [234\(2\)\(c\)](#) may—
 - (a) make provision about the maximum amount that may be imposed by way of penalty;
 - (b) make provision about procedure;
 - (c) specify how a penalty may be recovered;

- (d) require sums received by way of penalty to be paid into the Consolidated Fund or to persons specified by the regulations.
- (2) Zones regulations made by virtue of [section 231\(2\)\(c\)](#) or [234\(2\)\(c\)](#) must include provision for a right of appeal against the imposition of a penalty.
- (3) Zones regulations may provide for the publication of guidance by the Authority with respect to—
 - (a) the imposition of penalties under regulations made by virtue of [section 231\(2\)\(c\)](#) or [234\(2\)\(c\)](#), and
 - (b) the determination of their amount.

Records, information and reporting

236 Records, information and reporting

- (1) Zones regulations may make provision requiring zone coordinators to collect information specified by the regulations which—
 - (a) is relevant to identifying areas which are appropriate for the construction and operation of one or more district heat networks, or
 - (b) relates to areas designated as heat network zones.
- (2) Zones regulations may make provision requiring zone coordinators to maintain records of—
 - (a) information provided to zone coordinators in response to requests for information made by zone coordinators under regulations made by virtue of [section 231](#) or [232\(2\)\(e\)](#);
 - (b) information zone coordinators are required to collect by regulations made by virtue of [subsection \(1\)](#) of this section;
 - (c) other information provided to, collected by, or otherwise brought into the possession of zone coordinators by virtue of their functions under zones regulations.
- (3) Zones regulations may make provision enabling or requiring zone coordinators to provide information specified by the regulations from their records to—
 - (a) to other zone coordinators;
 - (b) the Authority;
 - (c) the Regulator.
- (4) Zone regulations may require the Authority to maintain records of—
 - (a) information provided to the Authority in response to requests for information made by the Authority under regulations made by virtue of [section 231](#);
 - (b) information provided by zone coordinators to the Authority in accordance with regulations made by virtue of [subsection \(3\)](#) of [this section](#);
 - (c) other information provided to, collected by, or otherwise brought into the possession of the Authority by virtue of its functions under zones regulations.
- (5) Zones regulations may make provision enabling or requiring the Authority to provide information specified by the regulations from its records to—
 - (a) zone coordinators;
 - (b) the Regulator.

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- (6) Zones regulations may make provision—
- (a) for the disclosure of information by a zone coordinator or the Authority in accordance with regulations made by virtue of [subsection \(3\)](#) or [\(5\)](#) not to breach any obligation of confidence owed by the zone coordinator or the Authority or any other restriction on the disclosure of information (however imposed);
 - (b) for regulations made by virtue of [subsection \(3\)](#) or [\(5\)](#) not to authorise or require disclosure of information if disclosure would contravene the data protection legislation (but for a power conferred, or requirement imposed, by regulations made by virtue of [subsection \(3\)](#) or [\(5\)](#) to be taken into account in determining whether a disclosure would do so).

Interpretation

237 Interpretation of Chapter 2

In this Chapter—

“the Authority” means the person designated as the Heat Network Zones Authority by regulations made by virtue of [section 227\(1\)](#);

“the data protection legislation” has the same meaning as in the Data Protection Act 2018 (see section 3 of that Act);

“district heat network” has the meaning given by [section 216\(2\)](#);

“heat network” has the meaning given by [section 216\(2\)](#);

“heat network zone” has the meaning given by [section 226\(2\)](#);

“the Regulator” has the meaning given by [section 217\(1\)\(a\)](#);

“zone coordinator” means a person designated as such under regulations made by virtue of [section 228\(3\)\(a\)](#);

“zones regulations” means regulations under [section 226](#);

“the zoning methodology” has the meaning given by [section 230\(1\)](#).