
STATUTORY INSTRUMENTS

2014 No. 3120

The Heat Network (Metering and Billing) Regulations 2014

PART 1

Introductory

Citation and commencement

1.—(1) These Regulations may be cited as the Heat Network (Metering and Billing) Regulations 2014.

(2) Except as provided in paragraphs (3) and (4), these Regulations come into force on 18th December 2014.

(3) Regulation 9 comes into force on 31st December 2014.

(4) Regulations 4(4) and 6 come into force on 31st December 2016.

Interpretation

2. In these Regulations—

“authorised person” means—

- (a) the Secretary of State,
- (b) the Scottish Ministers, or
- (c) a person authorised under regulation 10(2);

“bill” means a demand for payment from a heat supplier to a final customer for the supply of heating, cooling or hot water by that heat supplier;

“billing” means the issuing of a bill;

“billing information” means the information specified in paragraph 4 of Schedule 2 provided by the heat supplier to a final customer in respect of the supply of heating, cooling or hot water from a district heat network or communal heating operated by that heat supplier;

“communal heating” means 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;

“district heat network” means 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;

“final customer” means a person who purchases heating, cooling or hot water for their own end consumption from a heat supplier;

“heat cost allocator” means an instrument for the measurement of energy consumption of a room heating radiator where that energy has been supplied from the district heat network or communal heating operated by a heat supplier;

“heat supplier” means a person who supplies and charges for the supply of heating, cooling or hot water to a final customer, through—

- (a) communal heating; or
- (b) a district heat network;

“meter” means an instrument designed to measure, memorise and display the consumption of heating, cooling or hot water by a final customer where that heating, cooling or hot water has been supplied from a district heat network or communal heating operated by a heat supplier; and

“Scottish network” means a district heat network or communal heating where the majority of final customers of the network or communal heating are located in Scotland.

PART 2

Duties in respect of metering and billing

Duty to notify

3.—(1) Heat suppliers must, in relation to each district heat network or communal heating operated by them, submit a notification to the Secretary of State, or in relation to a Scottish network the Scottish Ministers, as to the following—

- (a) the location of that district heat network or communal heating;
 - (b) the estimated total for that district heat network or communal heating, per calendar year, of—
 - (i) installed heating capacity,
 - (ii) heat generated, and
 - (iii) heat supplied;
 - (c) the number and type of buildings supplied by that district heat network or communal heating;
 - (d) the number and type of meters or heat cost allocators installed in any buildings supplied by that district heat network or communal heating;
 - (e) the number of final customers supplied by that district heat network or communal heating;
 - (f) the name and business address of the heat supplier;
 - (g) where any analysis as to cost effectiveness or technical feasibility has been carried out pursuant to these Regulations, the results of that analysis together with details of any meters or heat cost allocators which have been installed as a result;
 - (h) the expected frequency and content of billing information provided by the heat supplier to the final customers; and
 - (i) any other information reasonably required by an authorised person for the purpose of determining whether the heat supplier has complied with the duties in these regulations.
- (2) Heat suppliers must comply with the duty in paragraph (1)—
- (a) on or before the 30th April 2015; or
 - (b) in relation to a district heat network or communal heating that commences operation after 30th April 2015, on or before the first date of operation.

(3) A heat supplier must submit an updated notification within four years of the date of the first notification submitted and within every four year period thereafter from the date of the previous notification.

Duty to install meters

4.—(1) Where heating, cooling or hot water is supplied from a district heat network to a building occupied by more than one final customer, the heat supplier must ensure that meters are installed to measure that heating, cooling or hot water to that building.

(2) A meter installed in accordance with paragraph (1) must be situated at a heat exchanger in that building or at the point of entry of the district heat network pipes into the building.

(3) Where only one final customer occupies a building supplied by a district heat network, the heat supplier must ensure that meters are installed to measure the consumption of heating, cooling or hot water by that final customer.

(4) Where there is more than one final customer in a building supplied by a district heat network, or by communal heating, the heat supplier must ensure that meters are installed to measure the consumption of heating, cooling or hot water by each final customer.

(5) A heat supplier need not comply with paragraphs (3) and (4) unless it is cost effective and technically feasible to do so.

(6) A determination of cost effectiveness and technical feasibility under paragraph (5) must be made by the heat supplier in accordance with Schedule 1.

(7) Where a heat supplier has determined that installation of meters is not cost effective or technically feasible, a further determination in accordance with Schedule 1 must be repeated by a heat supplier within four years of the date of the first determination and if meters have not been installed within every four year period thereafter from the date of the previous determination.

(8) Where a meter to which paragraph (3) or (4) applies is installed, the heat supplier must ensure that temperature control devices are installed to enable the control of the consumption of heating or cooling by a final customer from that district heat network or communal heating.

(9) Where a meter to which this regulation applies is installed the heat supplier must ensure that it satisfies the requirements of regulation 5.

5. Where a meter to which these regulations apply is installed it must accurately measure, memorise and display the consumption of heating, cooling or hot water by a final customer.

Duty to install heat cost allocators, thermostatic radiator valves and hot water meters

6.—(1) Where—

- (a) there is more than one final customer in a building supplied by a district heat network or communal heating,
- (b) the heat supplier supplies both heating and hot water to that building, and
- (c) the heat supplier has determined that it is not cost effective or technically feasible to install meters in accordance with regulation 4(4),

the heat supplier must comply with paragraph (2).

(2) A heat supplier must ensure that the following are installed—

- (a) heat cost allocators and thermostatic radiator valves at each room heating radiator in order to determine and enable the control of the consumption of heating by each final customer, and
- (b) a hot water meter.

(3) A heat supplier need not comply with paragraph (2) unless it is cost effective and technically feasible to install heat costs allocators, thermostatic radiator valves and a hot water meter.

(4) A determination of cost effectiveness and technical feasibility under paragraph (3) must be made in accordance with Schedule 1.

(5) Where the heat supplier has determined it is not cost effective and technically feasible to install heat cost allocators, thermostatic radiator valves and a hot water meter in accordance with paragraph (2)—

- (a) the heat supplier may employ alternative methods for determining charges for the supply of heating and hot water including using meters installed in accordance with regulation 4(1), and
- (b) a further determination in accordance with Schedule 1 must be repeated by a heat supplier within four years of the date of the first determination and if heat cost allocators, thermostatic radiator valves and a hot water meter have not been installed, within every four year period thereafter.

(6) Where a heat cost allocator to which this regulation applies is installed the heat supplier must ensure that it accurately measures, memorises and displays the consumption of heat by a room heating radiator.

(7) Where a hot water meter to which this regulation applies is installed, the heat supplier must ensure that it satisfies the requirements of regulation 5.

(8) A “hot water meter” is a meter to measure consumption of hot water by a final customer.

Replacement of existing meters, new buildings and major renovations

7.—(1) Where an existing meter which is part of a district heat network or communal heating is replaced the heat supplier must ensure that the replacement meter satisfies the requirements of regulation 5.

(2) Where—

- (a) a connection is made in a newly constructed building supplied by a district heat network, or
- (b) a building supplied by a district heat network undergoes major renovations which relate to the technical services of that building,

the heat supplier must install sufficient meters to measure the consumption of heat, cooling or hot water by each final customer occupying that building.

(3) A heat supplier need not comply with paragraph (1) if it would be technically impossible to do so or the estimated cost would be unreasonable.

(4) In this regulation—

- (a) “building envelope” means the integrated elements of a building which separate its interior from the outdoor environment;
- (b) “major renovation” means the renovation of a building where the total cost of the renovation of the building envelope or the technical services is higher than 25% of the value of the building, excluding the value of the land upon which the building is situated;
- (c) “technical services” means technical equipment for the heating, cooling, ventilation, hot water or lighting (or any combination thereof) of a building; and
- (d) “value of the building” means the reinstatement costs of the building for insurance purposes.

On-going obligations in relation to meters and heat cost allocators

8. Where meters or heat cost allocators to which these Regulations apply are installed the heat supplier must so far as possible ensure those meters and heat cost allocators are —

- (a) continuously operating, and
- (b) properly maintained and periodically checked for errors.

Billing

9.—(1) Subject to paragraphs (2) and (4), where meters or heat cost allocators to which these Regulations apply are installed, the heat supplier must ensure that bills and billing information for the consumption of heating, cooling or hot water by a final customer are—

- (a) accurate;
- (b) based on actual consumption; and
- (c) compliant with the requirements in Schedule 2.

(2) A heat supplier need not comply with paragraph (1) unless it is technically possible and economically justified to do so.

(3) A determination of what is technically possible and economically justified under paragraph (2) must be made by the heat supplier in accordance with Schedule 2.

(4) Where bills or billing information are based on meter readings to be provided by a final customer but that customer has not provided a meter reading, a bill may be based on an estimate of consumption.

(5) The heat supplier must not make a specific charge to a final customer for the provision of a bill or billing information other than in respect of the supply of additional copies of that bill or that billing information.

(6) Where bills and billing information relate to the consumption of heating, cooling or hot water by final customers in a building occupied by more than one final customer—

- (a) the heat supplier's costs of providing such bills and billing information may be passed on to those final customers provided that no profit is made from such charges, or
- (b) where the heat supplier has assigned the task of providing bills or billing information to a third party the reasonable costs of providing them may be passed on to those final customers.

(7) Heat suppliers must—

- (a) supply a final customer's billing information to an energy services provider at the request of that final customer;
- (b) provide electronic billing and billing information at the request of a final customer;
- (c) provide a clear explanation of the information contained in a bill, including how the bill was calculated and specifying fixed and variable charges; and
- (d) ensure that information and estimates of energy costs are provided to a final customer promptly where requested, and in a format which enables customers to compare the charges of different energy suppliers.

(8) In paragraph (7)(a), “energy services provider” means a person who supplies energy efficiency services.

PART 3

Enforcement

Enforcement authority

10.—(1) These Regulations shall be enforced by the Secretary of State or in relation to a Scottish network by the Scottish Ministers.

(2) The Secretary of State, or the Scottish Ministers in relation to a Scottish network, may authorise in writing any person who appears suitable to act on the Secretary of State’s or the Scottish Ministers’ behalf to carry out any functions and to exercise any power conferred by these Regulations other than those in regulation 15.

(3) Schedule 3 (powers of entry and warrants) and Schedule 4 (civil sanctions) have effect.

Offences

11.—(1) It is an offence for any heat supplier to fail to comply with—

- (a) regulation 3 (duty to notify);
- (b) regulation 4 (duty to install meters);
- (c) regulation 6 (heat cost allocators and hot water meters);
- (d) regulation 7 (replacement of meters, new buildings and major renovations);
- (e) regulation 8 (on-going obligations); or
- (f) regulation 9 (billing).

(2) No person may be prosecuted for an offence under paragraph (1) in respect of any failure to comply which occurred before 30th April 2015.

(3) It is an offence to obstruct an authorised person acting in the pursuance of their powers or duties under these Regulations.

(4) In this regulation, “powers or duties” include powers or duties exercisable by virtue of a warrant under paragraph 3(1) of Schedule 3.

Bodies corporate in Scotland

12.—(1) Where in relation to a Scottish network—

- (a) an offence under these Regulations has been committed by a body corporate or a Scottish partnership or other unincorporated association; and
- (b) it is proved that the offence was committed with the consent or connivance of, or was attributable to any neglect on the part of—
 - (i) a relevant individual; or
 - (ii) an individual purporting to act in the capacity of a relevant individual,

the individual as well as the body corporate, Scottish partnership or unincorporated association commits an offence and is liable to be proceeded against and punished accordingly.

(2) In paragraph (1), “relevant individual” means—

- (a) in relation to a body corporate—
 - (i) a director, manager, secretary or other similar officer of the body;
 - (ii) where the affairs of the body are managed by its members, a member;
- (b) in relation to a Scottish partnership, a partner;

- (c) in relation to an unincorporated association other than a Scottish partnership, a person who is concerned in the management or control of the association.

Penalties

13.—(1) Any person found guilty of an offence under regulation 11(1)(a), (e) or (f) or (3) shall be liable on summary conviction to a fine not exceeding the statutory maximum, or in Scotland a fine not exceeding level 5 on the standard scale.

- (2) Any person found guilty of an offence under regulation 11(1)(b) to (d) shall be liable—
 - (a) on summary conviction to a fine not exceeding the statutory maximum; or
 - (b) on conviction on indictment to a fine.

Time limit for prosecution of offences

- 14.**—(1) An offence under these Regulations may be tried by summary proceedings if—
- (a) in England and Wales, the information is laid;
 - (b) in Northern Ireland, the complaint is made; or
 - (c) in Scotland, the proceedings are begun,

before the end of the period of 12 months beginning on the day after the date on which evidence which the authorised person, or in Scotland the Procurator Fiscal, thinks is sufficient to justify the proceedings comes to that authorised person's or Procurator Fiscal's knowledge.

- (2) For the purposes of paragraph (1)—
 - (a) a certificate signed by or on behalf of the prosecutor and stating the date on which such evidence came to the authorised person's or Procurator Fiscal's knowledge is to be conclusive evidence of that fact; and
 - (b) a certificate stating that matter and purporting to be so signed is to be treated as so signed unless the contrary is proved.

PART 4

Review

Review

15.—(1) The Secretary of State must from time to time—

- (a) carry out a review of these Regulations;
- (b) set out the conclusions of the review in a report; and
- (c) publish the report.

(2) In carrying out the review the Secretary of State must, so far as is reasonable, have regard to how the Directive is implemented in other Member States.

- (3) The report must in particular—
 - (a) set out the objectives intended to be achieved by the regulatory system established by these Regulations;
 - (b) assess the extent to which those objectives are achieved; and
 - (c) assess whether those objectives remain appropriate and, if so, the extent to which they could be achieved with a system that imposes less regulation.

(4) The first report under this regulation must be published before the end of the period of five years beginning with the day on which these Regulations come into force.

(5) Reports under this regulation are afterwards to be published at intervals not exceeding five years.

20th November 2014

Amber Rudd
Parliamentary Under Secretary of State
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