
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Heat Network (Metering and Billing) Regulations 2014 (S.I. 2014/3120) which implemented Articles 9(1) and (3), 10, 11 and 13 of [Directive 2012/27/EU](#) of the European Parliament and of the Council on energy efficiency (OJ No L315, 14.11.2012, p1), amending Directives [2009/125/EC](#) and [2010/30/EU](#) and repealing Directives [2004/8/EC](#) and [2006/32/EC](#).

Regulation 3 inserts new definitions in regulation 2 of [S.I. 2014/3120](#).

Regulation 4 inserts regulation 2A which classifies buildings connected to a district heat network or communal heating. The building classes defined in regulation 2A are the viable class, the open class and the exempt class.

Regulation 5 amends regulation 3 of [S.I. 2014/3120](#) to include a duty for a heat supplier to notify the number of buildings in each class supplied by a district heat network or communal heating operated by the heat supplier. The amendments made by regulation 5 require notifications to be in a form approved by the Secretary of State or, in relation to a Scottish network, the Scottish Ministers, and provide power for the Secretary of State or the Scottish Ministers to reject notifications not in the approved form. The amendments also extend the timeframe for submitting an updated notification due before 1st September 2022, and provide that the four year period for submitting an updated notification is not affected by a change of heat supplier.

Regulation 6 amends regulation 4 of [S.I. 2014/3120](#) to provide that a heat supplier's duty to install meters in accordance with regulation 4 applies to all buildings in the viable class and to those buildings in the open class where the heat supplier determines that it is cost effective and technically feasible to do so. The amendments require a heat supplier to determine whether it is cost effective and technically feasible to install meters in a building in the open class on the basis of an analysis carried out in accordance with Schedule 1. The amendments provide a timeframe for meters to be installed. The amendments provide that where a heat supplier determines that it is not cost effective and technically feasible to install meters, but meters or heat cost allocators are installed, there is no requirement for the heat supplier to make any further determination under regulation 4.

Regulation 7 amends regulation 5 of [S.I. 2014/3120](#) to provide that the accuracy requirements of that regulation apply to any installed meter.

Regulation 8 amends regulation 6 of [S.I. 2014/3120](#). The amendments require a heat supplier to determine whether it is cost effective to install heat cost allocators in a building in the open class on the basis of an analysis carried out in accordance with Schedule 1. The amendments provide a timeframe for a heat supplier to install heat cost allocators if it is technically possible to do so. The amendments provide that where a heat supplier determines that it is not cost effective to install heat cost allocators, but meters or heat cost allocators are installed, there is no requirement for the heat supplier to make any further determination as to cost effectiveness under regulation 6. The effect of the amendment to regulation 6(6) is that the accuracy requirements of that provision apply to any installed heat cost allocator.

Regulation 9 amends regulation 7 of [S.I. 2014/3120](#) to remove provisions relating to newly constructed buildings supplied by a district heat network and existing buildings supplied by a district heat network which undergo major renovations. These buildings are included in the viable class defined in the inserted regulation 2A. Regulation 9(3) amends regulation 7(1) of [S.I. 2014/3120](#) to specify the accuracy requirements for replacement meters.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Regulation 10 amends regulation 8 of [S.I. 2014/3120](#) to provide that the ongoing requirements of regulation 8 apply to all installed meters and heat cost allocators.

Regulation 11 amends regulation 9 of [S.I. 2014/3120](#) to provide that the billing requirements of regulation 9 apply where meters or heat cost allocators are installed.

Regulation 12 amends regulation 11 of [S.I. 2014/3120](#) to include failure to comply with regulation 5 as an offence, and to delay prosecution for new offences until 1st September 2022.

Regulation 13 amends regulation 13(2) of [S.I. 2014/3120](#) to provide for a fine of an unlimited amount on summary conviction in England and Wales for the offences under regulation 11(1)(b) to (d). This includes the new offence under regulation 11(1)(ba).

Regulation 14 amends Schedule 1 to [S.I. 2014/3120](#) in relation to the analysis as to cost effectiveness and technical feasibility.

Regulation 15 amends Schedule 2 to [S.I. 2014/3120](#) to specify when it will be considered technically possible and economically justified to issue bills and billing information to final customers in accordance with regulation 9(1) of [S.I. 2014/3120](#).

A full impact assessment of the effect that this instrument will have on the costs of business, the voluntary sector and the public sector is available from the Clean Heat Directorate, Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London SW1H 0ET and is available alongside the instrument on www.legislation.gov.uk.