



Communal
Energy
Partners

The complete guide to the Heat Network (Metering and Billing) Regulations 2014

Find out more about the legislative changes that heat suppliers need to adhere to by the **27th November 2021**, and the impacts this will have on district and communal energy schemes.

One call.
One solution.
One smart way to manage
communal energy.



Introduction

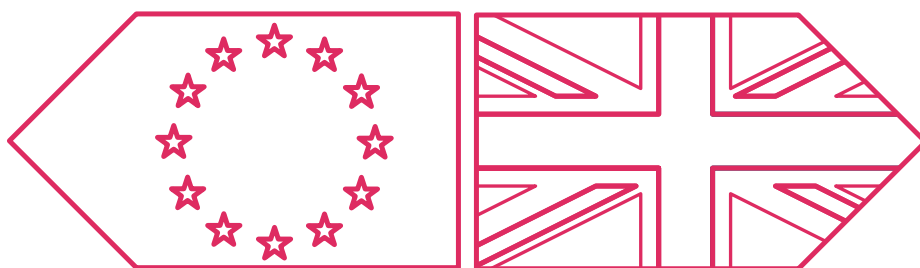
The European Union's Energy Efficiency Directive had a direct impact on how the Heat Network (Metering and Billing) Regulations (HNMBR) have been governed. These regulations have driven (and continue to drive) major advances in metering technology and heat network efficiencies. We're seeing improved system performance and consumption visibility, both of which are key drivers when looking to reduce carbon emissions.



Will **Brexit** affect the HNMBR?

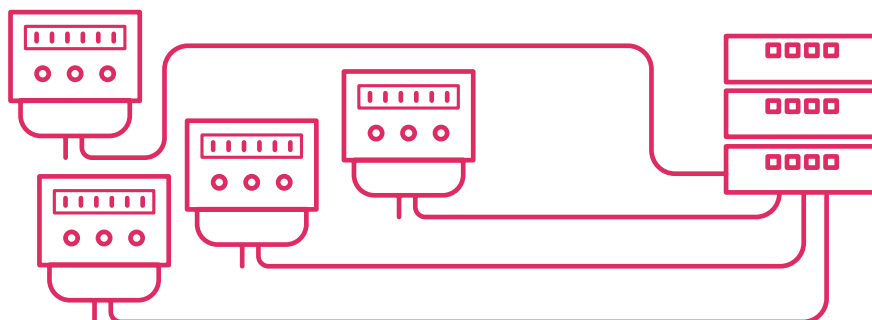
While no longer in the EU, regulations in the UK are remaining practically identical to those proposed before Brexit.

The UK government vouched to achieve net zero greenhouse gas emissions by 2050. The Heat Network Regulations 2014 are a progressive step towards achieving such lofty goals. With a focus on centralised planning and infrastructure, heat networks have become a crucial component in the effort to decarbonise buildings' heat sources. Communal energy presents a sustainable option for high density housing that doesn't break the bank.



Why are **meters** necessary?

Informed decisions require accurate data. This principle is universally true, but is especially important for heat network efficiency. Using real-time data from metering allows heat networks to make improvements that cut costs, increase efficiencies and reduce emissions. It's crucial that accurate metering systems are installed, which is why the HNMBR is making it mandatory for most buildings.



What does the legislation cover?

The new regulations cover any heat supplier who distributes either communal energy or district energy to more than one end user. Any heat network that provides heating, cooling or hot water to a group of houses, a single multi-occupancy building, or multiple larger buildings is covered by the UK regulations, and is required to be compliant before the 27th November 2021.

A heat network is identified as having four main components:

- 🔥 It must provide a shared source of heat for multiple users
- 🔥 The heat transfer medium must be water, steam or chilled liquids
- 🔥 The heat must be used for heating, cooling hot water or processes
- 🔥 The heat must be sold to final customers by heat suppliers

Non-compliance can result in criminal or civil penalties, ranging from fines to prosecution, meaning it's mandatory for heat suppliers to fully understand their new obligations, and the benefits of implementing these changes. There are three main conditions that heat suppliers need to adhere to.



1. Notification

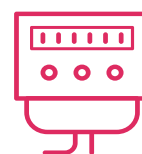


The Office for Product Safety and Standards (OPSS) must be informed of the whereabouts of any heat networks or heating schemes.

Any building that's a part of the network needs to be identified and classified, the number of customers using the buildings needs to be disclosed, and details about how information from billing partners is distributed should be provided. Finally, heat suppliers are required to supply full performance metrics.

Once registered, heat suppliers are required to update the OPSS every 4 years to ensure ongoing compliance. Full guidance can be found [here](#).

2. Metering






Both point of entry meters and final customer meters are now mandatory to ensure that heat networks are properly monitored. With updates to meter feasibility coming into play, we're seeing extended provisions on meter accuracy, billing and maintenance costs.

The OPSS have developed a cost-effectiveness tool to help heat suppliers install

cost-effective metering. There are two tools available, the full input and reduced input tools. Both can be found [here](#). Only one tool needs to be completed in compliance with the information that's available to them.

The HNMBR stipulates that all buildings should be fitted with metering devices in accordance with their building classification. The three building classes are:

-  Viable – meters must be installed
-  Open – meters must be installed if the result of a cost-effectiveness assessment is positive
-  Exempt – meters do not have to be installed

A detailed description of the building classes can be found on pages 15 & 16 [here](#).



3. Billing



Customers are no longer to be billed using estimates, and should now only be billed with actual meter readings. This should be billed once a year (or once a quarter if billing electronically). The legislation stipulates that bills should contain the following:

- 🔥 The current energy prices
- 🔥 Details of total consumption (contrasted with previous year)
- 🔥 General advice to improve energy efficiency

It's important to establish how billing duties will be managed well in advance. The OPSS have established how responsibilities ought to be shared between billing managers and network owners/managers.

Does pay-as-you-go (PAYG) ensure compliance?

Many heat suppliers are opting to implement PAYG systems into buildings they supply. It can greatly simplify the compliance process, and the OPSS have confirmed that PAYG remains compliant as long as the following is true:

- 🔥 Meter readings are readily available on the PAYG unit
- 🔥 A display feature is featured for easy access
- 🔥 Billing information is available at all times on the unit
- 🔥 An annual statement is provided to ensure customers understand what they're being charged for



To summarise



All heat suppliers need to be compliant by the **27th November 2021**. The sooner the better in order to avoid hefty fines/prosecution.



The HNMBR is designed with several key benefits in mind: reduce carbon emissions in the heating sector; cut costs all round, resulting in cheaper energy prices; implement country-wide metering systems to ensure fair billings, and to improve transparency across the board.



Cost-effectiveness tools and building classification assessments are required to be completed in order to correctly establish the next steps.



Customers are to be supplied a detailed bill based on their exact consumption at least once a year.





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Find out more about metering and billing

Taking the steps to remain compliant is important, but it can be difficult knowing that you've covered absolutely everything.

Get in touch with our team at [Communal Energy Partners](https://www.communalenergy.co.uk) to find out how our specialists can ensure that you're compliant by the 27th November 2021.

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Get in touch



www.communalenergy.co.uk

