



National
Measurement &
Regulation Office

Heat Network

(Metering and Billing)

Regulations 2014

Frequently Asked Questions



National
Measurement &
Regulation Office

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1. Background

This document is designed to answer Frequently Asked Questions (FAQs) received by National Measurement and Regulation Office (NMRO) in relation to the [Heat Network \(Metering and Billing\) Regulations 2014](#) and its [associated amendments](#). It should be used as a guide only. The Regulations implement the metering and billing requirements in the EU Energy Efficiency Directive (EED), as they apply to heating and cooling.

1.1. What are the Heat Network (Metering and Billing) Regulations?

The Heat Network Regulations implement the requirements in the EED particularly with respect to Articles 9, 10 and 11.

Essentially, the Regulations place certain responsibilities on anyone supplying and charging for heat, cooling or hot water (called the “Heat Supplier”). These include the following responsibilities:

1. To notify NMRO of the existence of their network (Regulation 3)
2. To fit heat meters where appropriate to accurately measure, memorise and display the consumption of final customers and of some buildings (Regulations 4, 5 and 7)
3. In buildings with more than one final customer, to fit Heat Cost Allocators (HCAs), hot water meters, and Thermostatic Radiator Valves (TRVs) to measure the consumption of final customers where installing heat meters is not feasible (Regulation 6)
4. To ensure heat meters or HCAs are continuously operating, maintained and periodically checked for errors (Regulation 8)
5. To bill customers fairly, transparently and based on actual consumption where cost effective to do so (Regulation 9)

1.2. What is a heat network?

Detailed guidance of what is a heat network and which heat networks are in-scope of the Regulations is available in our [Scope Guidance Document](#).

2. Notifications

NMRO must be notified of certain information about each heat network. Heat suppliers must provide this information every four years from the date of initial notification.

2.1. How do I notify NMRO about my network(s)?

Notification templates and extra guidance is available at www.gov.uk/heat-networks. Download the template to your device, complete the template and save changes, email the completed template to heatnotifications@nmro.gov.uk.

2.2. Which template should I use?

There are two notification templates available: Single network notification template and Multiple networks notification template. Either template can be used.

We recommend you use the [Single network notification template](#) if you have a small number of networks or you are assessing your networks individually. Please complete one form per network.

If you have several networks and will be collecting and collating the data using a batch (or bulk) approach then using the [Multiple networks notification template](#) may be more convenient.

2.3. When is the deadline for sending notifications?

The deadline for submitting notifications to NMRO was initially 30th April 2015, however this has now been changed to **31st December 2015** following an [amendment](#) to the Regulations.

2.4. Who must provide the notification?

The responsibility to notify NMRO of a network ultimately rests with the heat supplier [see section 3] although NMRO will accept notifications from somebody acting on behalf of the heat supplier.

2.5. I don't know the answers to every question on the notification template; can I leave unknown fields blank?

It is a legislative requirement to complete every field unless otherwise indicated on the template. Please endeavour to find all the information required; consult the guidance available on www.gov.uk/heat-networks and leave an [enquiry](#) with NMRO if still unsure.

2.6. Some buildings I supply with heat are used partially or wholly by me. How do I notify NMRO of these networks?

A heat supplier cannot be their own final customer, so only building occupants that are separate legal entities from the heat supplier should be counted as final customers.

The *number of buildings on network* should include those without any final customers (self-supplied) and those with final customers.

2.7. If my network is out-of-scope of the Regulations do I still have to provide a notification?

No, if your network is out-of-scope [see section 1.2], the Heat Networks (Metering and Billing) Regulations 2014 do not apply to you and you do not need to notify NMRO of the network.

2.8. How do I estimate total heat/hot water/cooling capacity, heat/hot water/cooling generated and heat/hot water/cooling supplied?

The [Heat estimator tool](#) and associated [guidance document](#) are available on our website to help heat suppliers with this section of the notification. The tool and guidance will easily produce estimates for the most common types of heat network.

This tool and guidance do not need to be used in order to comply with the Regulations and will not be able to cover all heat network types/configurations. Where this guidance is not used, we ask that you provide the most accurate estimate reasonably possible.

3. Heat Suppliers

3.1. Who is the heat supplier?

The heat supplier is the person who supplies and charges for the supply of heating, cooling or hot water to a final customer. In some situations these responsibilities can be shared between managing agents, landlords and other parties. An assessment should be carried out to decide which party is the heat supplier according to existing arrangements.

Note: We will accept notifications from somebody on behalf of the heat supplier [see section 2.4].

3.2. I do not bill my tenants separately for heat. The provision of heat is included in the rent/service charge, does this mean I am not a heat supplier and my network is not in-scope of the Regulations?

Charging for the supply of heat/hot water/cooling includes the supply as part of a package, paid for indirectly perhaps through ground rent, a service contract or other means. Such a payment does not need to explicitly mention the supply of heat but there will be a reasonable expectation by the final customer that heat supply is part of the service.

Where a tenant currently has space heating, hot water or cooling implicitly included in their rent payments, they are still being charged for heat and the person receiving the rent payment is a heat supplier.

An example of where customers are not charged for the supply of heat is a prison because the inmates are not charged in any way for the provision of heat.

3.3. If a customer of a heat network sub-lets space to multiple further final customers (sub-tenants), who is the heat supplier to those sub-tenants?

In this scenario, the person sub-letting would be both a final customer of the network and a heat supplier to the sub-tenants. See [Scope Guidance, Cascading Responsibilities](#).

3.4. Where there are multiple heat suppliers on a network should multiple notifications be submitted?

In this situation NMRO advises that an arrangement is made for the primary heat supplier to submit a notification for the network which encompasses all of the other heat suppliers' information (i.e. total number of final customers).

4. Final Customers

4.1. **Two organisations with the same parent company rent space from us in a building. Are they one or two final customers?**

Final customers must be separate legal entities from one another, regardless of their shared relationship with the parent company

5. Communal/Shared Areas

5.1. **Do communal areas of office or residential buildings need to be metered and the customers billed accordingly?**

No, communal areas such as atriums, reception areas, shared bathrooms, hallways and stairways do not need to be metered and the cost of providing heating/hot water/cooling to these areas can be apportioned as the heat supplier sees fit.

5.2. **How should I include communal areas in the notification?**

The communal areas should not be included as “final customers” in the notification. The estimated heat/hot water/cooling supplied should not include the supply to the communal areas, only what is supplied to the final customers [See section 4].

5.3. **I only provide heating to the communal areas of the building and the tenants have their own boilers/heating arrangements. Do I have to comply?**

No. If heating is purely provided to the communal areas then this is out of scope.

5.4. **Do we need to meter every room in a House of Multiple Occupancy (HMO)?**

Such arrangements are out of scope, if residents share at least one of: a kitchen (or cooking area), a bathroom (including a toilet), and a space for living and sleeping in.

5.5. **How do we meter two or more customers who share open plan office space?**

Final customers must have use of a self-contained partitioned area to be in scope of the Regulations. For commercial/retail properties, this would mean that a final customer has a partitioned office area for their exclusive use. If two separate legal entities share an open plan office space then their relationship to the heat supplier is as one final customer for the purpose of the Regulations.

6. Exemptions

6.1. My building has an in-scope heating system, however, the cooling system is out-of-scope. Does this mean the whole building is out-of-scope of the Regulations?

No, the heating system, hot water system and cooling system should be viewed separately for the purpose of the Regulations. If any of these systems in a building are in-scope, then they should be operated in compliance with the Regulations.

6.2. Are there any exemptions for charities or public bodies?

No, the Directive and the Regulations do not provide any exemptions for types of heat suppliers. All heat suppliers must comply with the Regulations including, but not limited to; charities, public bodies, housing associations, religious buildings and the military.

6.3. Are nursing homes exempt?

There is a spectrum of residential and nursing care home arrangements. A nursing home which is more akin to a hospital-type 24 hour care arrangement would likely be out of scope of the Regulations. The key determinant is whether the home is providing self-contained residential accommodation or nursing care, where all or the majority of services are provided communally (as it does not fulfil its normal role as a residence). This is a decision that would need to be made by the heat supplier on a case by case basis.

6.4. My tenants tend to stay for short periods, is this a 'transient' arrangement and therefore out-of-scope?

Generally, where a property would be used as a dwelling it would be in-scope. Hotels, for example, are generally seen as out-of-scope as they don't fulfil a normal understanding of the role as a dwelling, but would fall in-scope if a room was used for an extended period i.e. it became a dwelling. For something to be considered transient it is likely to be a matter of weeks rather than months or years.

6.5. My building is very small, what is the minimum size of a heat network?

There is no physical size limit (min or max) to a heat network.

The minimum criteria for an installation to be considered a district heat network are 2 buildings being supplied with heat and at least 1 final customer.

The minimum criteria for an installation to be considered communal heating are 1 building being supplied with heat and at least 2 final customers.

Note: Heat suppliers cannot be their own final customer [see section 2.6].

7. Metering

7.1. What is a heat meter?

A heat meter is comprised of 3 main parts: a flow meter, a pair of temperature sensors and a calculator. The heat taken from (or added to) a system is a function of the flow rate, the entry temperature and the return temperature of the heat transmitting fluid (normally water).

7.2. What is a Heat Cost Allocator?

HCA's (Heat Cost Allocators) are devices attached to radiators used to measure heat output at the radiator level. HCA's can be installed with TRVs and hot water meters where installing heat meters is not feasible.

7.3. Heat Meters or HCA's, TRVs and Hot Water meters?

Heat meters are the preferred solution but not technically feasible for some building configurations. HCA's, TRVs and Hot water meters can be fitted to nearly all building configurations. Although they have limitations when compared with heat meters, they are still appropriate for bill apportionment.

7.4. Do heat meters have to comply with any particular standard?

Regulation 5 requires meters to be accurate and Regulation 8 requires meters to be properly maintained and periodically checked for errors. Although a fitted meter is required to be of a suitable quality and performance, the Regulations do not set any specific technical parameters for its accuracy and quality.

Where an MID or BS EN1434 approved heat meter is used, NMRO will generally accept this route for approval of the meter. If a meter is not approved to these standards, NMRO may seek further assurances of the meter's ability to fulfil its purpose.

7.5. How much will a heat meter cost?

Heat meters vary in cost starting at around £100 and increasing in cost depending on technology type and required features. Retrofitting heat meters is more costly than installing them as part of the building construction. The DECC consultation and final impact assessment assumed the capital cost of the meter, data gathering system and installation at £447. Generally, meters suitable for larger diameter pipes are more expensive.

7.6. When/where do bulk or block level meters need to be installed?

Regulation 4(1) states meters must be installed to measure the total consumption of heating, cooling or hot water of any building on a district heat network containing multiple final customers. Such meters should be fitted at a heat exchanger in that building or at the point of entry of the district heat network pipes into the building.

7.7. How do the Regulations define a building?

The Regulations do not specifically define “building”; therefore for the purpose of the Regulations the natural (dictionary) meaning will generally apply.

For example, if a district heating scheme serves a block of flats and a row of terraced houses; a flat is a residence in a larger building so the consumption of the block must be measured. A terraced house is a building that shares walls with others, so a row would constitute many single-occupancy buildings and would not require a building level meter in accordance with Regulation 4(1).

7.8. Why do I need a building level meter installed if I already have individual meters for each final customer?

The Regulations mandate that meters are installed to every multi-occupancy building in a district heating network. This is in keeping with the EED. Building level meters facilitate good operation, support system efficiency, and maintenance of heat networks.

However, the NMRO will consider a range of metering options to meet this requirement, to provide heat suppliers with as much flexibility in implementation as possible. The key characteristic will be to support system efficiency monitoring and, when combined with individual metering, to identify in-building losses, which can be significant.

8. Billing

8.1. Do I have to charge customers differently if we have not got individual meters?

No, Regulation 9, Billing, only applies where individual meters or heat cost allocators are installed to measure the heating, cooling or hot water by each final customer.

8.2. Can a heat supplier make a profit from heat provision or billing?

A heat supplier can make a profit from the supply of heating, cooling or hot water.

The heat supplier's costs of providing such bills and billing information may be passed on to final customers provided that no profit is made from such charges, unless, in buildings with more than one final customer, this service is undertaken by a third party in which case reasonable charges may be passed through. Additionally, 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.

8.3. What if producing bills will be disproportionately expensive?

If the cost of producing bills and billing information in accordance with Regulation 9(1) would be more than £70 per final customer, per calendar year, then the heat supplier need not produce bills in accordance with Regulation 9(1) [See Schedule 2 Paragraphs 6 & 7].

8.4. Are prepayment meters acceptable as a method of billing final customers?

Yes, prepayment meters are acceptable as a billing method as long as they are able to comply with all the criteria set out in Regulation 9 and Schedule 2.

9. Miscellaneous

9.1. The billing arrangements are written into the contract with the tenant and we are unable to change them. Can we continue charging the way we are now?

No, the Regulations (as a statutory instrument) have effect at criminal law. The Regulations must be complied with and contractual (civil) arrangements would not constitute a defence.

9.2. Do the Regulations apply to existing buildings or just new builds?

The Regulations apply to both existing buildings and new builds. In some cases this will require the retrofitting of heat meters. Regulation 7(2) applies some stricter requirements for new builds than existing buildings. In the case of new district heating connections to newly constructed buildings there is a mandatory requirement for individual meters for all final customers.

9.3. Construction of my building started before the Regulations came into effect. Am I required to comply?

Yes. Even if the building was in the construction/planning stages prior to the start of the Regulations it would still be required to comply. A network should be compliant with the Regulations by the dates given in Regulation 1 or by the first date of operation, whichever is later.

9.4. Can I pass on the charge of installing meters to my tenants?

Where meters must be installed, the heat supplier will be responsible for doing this. The Regulations allow for fixed and variable charges to be passed on to the final customer and any fixed costs for recovery of investment would need to be clear in the billing information (Regulation 9(7)(c)).

9.5. What's the point of these Regulations?

The Regulations implement the EED. The Regulations aim to ensure that final customers are aware of the amount of heat they are consuming and to help them reduce their heating costs by only using the amount of heat they actually require. This would also help the wider EU target to reduce energy consumption by 20% by 2020.

9.6. What will you do with the information from notifications?

The information will be used to create a national database identifying the level and scope of how much heating is supplied through shared networks in the UK. The information should facilitate a better understanding of the impact of heat networks and may be shared to help inform policy decisions in the future. The objective is to publish this information in 2016. When it is published the data will be anonymised, and so a level of aggregation of data will be required.

9.7. Do we need to provide a Unique Property Reference Number (UPRN)?

If the majority of customers of a network are located in Scotland, a UPRN for each Scottish property on the network must be provided.

This can be accessed free of charge at: www.onescotlandgazetteer.org.uk

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Stanton Avenue, Teddington,
London, TW11 0JZ

Enquiry Telephone: 020 8943 7272

Website: www.gov.uk/heat-networks

Email: heatnotifications@nmro.gov.uk

Enquiry System: www.rohs.bis.gov.uk/enquiry.aspx

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