



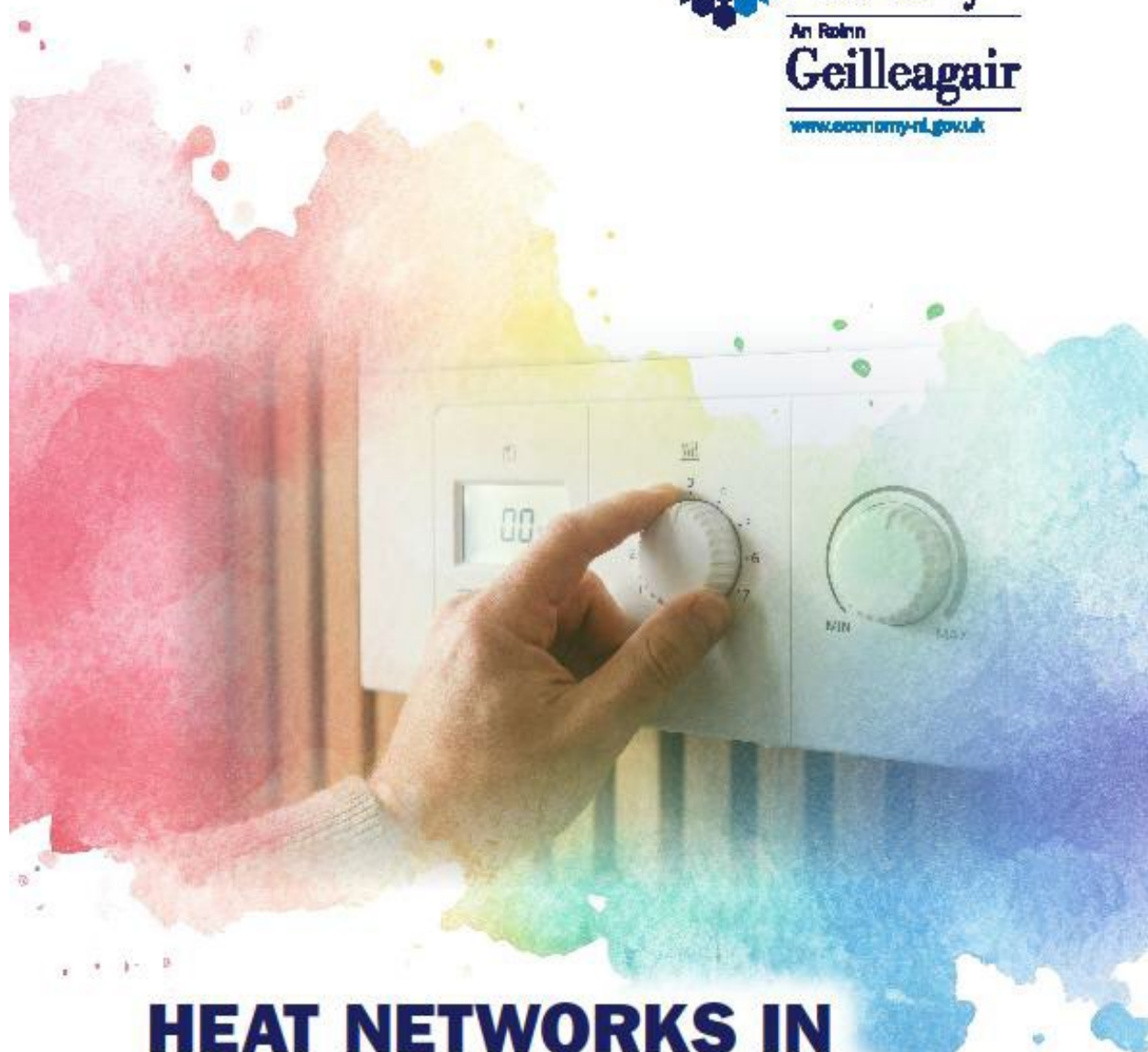
Department for the

Economy

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HEAT NETWORKS IN NORTHERN IRELAND: PROTECTING CONSUMERS AND SETTING UP REGULATION

AUGUST 2026

Heat networks in Northern Ireland - protecting consumers and setting up regulation

Informing secondary legislation and authorisation conditions

1. Executive Summary

Heat networks (sometimes called district heating) supply heating and hot water (and sometimes cooling) to more than one premises, from a central source using insulated pipes. Heat networks can help make better use of local sources of heat, including waste heat and renewable energy ensuring consumers pay a fair price for the energy we use locally by reducing our reliance on fossil fuels.

A key characteristic of heat networks is that consumers cannot easily switch supplier if they are unhappy with the service. This means there needs to be clear protections so that customers can understand what they are paying for, get accurate bills, and know where to go if something goes wrong.

Until January 2026, the Heat Networks (Metering and Billing) Regulations 2014 (HNMBR) applied across the United Kingdom (UK) and provided a baseline of consumer protections, primarily relating to metering and billing. These arrangements have since been replaced in Great Britain (GB) by a new regulatory framework. In Northern Ireland (NI), the HNMBR have remained in place on an interim basis while the Department develops a locally led approach.

The HNMBR are expected to be revoked in 2027. Without replacement provisions, this would leave heat network consumers in NI without regulatory protections. The Department has therefore developed proposals for a new, Northern Ireland-specific regulatory framework.

This consultation sets out proposals for the first phase of locally led regulation for heat networks in NI. The proposals would: (1) establish the Utility Regulator's (UR) role in heat networks, (2) introduce an authorisation regime for heat network operators, and (3) retain and adapt key protections on metering and billing that currently apply under existing HNMBR as they are due to be revoked.

We are also seeking views on how complaints should be handled, what information should be collected from operators to help inform any future protections as the market develops.

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3. Ministerial foreword

I am pleased to bring forward this consultation on proposals to strengthen consumer protection for heat network consumers in the North and to establish the first phase of a regulatory framework for the sector. As heat networks develop, it is essential that consumers are protected, treated fairly, and have confidence in the services they receive.

Heat networks offer important opportunities to reduce carbon emissions and improve energy security, but unlike other forms of heat supply, consumers often have limited ability to switch supplier. This makes it particularly important that appropriate baseline protections are in place from the outset. This consultation therefore focuses on putting in place clear regulatory foundations, including consumer protections on metering and billing and a framework for regulatory oversight.

Decarbonisation is a central pillar of my economic plan. While increasing renewable electricity generation is critical, it will not on its own deliver greater self-sufficiency in affordable, renewable energy. Heat remains one of the most challenging aspects of our energy system to decarbonise, and heat networks can play an important role in meeting this challenge while supporting affordability and energy security, boosting investment, creating good jobs, and stimulating regional balance in our economy.

I am grateful to all respondents for their time and input into this consultation. Your views will help inform the Department's consideration of future legislation and regulatory arrangements supporting heat networks and protecting consumers. I look forward to hearing your views in the coming weeks.

Caoimhe Archibald MLA

Minister for the Economy

4. General Information

Why we are consulting

We are consulting to seek views on proposals for the first phase of regulation for heat networks in NI, with a particular focus on establishing baseline consumer protections and regulatory oversight.

How this document is set out

The main sections are written for a non-technical reader. They explain: the problem we are addressing, why government action may be needed, the proposals, and the questions we are asking you.

Technical and legal detail is in the annexes. If you are responding as an expert (for example, an operator, developer, lawyer or regulator), you may wish to read the annexes alongside the main text.

How to Respond

The consultation is being conducted by the Department for the Economy (Department). It is open from 1200 on 06 August 2026 for 8 weeks. Please send your response by midnight on 01 October 2026.

When you respond, please tell us whether you are replying as an individual or on behalf of an organisation.

It helps us most if you answer the questions in this document. You can also include any evidence or examples you think are relevant.

We encourage you to respond online using Citizen Space: [Heat networks in Northern Ireland - protecting consumers and setting up regulation](#)(external link opens in a new window / tab).

If you prefer, you can email a response to:

- heatnetworks@economy-ni.gov.uk

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Privacy Notice

DfE is committed to protecting your privacy and ensuring that any personal information you provide in response to this consultation is handled in accordance with the law.

Use of Consultation Responses

- Responses will be used solely for the purpose of informing heat networks policy and legislation.
- A summary of responses may be published, but individual respondents will not be identified without their consent.

Freedom of Information (FOI) and Environmental Information Regulations (EIR)

Information provided in response to this consultation may be subject to disclosure under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.

If you wish your response to remain confidential, please clearly state this in your submission and explain why. While we will respect confidentiality requests, we cannot guarantee that information will not be disclosed, if required by law.

Data Protection

All personal data will be processed in accordance with the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018.

You have the right to access your data, request corrections, and object to processing.

For further information on how DfE handles personal data, please refer to our Privacy Notice.

5. Strategic Context

In 2021, the NI Executive published the Energy Strategy – The Path to Net Zero Energy¹. The Strategy sets out how NI will achieve its vision of delivering self-sufficiency in affordable, renewable energy. This strategy was followed closely by the introduction of The Climate Change Act (Northern Ireland) 2022² which requires net zero emissions by 2050.

Decarbonising how we heat our homes and businesses is particularly challenging given the importance it has in our lives and the limited number of alternatives to fossil fuels. Heat networks are expected to play an important role in decarbonising heat, with analysis suggesting they could supply a significant proportion of heat demand by 2050^{3, 4}.

Heat networks connected to renewable energy, or waste heat, can be secure sources of heat that are always available, and because these are available locally, they are not directly affected by ‘price spikes’ in the global energy market. The Department is taking forwards research to establish where heat networks will be most effective. Growing the heat network sector can also grow the economy and provide local, well-paid, skilled, ‘green’ jobs.

Despite being a proven technology that is in use across many parts of Europe and the rest of the world, our local heat network sector remains very small. Data from the HNMBR database suggests approximately 90 heat network systems are currently installed, serving around 3,000 consumers. Significant growth is needed to ensure that heat networks can play a role in meeting our future heating and decarbonisation needs.

Until now, the HNMBR have provided a baseline of consumer protections for heat networks, primarily relating to metering and billing. These arrangements are due to be revoked in 2027. Without replacement provisions, this would leave heat network consumers without regulatory protections and reduce regulatory certainty for investors and operators.

Evidence provided to the Department via the DfE Heat Network Stakeholder Group has indicated that a clear, streamlined process for supporting and regulating heat network development is essential to accelerate growth and provide investor confidence.

6. What is a heat network?

A heat network supplies heating and hot water to more than one premises from one or more central heat sources (for example, a boiler, heat pump, or waste heat from industry) via insulated pipes.

Heat networks can help reduce carbon emissions by switching the heat source, for example, from fossil fuels to low-carbon sources such as geothermal, large scale heat pumps, surplus industrial heat, or other renewable energy.

Heat networks can also improve energy security by using local sources of heat. Because heat networks serve customers in a single, connected system, it can be easier to integrate heat storage and manage demand than with lots of individual boilers.

7. Why regulation is needed

Heat network consumers usually cannot readily switch supplier, so government has a role in making sure basic consumer protections are in place. This helps build confidence for existing customers and for people who may be connected to heat networks in the future. In 2018, the Competition and Markets Authority (**CMA**) concluded that the sector should be regulated⁵,

The Energy Act 2023⁶ provides the legal powers for the Department to set up a heat network regulatory framework for NI, including the role of the UR. More detail on the legal powers is in **Annex A**.

This consultation focuses on the first phase of regulation. The aim is to set a clear baseline:

- who regulates heat networks,
- which networks are in scope, and
- what minimum requirements operators must meet (especially on metering, billing and handling complaints).

We propose to introduce protections through a phased approach. The first phase is designed to ensure continuity by establishing a locally led regulatory framework, building on the existing provisions of the HNMBR, which currently apply to all heat networks in NI.

As a result, the initial requirements should be familiar to existing operators and are not expected to introduce material additional regulatory burdens. As the NI heat network market develops, we will consult on further protections where these are shown to be necessary and proportionate.

8. Our proposals

8.1 Who will regulate heat networks?

We propose that the UR will be the regulator for heat networks in NI⁷ as set out in section 217 of the Energy Act 2023. Its main role would be to protect the interests of existing and future heat network consumers.

In the first phase, the UR would: keep a public register of heat networks, run an authorisation regime for operators, monitor compliance with the rules, and take enforcement action where necessary.

We also propose that the Consumer Council for Northern Ireland (**CCNI**) will act as the independent consumer advocate for heat network customers, in line with its role in other energy sectors.

8.2 What heat networks would these rules cover?

The rules would apply to heat networks that supply heat to more than one premises (e.g. multiple buildings, or more than one apartment in a building), as set out in the Energy Act 2023. Some types of systems would be out of scope, exceptions would be the same as those that currently exist in the HNMBR for NI (buildings in the “exempt class”⁸). This includes, for example, certain communal systems within a single building where heat is not supplied to

separate, self-contained premises, as well as specific categories of existing buildings (such as some forms of supported or specialist accommodation).

Consultation question 1 (scope)

Do you agree with the types of heat networks that should be covered by these rules, and the types that should be out of scope?

8.3 How would authorisation work?

We propose an authorisation regime. This means a person or organisation would need to be authorised by the UR to operate a regulated heat network.

In the first phase, authorisation would focus on basic, practical requirements that protect consumers and help the regulator understand the market. For example, authorised operators would need to:

- provide the UR with key information about the network (so it can be added to a public register);
- meet minimum requirements on metering and billing (this would replicate the existing HNMBR requirements) (see section 4.6);
- provide information to the regulator if requested, where reasonable and proportionate;
- have a clear process for handling complaints, and cooperate with CCNI, and the UR where appropriate.

An authorisation regime differs from a licensing regime in its level of regulatory control and administrative burden. Under an authorisation model, operators are permitted to carry out regulated activities provided they comply with a defined set of general conditions, without requiring individual approval in each case.

This approach focuses on ensuring baseline standards are met while maintaining a lower barrier to entry. It is therefore more proportionate for a developing market such as NI, enabling growth while still protecting consumers through enforceable requirements.

Existing networks

We propose that existing heat networks that are already registered under the current metering and billing rules (HNMBR) would be granted deemed authorisations under the HNOR. Operators would then confirm key information to the UR within a set “transition period”.

This transition period will be required for existing heat network operators to move from the current HNMBR arrangements to the new authorisation framework. This will allow time for operators to provide updated information, demonstrate compliance with authorisation conditions, and make any necessary operational adjustments.

New Entrants

New heat network operators entering the market after commencement will be required to apply for authorisation from the UR before carrying out any regulated activity. This will ensure that all operators are subject to the same baseline requirements and regulatory oversight from the outset.

Consultation question 2 (authorisation)

Do you agree with using an authorisation regime (rather than licensing) for heat network operators, including an automatic “deemed authorisation” for existing networks?

8.4 Metering and billing: what customers should expect

A minimum expectation for all energy consumers is that they will receive clear and accurate bills. This means that bills should be based on measured consumption rather than estimates.

In this context, we propose to retain the existing requirements on metering and billing however certain exemptions will still apply where metering or frequent billing is not practical, e.g.:

- **Metering:** when heat meters should be installed, and how they should be maintained.
- **Billing:** what information bills must contain so customers can understand charges.
- **Exemptions:** limited cases where different arrangements apply.

Metering and billing requirements are intended to improve transparency and support more accurate billing based on consumption⁹.

Consultation question 3 (metering and billing)

Do you consider that the existing approach to metering, billing and exemptions (as set out in the HNMBR) remains appropriate for the NI market when implemented through the proposed authorisation framework? If not, what changes would you propose?

8.5 Complaints: how problems would be handled

There needs to be further exploration on the future role of UR in relation to complaints. However, to illustrate one possible option, below is a simple, three-step process that is similar to how complaints are handled today for gas and electricity:

1. First, raise the issue with your heat network operator/supplier.
2. If it is not resolved, you can contact CCNI for support and advocacy.
3. Only if the issue is about compliance with the authorisation rules for your heat network supplier, and cannot be resolved by you and CCNI discussing it with your heat supplier, it can be escalated to the UR.

Heat network operators will be required to maintain a clear and accessible complaints process, including providing customers with transparent information on how to submit a complaint and how it will be handled. As a condition of authorisation, operators must also engage constructively with customers, CCNI, and the UR in the investigation and resolution of complaints.

To support consistent standards of customer service and strengthen consumer protection, the Department is considering whether these requirements should be underpinned by a formal Code of Conduct. Such a Code, developed in collaboration with CCNI and the UR, would set out minimum expectations for supplier behaviour in relation to customer engagement, communications, and complaints handling. Embedding this Code as a condition of authorisation would ensure that all suppliers are subject to a common, enforceable framework.

Consultation question 4 (complaints)

What are your views on the potential benefits and risks of the illustrative three-step complaints route (operator → CCNI → UR for rule-compliance issues)?

Consultation question 5 (complaints Code of Conduct)

Do you agree with the proposal that heat network suppliers should have a Code of Conduct developed with CCNI and UR as an authorisation condition?

8.6 Public register and information for consumers

We propose that the UR will keep a public register of heat networks in NI. This would help customers and stakeholders understand what networks exist and who operates them. Alongside regulation, we are also considering low-cost ways to improve public awareness and understanding of heat networks (for example, clearer guidance for residents, landlords and managing agents).

Consultation question 6 (public register and information)

What information should be on a public register of heat networks, and what additional low-cost information from suppliers, CCNI and UR would help customers understand their heat network service?

9. Monitoring, Audit, Compliance and Enforcement

Effective regulation depends not only on clear rules but also on robust mechanisms for monitoring, audit, compliance, and enforcement. These functions will be essential to ensure that heat network operators meet their obligations and that consumers are protected.

Responsibility for these areas will sit primarily with UR. The Department will engage further with UR to shape the approach to:

- Ongoing monitoring and data collection
- Audit processes to assess compliance with regulatory requirements
- Enforcement powers and procedures for addressing non-compliance
- Proportionality and risk-based targeting of regulatory activity

This engagement will help ensure that the framework is both practical and enforceable, and that it supports a culture of continuous improvement and accountability across the sector.

10. Next Steps

Once this consultation has closed, the Department will analyse all responses and publish a summary of the responses on the Department's website. Responses and evidence will be used to inform further consideration of the policy proposals.

Subject to the outcome of this consultation, the Department intends to use your responses in developing the HNOR which it will take through the Assembly affirmative resolution process. This will include consideration by the Economy Committee and approval by the Assembly. Subject to Assembly legislative timetabling, the Department intends to bring forwards secondary legislation before the end of the current mandate.

Should this progress into the legislative stage, the Department will work with the UR to establish appropriate transitional funding arrangements to support the set up and preparatory stages, including the development of systems, guidance, and regulatory capability.

Alongside this, the Department will work with UR to develop an enduring cost recovery framework, to be implemented following the introduction of a statutory regime. This longer-term approach will be designed in line with the provisions of the Energy Act 2023, with the aim of ensuring that the costs of regulation are allocated in a fair and proportionate manner.

Consultation question 7 (other comments)

Do you have any other comments on how the Department should exercise its powers under the Energy Act 2023 to deliver a proportionate and effective heat networks regulatory framework for NI?

11. Annex A (technical/legal)

11.1 Overview of the Heat Networks Operational Regulations (HNOR)

The proposed HNOR will have three main components:

- Utility Regulator
 - Objectives and functions to give UR legal vires to act as the heat network regulator, following its designation under section 217 of the Energy Act.
 - Compliance and enforcement powers to ensure compliance with heat network authorisation conditions.
 - Market Observation, with powers to request information from authorised heat network operators.
 - Monitoring and Review.
 - Publication of advice, guidance, information and list of authorised persons by the Regulator.
- Authorisation
 - Conditions for new entrants applying for authorisation.
 - Granting, and conditions, for deemed authorisations for heat networks currently registered under HNMBR.
 - Conditions will relate to:
 - Registration;

- Certification;
 - Metering;
 - Billing;
 - Information provision to UR;
 - Periodic reporting;
 - Co-operation with UR, CCNI and consumers in resolving disputes or complaints.
- CCNI
 - Advocacy role for CCNI supporting consumers in disputes or issues relating to heat networks.

11.1.1 Objectives

The Utility Regulator is designated as the Regulator for the purposes of the Heat Network provisions in [Section 217\(external link opens in a new window / tab\)](#) of the Energy Act 2023. The initial regulations will give UR an objective, and legal vires, to guide its regulatory approach to heat networks. The objective and associated functions are designed to ensure that the regulatory framework is robust, forward-looking, and responsive to the evolving needs of consumers, the heat network industry, and the energy sector.

Principal Objective

The proposed principal objective of the UR in carrying out its functions in relation to heat networks is to protect the interests of existing and future heat network consumers.

In pursuing this objective, the UR must:

- promote effective competition, where competition is capable of delivering benefits for heat network consumers, and where UR considers it appropriate to do so;
- ensure appropriate consumer protection.
- UR will be required to carry out its heat network functions, having regard to the statutory climate change targets and objectives set out in the Climate Change Act (Northern Ireland) 2022.

The key elements which form this principal objective include:

- Market Development - UR will regulate in a way that supports a competitive, efficient, and resilient heat network market via proportionate regulation and market observation. This includes facilitating new entrants, infrastructure development, and ensuring that market rules facilitate growth, whilst maintaining high standards of service, consumer protection and accountability.
- Consumer Protection – ensuring proportionate consumer protections such as transparent billing, metering, and effective mechanisms for enforcement and dispute resolution.

- Decarbonisation – having regard, in relation to heat networks, to the achievement of the statutory Climate Change targets and objectives, including through the transition to low-carbon and renewable heat.

12. Annex B – Future proposals

Subject to the outcome of this consultation and the successful passage of the initial regulations, the Department will progress the assessment of potential future developments in the regulatory framework for heat networks in NI. As noted above, future developments will be proportionate to the nature and likely progress of the local heat network industry.

Areas which the Department currently intends to examine include:

12.1 Standards of Conduct and Consumer Voice

Given that only around three thousand residential customers in NI are currently served by registered heat networks the consumer voice risks being overlooked without clear regulatory safeguards. To address this, the Department, with UR, will consider the need for, and appropriate levels of, standards of conduct for heat network suppliers, and on the appropriate channels for consumer protection and consumer input to any standards.

12.1.1 Heat Network Technical Standards

Research has indicated that some heat networks are lower efficiency than consumers should expect. To ensure high-quality, reliable, and low-carbon heat networks, the Department will examine the costs and benefits of applying technical standards to heat networks in NI in future heat network policy development. One potential pathway would be to examine the ability for NI to draw on the Heat Network Technical Assurance Scheme (HNTAS), currently being developed by DESNZ for GB, or to explore the potential for NI to join HNTAS in future, subject to full policy alignment, any legislative changes that may be necessary, and agreement with the relevant GB authorities.

HNTAS is a performance-based assurance scheme designed to ensure that heat networks meet minimum technical standards - covering areas such as pipe insulation, water flow temperatures, and system reliability.

12.2 Licensing – Rights and Powers – Street Opening

The Department will also explore the option for entities to apply for a “rights and powers” licence where appropriate. Under provisions in the Energy Act, now being implemented in GB, this licence would grant statutory rights - such as access to land, permission to undertake street works, and the ability to lay infrastructure - similar to those held by electricity and gas network operators. The aim would be to streamline development, reduce delays associated with local permissions, and support the efficient rollout of low-carbon heat infrastructure.

The Department will engage further with the Department for Infrastructure to assess the suitability of this licensing model for the NI context.

12.3 Fair Pricing and Transparency

CMA conducted a Heat Networks Market Study in 2018 for GB¹⁰, DESNZ also conducted the “Heat Network Consumer and Operator Survey” (HNCOS) in 2022¹¹. The studies found no evidence of systematic overpricing. Most heat networks in the sample offered prices comparable to or lower than gas-based heating. While some instances of higher pricing were identified, the CMA did not recommend urgent market-wide intervention. While the similarities in the energy sector between GB and NI suggest that similar conditions apply today in NI, the Department is scoping research to assess the state of the heat network industry and consumers in NI to assist it in developing policy for future phases of heat network regulation in NI.

The initial regulations, transposing the HNMBR to NI will retain the limited billing transparency protections for NI consumers. The Department and UR will assess the need for a more comprehensive transparency and billing regime in future phases of heat network policy development.

12.3.1 Heat Price Transparency

There is currently a lack of transparency around pricing in the heat network sector, making it difficult for consumers to compare costs across schemes, and disclosure is not required under the HNMBR. Greater transparency would empower consumers to better understand and challenge their bills, particularly if they could see how their charges compare to similar networks or broader market trends.

As part of future policy development, the Department and UR will examine the costs and benefits of mandatory submission of tariff and pricing data by heat network suppliers and operators, with selected information made publicly available.

12.3.2 Fair Pricing Principles

As part of its assessment for the necessity of further development of the regulatory framework for heat networks, the Department will examine the needs of the NI market for authorisation conditions which include clear obligations around pricing. These conditions could require:

- Transparent and fair pricing practices, and
- Pricing where there are concerns about disproportionate or unjustified charges.

To support these obligations, the regulatory framework could incorporate a set of Fair Pricing Principles, which could be underpinned by enforceable rules, guiding principles, or a combination of both. These would provide a consistent basis for assessing pricing fairness across the sector

12.3.3 Cost Allocation – Maintenance and Capital Costs

Research conducted by the former Department for Business, Energy and Industrial Strategy (BEIS) on international heat network market frameworks¹² has provided insights into how other countries allocate costs between standing and variable charges.

The Department will seek legal advice on how local landlord and tenant law applies, particularly where the heat supplier is also the landlord.

The Department will review, as part of future policy development, whether improved disclosure in relation to cost allocation in consumers’ bills is warranted in NI.

12.3.4 Comparison Methodology and Benchmarking

When the NI heat network market develops, the Department will assess the need for a benchmarking approach to help consumers assess pricing within heat networks. We recognise that effective benchmarking will likely require robust data reporting from heat network operators.

The Department has now consulted on opportunities for low-carbon heat and energy efficiency measures at the individual property level and is developing a potential scheme. As a result, there may be a need to benchmark heat network pricing against low-carbon alternatives, such as individual property heat pumps, to ensure fair comparisons.

12.4 Step-In Arrangements

If a heat network were to fail, it is vital that there are adequate arrangements in place to ensure that consumers have a continued source of heating and hot water. It is also important to ensure that heat network operators are adequately managing the risk and impact of failure. In a scenario where a heat network has failed and a commercial outcome has not been successful, there are a range of possible interventions that could be used to ensure consumers stay on supply, which we have collectively called ‘step-in’. The Department and UR will assess the need for, and potential form of, any Step In arrangements, in future heat network policy development.

12.5 Protections for Consumers in Vulnerable Circumstances

Protecting consumers in vulnerable circumstances is a key priority for the Department. As outlined in our previous Market Framework consultation, one of the core outcomes we aim to achieve through the regulatory framework is: “Vulnerable consumers are identified, and are clear about the support available to them, including the protections they will receive in the event of a supply failure.”¹³

The Department and UR will assess the need for, and potential form of, vulnerable consumer protections in future heat network policy development.

12.5.1 Payment difficulties and disconnection

Ensuring visibility of consumption costs is key to helping consumers manage usage and avoid debt. Transparent metering and billing can reduce the risk of disconnection and support early intervention when payment difficulties arise.

The Department will seek advice from the housing sector in future policy development, on the need for, and the best structure of any support for customers struggling to pay their heat network bills, particularly where charges are embedded in rent or housing payments.

12.6 Smart Metering and Intelligent Data

Heat networks are well-suited to smart technologies, which go beyond traditional smart meters to enable more intelligent data collection and analysis. Heat networks are typically localised systems that generate, distribute and supply heat from a single source. This allows for metering at multiple points and integrated data collection.

In future policy development, the Department will seek to understand how smart metering and data-driven technologies can be integrated into the regulatory framework to support transparency, efficiency, and consumer empowerment.

12.7 Pre-property transaction information

The Department recognises the importance of ensuring that prospective consumers are fully informed before entering a property transaction involving a heat network. As noted in the Department's response to the previous consultation, there was strong support for introducing a minimum standard of information to be provided at the pre-contractual stage.

The Department will assess the need for, and potential form of, any pre-property transaction information in future policy development. The desired outcome is that prospective buyers or tenants are made aware - prior to and during a property transaction - that the property is connected to a heat network, and are provided with clear, accessible information.

12.8 Consumer Protection for Tenants and Non-Bill-Payers

Regulatory design must account for the unique position of tenants, who may not be the direct bill-payer or decision-maker in heat network arrangements. These issues are particularly relevant in social housing and multi-tenancy settings, and the Department will explore them further in consultation with the housing sector future heat network policy development to ensure that all consumers - regardless of their contractual status - are adequately protected with effective and cost-effective regulation.

The Department is currently scoping a heat network consumer and operator survey in NI, which alongside current HMNBR data and future data collection will be used to inform decision making on the need for further regulations.

The Department welcomes views on these areas as part of future policy development but is not seeking detailed responses at this stage.

13. Annex C - Consultation questions

Consultation question 1 (scope)

Do you agree with the types of heat networks that should be covered by these rules, and the types that should be out of scope?

Consultation question 2 (authorisation)

Do you agree with using an authorisation regime (rather than licensing) for heat network operators, including an automatic "deemed authorisation" for existing networks?

Consultation question 3 (metering and billing)

Do you consider that the existing approach to metering, billing and exemptions (as set out in the HNMBR) remains appropriate for the NI market when implemented through the proposed authorisation framework? If not, what changes would you propose?

Consultation question 4 (complaints)

What are your views on the potential benefits and risks of the illustrative three-step complaints route (operator → CCNI → UR for rule-compliance issues)?

Consultation question 5 (complaints code of conduct)

Do you agree with the proposal that heat network suppliers should have a Code of Conduct developed with CCNI and the UR as an authorisation condition?

Consultation question 6 (public register and information)

What information should be included on a public register of heat networks, and what additional low-cost information from suppliers, CCNI and the UR would help customers understand their heat network service?

Consultation question 7 (other comments)

Do you have any other comments on how the Department should exercise its powers under the Energy Act 2023 to deliver a proportionate and effective heat networks regulatory framework for Northern Ireland?

14. Annex D - Heat networks in Northern Ireland

According to the latest available data, NI has 97 heat networks notified under HNMBR, comprising 90 communal systems and 7 district heating networks.

Table 1 – Breakdown of Heat Networks notified under HNMBR in NI

Council Area	Number of networks: Communal Heating	Number of networks: District Heating	Total number of networks
Antrim and Newtownabbey	5	0	5
Armagh City, Banbridge and Craigavon	8	0	8
Belfast	24	1	25
Causeway Coast and Glens	11	1	12
Derry City and Strabane	8	4	12
Fermanagh and Omagh	7	0	7
Lisburn and Castlereagh	3	1	4
Mid and East Antrim	9	0	9
Mid Ulster	3	0	3
Newry, Mourne and Down	5	0	5
Ards and North Down	7	0	7
Northern Ireland	90	7	97

15. Annex E – Draft Impact Assessments

This policy has been assessed against Section 75 equality requirements, and has been screened out, as no Section 75 groups are deemed to be adversely affected. A full Equality Impact Assessment is not required. This assessment is available on the DfE website at [Heat networks in Northern Ireland - protecting consumers and setting up regulation](#)

An initial assessment for the Rural Needs Impact Assessment (RNIA) has indicated no adverse impact on those in rural areas. Heat networks can deliver benefits for rural areas where viable by providing a sustainable option in rural areas where the choices for decarbonised heating are more limited, to the benefit of agri-businesses and other rural consumers. A more detailed assessment will be completed once the policy has become more developed.

An initial draft Regulatory Impact Assessment (RIA) has been completed and has been published alongside this consultation.

References

- 1 [The Path to Net Zero Energy. Safe. Affordable. Clean.](#)
- 2 [Climate Change Act \(Northern Ireland\) 2022](#)(external link opens in a new window / tab)
- 3 [The Seventh Carbon Budget](#)(external link opens in a new window / tab)
- 4 [Spatial National Heat Study for District Heating Potential in Northern Ireland | Department for the Economy](#)
- 5 [CMA Heat networks Market Study](#)(external link opens in a new window / tab)
- 6 [Energy Act 2023](#)(external link opens in a new window / tab)
- 7 UR is already designated as the heat network regulator in the Energy Act 2023.
- 8 [The Heat Network \(Metering and Billing\) Regulations 2014](#)(external link opens in a new window / tab)
- 9 [Regulations: heat networks \(metering and billing\) - GOV.UK](#)(external link opens in a new window / tab)
- 10 [CMA Heat Networks Market Study](#)(external link opens in a new window / tab)
- 11 [Heat Network Consumer and Operator Survey 2022](#)(external link opens in a new window / tab)
- 12 [International Heat Networks Market Framework Review](#)(external link opens in a new window / tab)
- 13 [Heat Networks: Building A Market Framework](#)