The Heat Network (Metering and Billing) Regulations (HNMBR) affect owners and managers of heat networks in the UK. The regulations require heat network operators to notify the Secretary of State about their heat networks every four years and, where required, to install heat metering devices on those networks.

HNMBR is regulated by the Office for Product Safety and Standards (OPSS), part of the Department for Business, Energy and Industrial Strategy (BEIS).

In 2014, BEIS published the HNMBR as part of the UK’s response to the EU Energy Efficiency Directive (EED). The regulations aim to drive energy efficiency and transparency within heat networks to ensure that customers can monitor their energy usage and are provided with competitively priced energy.

ELIGIBILITY

You may need to comply with HNMBR if you charge for the supply of heating, cooling or hot water to an end customer in the UK through either of the following:

- A district heating network - two or more buildings with at least two end-users
- A communal heat network - a single building, with two or more end-users, such as an apartment or office block

CHANGES TO THE REGULATIONS

In November 2020, BEIS released the second part of the regulations introducing three building classes. These classes allow heat network operators to define if they must install heat meters or heat cost allocators across their buildings.

REQUIREMENT

Part 1 - Notification

The first part of the regulations, launched in 2014, requires heat network operators to complete a notification of data from all qualifying heat networks to BEIS.

The deadline for part one of the regulations was 31 December 2015, and the process must be repeated every four years from the date of the original submission.

Future notifications will require additional information regarding building classes (see part 2 below).

Part 2 - Installation

The second part of HNMBR came into effect on the 27 November 2020 and requires heat network operators to determine if they must install heat meters or heat cost allocators into their buildings.

To define which networks will be required to install, BEIS has introduced three building classes:

- Viable - Those who must install heat meters
- Open - Those who must complete a viability exercise to determine if they are required to install meters or heat cost allocators into their buildings
- Exempt - No action required

If buildings fall into the open class, heat network operators have until 27 November 2021 to complete a tool to assess whether it is cost-effective to install heat metering devices.
**BUILDING CLASSES**

**Viable - Must install heat meters**
- Buildings connected to a district heat network since 27.11.20.
- Buildings connected to a communal heat network since 1.9.22 (unless exempt or open).
- Buildings within district heat networks that have undergone major renovations (over 25% of the value of the building, excluding land cost) since 27.11.20.
- Buildings within a district heat network where meter installations have previously been mandatory.

**Open - must complete a viability exercise to determine if they should install heat meters or cost allocators**
- New buildings connected to a communal heat network between 27.11.20 - 1.9.22 (unless exempt).
- New buildings connected to a communal heat network after the 1.9.22 that are supported housing, Almshouse or purpose-built student accommodation or have more than one entry points for pipes (unless exempt).
- Existing buildings (not in the viable class) that have heat meters or cost allocators installed within the building.
- All other buildings that do not fall into the viable or exempt categories.

**Exempt - No action required**
- New buildings (connected to a communal heat network after 27.11.20) and existing buildings not consisting of mainly of private dwellings where heat is supplied by a system other than hot water or the cooling distribution system uses a transfer fluid other than water (unless viable).
- Existing buildings used for supported housing, Almshouse or purpose-built student accommodation (unless viable).
- Existing buildings covered by a lease that contains a provision that prevents billing based on metered consumption.

**SOCIAL HOUSING**

For social housing, this means that any existing communal or district heating systems that are not defined as supported housing fall into the open class, and you must complete the viability exercise to determine if you must install heat meters or heat cost allocators.

This includes self-contained social housing that is communally heated or district heated blocks. This covers a large proportion of social housing.

To find out how Anthesis can support you meeting these requirements, contact:

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COMPLYING WITH THE REGULATIONS

All heat network operators that are required to comply with part one of the notifications should continue to notify every four years, including the additional information on building classes required after 1 September 2022.

Under part two of the regulations, existing heat network operators must now determine which class their buildings fall into.

If your heat network falls into the open class, you must complete the BEIS viability tool by 27 November 2021. As a considerable amount of building and heating information is required to complete the tool, Anthesis may be able to assist you with this process.

If heat meter or heat cost allocator installation is required (i.e., those in the viable class or with a “yes you must install” result from the tool), you must complete the installation of all required devices by 1 September 2022.

WHY ANTHESIS?

Anthesis has supported BEIS with the regulations from the outset, including presenting alongside them at many HNMBR events.

Our team has significant experience with HNMBR having compliantly notified over 2,400 networks representing over 15% of all notifications made nationally during round one. Additionally, Anthesis was commissioned by BEIS to design and deliver the database into which all HNMBR notifications are uploaded.

Through our market-wide research on heat meter supply and installation costs, we are ideally placed to support you with notification, as well as to provide informed and accurate advice on the completion of the viability tool and costings on any required heat meters or heat cost allocators.

We also have a large in-house M&E engineering team with specialists in all types of buildings and heating systems, up to and including district heating systems. If you require support with HNMBR or heating systems, please get in touch.

KEY DATES

27 November 2021
Deadline to define building classes

27 November 2021
Deadline to complete the viability tool (if required)

1 September 2022
Deadline for installation of heat devices

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