

Decision

Heat network regulation: authorisation conditions for Registration, Nominated operator, and Notification of changes

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This document sets out our decision for the consultation [Heat networks regulation: authorisation conditions for Registration, Nominated operator, and Notification of changes](#) (the consultation), which was published on 25 August 2025.

It provides a summary of stakeholder responses to each question in the consultation and outlines the details of our decisions, including any updates to the drafting of authorisation conditions. Updated draft authorisation conditions are included in an appendix to this document.

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1. Introduction

Section summary

This section introduces our decision following consultation on three proposed authorisation conditions for heat networks. It reiterates the purpose of the conditions and summarises stakeholder feedback and next steps.

In August 2025, we consulted on three draft authorisation conditions under the forthcoming heat networks regulatory framework. These conditions set out obligations for authorised persons and are designed to support the transition to regulation and ensure effective oversight of heat networks. The three draft authorisation conditions we consulted on are:

Registration with the Authority

This authorisation condition requires entities deemed authorised under the [Heat Networks \(Market Framework\) Regulations 2025](#) (the regulations) to register their heat networks and provide key information about their activities.

Nominated operator

This authorisation condition establishes a requirement for heat networks with multiple operators to nominate a single point of contact for regulatory engagement.

Notification of changes

This authorisation condition introduces an obligation for authorised persons to inform us of material changes to their heat networks or activities, such as supplying domestic consumers for the first time.

These authorisation conditions are intended to underpin regulatory framework objectives and will be formalised ahead of coming into effect at the following times:

- Registration with the Authority: 27 January 2026
- Nominated operator: 27 January 2026
- Notification of changes: at a future date to be confirmed and subject to further digital service development

Overview of consultation responses

The consultation sought stakeholder views on whether the draft authorisation conditions accurately reflect the policy intent we have previously communicated, and invited feedback on drafting. Stakeholders broadly agreed with the drafting for each condition, with constructive feedback highlighting areas for refinement of drafting and issues to be addressed in guidance.

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We received 18 consultation responses from a range of stakeholders, including:

- operators
- suppliers
- housing associations
- consumer organisations
- trade bodies

Following this consultation, we have decided to proceed with the Registration and Nominated Operator authorisation conditions, with some updates to drafting to address stakeholder feedback.

Shortly following publication of this response, the updated draft authorisation conditions for Registration and Nominated operator will be included in a statutory consultation on all authorisation conditions that are scheduled to take effect from 27 January 2026.

The Notification of changes authorisation condition will not come into effect in January 2026. Implementation of this condition in future will depend on the delivery of digital service functionality to support notifications. Stakeholder feedback has been valuable in shaping this policy area, and we will continue to engage with stakeholders as we develop guidance and consult further before implementation.

Decision-making stages

Stage 1 Consultation open: 25 August 2025

Stage 2 Consultation closed (awaiting decision): 23 September 2025

Stage 3 Responses reviewed

Stage 4 Consultation outcome (decision) and responses published: 3 November 2025

Related publications

This document may be read in conjunction with the following publications:

- our [2025 decision on heat networks authorisation and regulatory oversight](#) (2025 decision)
- the [2025 government response to the joint consultation on implementing consumer protections for heat networks](#) (2025 government response)
- the [updated draft authorisation conditions](#) published with the above 2025 government response
- the [Heat Networks \(Market Framework\) Regulations 2025 Statutory Instrument \(HNMFRI SI\)](#) (the regulations)

2. Registration with the authority authorisation condition

Section summary

We consulted on the drafting of the Registration authorisation condition, which will require authorised persons to register their heat networks with us. Stakeholders broadly agreed this reflects the policy intent and the feedback highlighted some areas which we will clarify in our guidance for registration.

Question analysis

Consultation question

Q1. Do you agree or disagree that the draft Registration authorisation condition reflects the policy intent? Please explain your answer.

Table 1: Response summary for consultation question 1

Response	Number of responses	Percentage of responses
Agree	15	83.3%
Neither agree nor disagree	2	11.1%
Disagree	1	5.6%
Comments	17	

- 2.1 Fifteen stakeholders (83.3%) agreed that the draft authorisation condition for Registration reflects the policy intent, demonstrating broad agreement in response to this question.
- 2.2 Two stakeholders neither agreed nor disagreed, citing lack of clarity around definitions and operational feasibility.
- 2.3 One stakeholder disagreed, raising concerns about accessibility and administrative burden for smaller or legacy operators.
- 2.4 Stakeholders generally expressed strong support for the principle of registration but emphasised the need for practical implementation. Five stakeholders highlighted the importance of a reliable digital platform, with concerns about usability, fallback mechanisms, and bulk upload functionality. Six stakeholders raised issues around multi-party networks, noting that fragmented responsibilities and poor record-keeping could hinder compliance. Three stakeholders stressed the need for proportionality, particularly for legacy networks with incomplete data.

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- 2.5 There was a consistent call for clearer guidance in responses. Nine stakeholders requested detailed definitions (e.g., ‘heat network’, ‘operator’) and worked examples to support compliance with obligations. Four stakeholders raised concerns about the requirement to disclose contractual arrangements, suggesting declarations should suffice to protect commercially sensitive information. Two stakeholders questioned the distinction between deemed and formal authorisation, arguing that registration effectively acts as a gateway to the regulated market.

Ofgem response

- 2.6 We will proceed with the Registration authorisation condition as drafted, reflecting the broad agreement from stakeholders that the authorisation condition drafting reflects the policy intent. A draft of this authorisation condition is included on page 15.
- 2.7 Ahead of finalisation and publication, this authorisation condition will be included in a statutory consultation of all authorisation conditions that are due to come into effect from 27 January 2026.
- 2.8 We will deliver a digital service to enable regulated entities to fulfil their obligations under this authorisation condition by registering their heat networks with us. This service is expected to launch in spring 2026 and is being designed to be user-friendly and capture only the minimum information required for regulatory purposes.
- 2.9 Bulk upload functionality is not currently included in the scope of the digital service, but the digital service will aim to minimise administrative burden and ensure accessibility. We recognise the importance of a robust and reliable digital service for regulated entities to meet their obligation to register and will provide support to users and produce resources to assist in navigation of the service.
- 2.10 In the coming months, we will be consulting on draft guidance to support registration. This will cover the information requirements for operators and suppliers that we set out in our previous [2025 decision](#), including where activities are split across multiple parties.
- 2.11 Where activities are subcontracted to other parties, the regulated entity remains responsible for meeting regulatory obligations and ensuring their contractual arrangements enable them to provide required information for registration.
- 2.12 The regulated entity may instruct an agent to complete registration on their behalf. This may be appropriate if information and expertise sit with another party.
- 2.13 Guidance for registration will also cover the roles of operator and supplier, and the registration of shared ground loop systems. Definitions of key terms used throughout authorisation conditions have been published in the [2025 government](#)

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[response](#). These will also be included in the upcoming statutory consultation on authorisation conditions.

- 2.14 Registration of heat networks is intended to gather essential details and baseline information about existing heat networks. The process will ask for information about compliance with the new regulations, however, declaring non-compliance will not prevent a regulated entity from completing registration. This information is required to identify compliance gaps in the market generally, as well as individual heat networks. Resources will be available to enable regulated entities to understand the required actions to achieve compliance, and early engagement is encouraged.
- 2.15 The registration process will not be used to determine authorisation, which is automatically given by the regulations, referred to as ‘deemed authorisation’. Under the regulations, persons with deemed authorisation are treated as if authorisation has been conferred though a decision by Ofgem. In future, following the deadline for registration, new heat networks will require authorisation by application to Ofgem, prior to the commencement of regulated activity.

3. Nominated operator authorisation condition

Section summary

We consulted on the drafting of the Nominated operator authorisation condition, which will require operators for heat networks with multiple operators to agree and nominate one party to act as a single point of contact for regulatory engagement. Stakeholders mostly agreed this reflects the policy intent but highlighted some areas of concern. Following feedback, we have amended the drafting of the condition to address concerns, and will make further clarifications in guidance.

Question analysis

Consultation question

Q2. Do you agree or disagree that the draft Nominated operator authorisation condition reflects the policy intent? Please explain your answer.

Table 2: Response summary for consultation question 2

Response	Number of responses	Percentage of responses
Agree	13	72.2%
Neither agree nor disagree	5	27.8%
Disagree	0	0.0%
Comments	17	

- 3.1 Thirteen stakeholders (72.2%) agreed the drafting of the Nominated operator authorisation condition reflects the policy intent, recognising the value of having a single party as the point of engagement.
- 3.2 Five stakeholders neither agreed nor disagreed, citing unresolved concerns about implementation of the policy.
- 3.3 No stakeholders expressed disagreement with the question.
- 3.4 Stakeholders welcomed the concept but raised concerns about implementation. Several requested clearer definitions of the nominated operator's duties, especially in complex arrangements involving asset owners, billing agents, and landlords. The drafting term 'reasonable endeavours' was flagged as vague and unenforceable, with calls for prescriptive guidance. Concerns were also raised about dispute resolution and Ofgem's intervention process, with requests for a transparent framework.

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- 3.5 Smaller operators expressed concern about being unfairly burdened, highlighting the risk of being held accountable for failures caused by third parties. Some proposed allowing shared or delegated responsibilities to reflect operational realities. Others requested guidance on cost-sharing mechanisms and statutory timelines for cooperation.

Ofgem response

- 3.6 We will proceed with the Nominated operator authorisation condition, as stakeholders broadly agreed that the drafting reflects the policy intent. However, we have refined the condition to address concerns raised during consultation. An updated draft of this authorisation condition is included on page 17.
- 3.7 To ensure consistency across all authorisation conditions, paragraph 1.1 of the Nominated operator authorisation condition now refers to ‘a person who is treated as authorised’ rather than ‘authorised person’. This change clarifies that the obligations apply to those with deemed authorisation under the regulations and not to future authorisations granted by application.
- 3.8 We have also amended paragraph 1.2, replacing ‘all reasonable endeavours’ with ‘reasonable endeavours’. This adjustment more closely aligns with the intended policy approach, ensuring that the expectation placed on operators is proportionate.
- 3.9 We have removed paragraph 1.3, which previously proposed that Ofgem may nominate an operator where agreement could not be reached. Having considered stakeholder feedback, we will not take forward this proposal at this time. We will keep this under review and may propose further change in the future, if we see evidence that this sort of intervention may be required.
- 3.10 Alongside these drafting changes, we will publish detailed guidance to support implementation. This guidance will further explain the duties of the nominated operator, and clarify interactions between operators and other parties.
- 3.11 It is important to emphasise that the purpose of this condition is to streamline communication between Ofgem and regulated entities for networks with multiple operators. It does not transfer regulatory responsibility to the nominated operator. All operators undertaking a regulated activity remain authorised and accountable for compliance.

4. Notification of changes authorisation condition

Section summary

We consulted on the drafting of the Notification of changes authorisation condition, which will require authorised persons to notify us of significant changes they have made to their heat networks. This question received mixed responses from stakeholders, with most agreeing but some highlighting areas where further clarity is required. In our response we note that this authorisation condition is subject to delivery of digital functionality to support implementation.

Question analysis

Consultation question

Q3. Do you agree or disagree that the draft Notification of changes authorisation condition reflects the policy intent? Please explain your answer.

Table 3: Response summary for consultation question 3

Response	Number of responses	Percentage of responses
Agree	10	55.6%
Neither agree nor disagree	7	38.9
Disagree	1	5.6%
Comments	16	

- 4.1 Ten stakeholders (55.6%) agreed the draft Notification of changes authorisation condition reflects the policy intent.
- 4.2 Seven stakeholders (38.9%) neither agreed nor disagreed, citing lack of clarity and concerns about enforcement.
- 4.3 One stakeholder (5.6%) disagreed, warning that the exclusion of network expansions could undermine regulatory effectiveness.
- 4.4 Stakeholders broadly supported the intent but raised significant concerns. Many emphasised the need for a clear and consistent definition of ‘material change’ to avoid over or under-reporting.
- 4.5 There was a strong demand for detailed guidance and worked examples to support compliance. Concerns were raised about compliance risks due to vague criteria, including retrospective enforcement and penalties.

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- 4.6 Some stakeholders highlighted the potential impact on investment, particularly for legacy networks requiring upgrades.
- 4.7 Others raised concerns about responsibility in multi-party networks, asking for clarity on who must notify Ofgem.
- 4.8 Suggestions were made for grace periods and transitional arrangements to ease implementation.
- 4.9 Concerns were also expressed about the readiness and usability of the digital service.

Ofgem response

- 4.10 As confirmed in the consultation document, we will not implement the Notification of changes authorisation condition in January 2026 alongside other conditions. Timing of its introduction will be dependent on the delivery of digital service functionality that can support notifications effectively. This approach ensures that regulated entities have a practical and reliable mechanism for compliance.
- 4.11 Stakeholder feedback at this early stage has been extremely valuable. We will use these insights to shape the development of this policy area and the supporting processes. In particular, we note the strong call for clarity on what constitutes a ‘material change’ and the request for specific examples to guide compliance. These points will be central to the guidance we will produce in future.
- 4.12 Future development of this condition will involve further engagement with stakeholders. We will consult on draft guidance before implementation, ensuring that definitions, examples, and responsibilities are clear and proportionate. Our aim is to provide a framework that supports transparency and regulatory oversight without creating unnecessary administrative burden.
- 4.13 A draft of this authorisation condition is included on page 18.

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5. Next Steps

- 5.1 Final versions of the Registration and Nominated operator authorisation conditions will be published in early 2026. The Notification of changes authorisation condition will be subject to further development and will be implemented subject to the delivery of supporting functionality in the digital service.
- 5.2 We are currently developing guidance for the Registration and the Nominated operator authorisation conditions which will be consulted on before finalisation in early 2026.

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Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this decision. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to stakeholders@ofgem.gov.uk.

Appendix 1. Registration with the Authority – draft authorisation condition

Condition Title: Registration with the Authority

Condition Number: [xx]

Introduction to condition

This condition contains registration requirements for authorised persons who are carrying on a regulated activity during the first part of the initial period and are therefore deemed authorised under the Regulations.

Proposed text of condition

Obligation to provide registration information

- 1.1 Before the end of the first part of the initial period, subject to paragraphs 1.2 to 1.4, the authorised person must, by means of the Authority's arrangements for registration described on the Authority's Website and/or in guidance issued by the Authority:
- 1.1.1 inform the Authority of each regulated activity that it carries on; and
 - 1.1.2 provide the Authority with information as the Authority requires under its arrangements for registration, including information relating to:
 - (a) the nature of the activities carried on, the way in which they are carried on, and any contractual arrangements relating to such activities;
 - (b) the relevant heat network(s) at which the activities are carried on;
 - (c) itself, and any other authorised person(s) carrying on a regulated activity at or by means of such relevant heat network(s);
 - (d) its financial status, ownership, and organisational structure.
 - (e) the heat network consumers supplied by means of the relevant heat network(s), including any relevant characteristics of such consumers and their billing arrangements; and
 - (f) matters relevant to the authorised person's compliance with the authorisation conditions.

Registration by a supplier following the operator-led registration process

- 1.2 Where the authorised person carries on the regulated activity of supply by means of a relevant heat network but does not also operate that relevant heat network:
- 1.2.1 the authorised person must co-operate with the operator(s) of the relevant heat network, including by providing relevant information to the operator(s), to facilitate the timely discharge by the operator of its obligation under paragraph 1.1; and

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- 1.2.2 the authorised person's obligation under paragraph 1.1 in relation to that relevant heat network shall be treated as not having arisen until at least one operator has discharged its obligation under paragraph 1.1.

Registration in the case of a relevant heat network with multiple operators

- 1.3 Where:
 - 1.3.1 in accordance with regulation 13(4)(b), the authorised person and one or more other authorised persons each operates a relevant part of a relevant heat network;
 - 1.3.2 the authorised person has agreed with one such other authorised person that such other authorised person will submit the information required by paragraph 1.1 in relation to each of them and the relevant heat network; and
 - 1.3.3 such other authorised person submits such information,
- the authorised person will be taken to have complied with its obligation in paragraph 1.1 in relation to that relevant heat network.

Appendix 2. Nominated operator – draft authorisation condition (updated)

Condition Title: Nominated Operator

1. Condition Number: [xx]

Introduction to condition

This condition aims to ensure that, where one or more persons are treated as authorised operators of a relevant heat network in accordance with regulation 13(4)(b) of the Regulations, one such operator is nominated to be the single point of contact between the Authority and the operators of the relevant heat network.

Proposed text of condition

- 1.1 Paragraphs 1.2 to 1.6 apply for the purpose of facilitating the exercise of the Authority's functions where, in accordance with regulation 13(4)(b), a person who is treated as authorised and one or more other persons treated as authorised each operates a relevant part of a relevant heat network.
- 1.2 The authorised person must use reasonable endeavours to:
 - 1.2.1. agree with the other operators which of them is to act as the contact point with the Authority on behalf of each of them in respect of the relevant heat network (the "nominated operator"); and
 - 1.2.2. ensure that the Authority is notified of the agreed nominated operator.
- 1.3. Where the authorised person is the nominated operator for a relevant heat network, the authorised person must promptly provide:
 - 1.3.1. information and notifications to the other operators of the relevant heat network following receipt of relevant information or notifications from the Authority.
 - 1.3.2. information and notifications to the Authority following receipt of relevant information or notifications from another operator of the relevant heat network; and
 - 1.3.3. such co-operation and coordination as may be reasonably required to ensure that each operator is able to comply efficiently and effectively with its obligations under the authorisation conditions and/or to facilitate the exercise of the Authority's functions.
- 1.4. Where another authorised person is the nominated operator for a relevant heat network, the authorised person must promptly provide information and notifications to the nominated operator as may be reasonably required.
- 1.5. The obligations in this condition are additional, and without prejudice, to the obligations in the [*Operator Standards of Conduct AC*].

Appendix 3. Notification of changes – draft authorisation condition

Condition Title: Notification of Changes

Condition Number: [xx]

Introduction to condition

This condition contains an obligation on the authorised person to notify the Authority of certain changes to enable the Authority to identify where the authorised person's obligations under the authorisation conditions may change, for example as a result of the authorised person commencing supply to domestic heat network consumers.

This condition is not intended to capture a situation in which the authorised person commences carrying on a new regulated activity. Where the authorised person commences carrying on a new regulated activity during the first part of the initial period, the authorised person will be required to update its registration. After that point, the authorised person will be required to apply to the Authority for authorisation for a new regulated activity in accordance with the application regulations that are being developed.

Proposed text of condition

- 1.1 Where the authorised person operates a relevant heat network, the authorised person must notify the Authority of any material change to that relevant heat network or to the way in which it is operated.
- 1.2 Where the authorised person supplies heating, cooling or hot water by means of a relevant heat network, the authorised person must notify the Authority of any material change to the type of Consumers supplied, including where the authorised person supplies Domestic Consumers for the first time.
- 1.3 The notification provided by an authorised person pursuant to paragraphs 1.1 or 1.2 must be provided in accordance with any guidance issued by the Authority including in relation to:
 - 1.3.1 the form of the notification.
 - 1.3.2 the manner of the notification and the means by which such notification is made;
and
 - 1.3.3 the timing of such notification.
- 1.4 The meaning of a material change for the purpose of this condition shall be interpreted in accordance with any guidance issued by the Authority, and whether there has been a material change will be judged by reference to the information last provided to the Authority, whether under this condition, the [*Registration AC*], or an application for a heat network authorisation.