

# Decision

## Heat networks regulation: Registration Guidance

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Publication date: 23 January 2026

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This decision sets out our final position following consultation on draft guidance for registration. Stakeholders were generally supportive of the draft guidance, especially its explanation of regulated roles and exemptions, but sought greater clarity on how the framework applies in complex or multi-party arrangements, calling for clearer definitions, boundaries, and practical examples.

Stakeholders also emphasised the need for proportionate treatment of very small, self-supply and low-risk networks, as well as tailored guidance for sectors such as social housing and education. Across the guidance, stakeholders asked for more structured processes, including clearer evidence requirements, dispute-resolution mechanisms, alongside digital functionality to support large portfolios.

This decision includes our response to feedback from stakeholders, and we have published a final version of the guidance alongside this decision.

The final guidance maintains our overall approach to the scope of regulation, registration and multiple-operator arrangements while improving clarity through strengthened drafting, added detail and cross-references to relevant regulations, authorisation conditions and other guidance. It explains how the framework applies to self-supply, industrial and shared ground loop networks, clarifies exemptions and provides more detail on operator roles in layered management structures.

Refinements to the registration section clarify evidence requirements, the order of obligations between operators and suppliers, and the treatment of declared non-compliance.

For multiple-operator networks, the guidance continues a non-prescriptive approach to avoid impacting established arrangements. It clarifies that nominated operators serve as the primary regulatory contact without assuming liability for others, with expectations applied proportionately on a case-by-case basis.

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# 1. Introduction

## Purpose and scope

We consulted on the draft guidance for registration to support implementation of the heat networks regulatory framework. The guidance is intended to assist in determining whether activities are within the scope of regulation and to help authorised persons to understand how to register, and how responsibilities work in multiple operator settings. This document provides a summary of stakeholder feedback and details our decisions regarding updates to the final guidance.

## Overview of consultation responses

Stakeholders broadly support the draft guidance, valuing clarity on regulated roles and exemptions. Respondents most frequently called for proportionality in the approach to regulation of small or self-supply heat networks, clarity on the treatment of connected or embedded networks, and a decision framework for determining ‘substantial control’ of heat network assets. Calls for the digital service to support the bulk upload of heat network information, clarity on roles and vulnerability data handling, and worked examples were also prominent.

## Decision-making stages

**Stage 1** Consultation open: 17 November 2025

**Stage 2** Consultation closed: 15 December 2025

**Stage 3** Responses reviewed

**Stage 4** Consultation outcome (decision) and responses published: 23 January 2026

## 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 \(HNMFR SI\)](#) (the regulations)

## 2. Proposed guidance for the scope of heat networks regulation

### Section summary

We consulted on draft guidance for the scope of heat networks regulation, including guidance on key definitions, and how the regulatory framework applies across different heat network arrangements. Stakeholders broadly agreed with this section of the guidance but also sought clarity on specific heat network types and complex arrangements.

### Question analysis

#### Consultation Question

Q1. Do you agree with the proposed guidance for the scope of heat networks regulation?

Table 1: Response summary for consultation question 1

Response	Number of responses	Percentage of responses
Agree	13	61.9%
Partially agree	8	38.1%
Disagree	0	0.0%
Not answered	0	0.0%

2.1 Thirteen stakeholders (61.9%) agreed with the proposed guidance for the scope of heat networks regulation, with some noting it is clear and useful, particularly valuing the definitions of operator, supplier, and relevant heat network, as well as the explanation of exemptions.

2.2 Eight stakeholders (38.1%) partially agreed but also called for worked examples for complex arrangements such as social housing, education sites, embedded or connected networks, and tighter criteria for terms like 'substantial control'. Responses also included general calls for a proportionate regulatory approach to very small or self-supply heat networks.

2.3 No stakeholders disagreed with the question, but eight respondents' comments indicated the need for further clarification on definitions and boundaries, particularly for connected networks and multi-party arrangements.

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- 2.4 Five stakeholders requested a glossary of terms and cross-references to relevant regulations to link users to other documents that set out regulatory scope.
- 2.5 Four stakeholders requested clarification on the treatment of connected networks, including whether each connected network requires separate authorisation and how consumer protections and pricing oversight will work across boundaries.
- 2.6 Three stakeholders called for a decision framework for determining 'substantial control' of heat network assets, including setting out a hierarchy of factors such as contractual rights, operational decision-making, and investment control.
- 2.7 Three stakeholders highlighted the need for worked examples and cross-references to regulations in the guidance text to explain bulk supply, the role of managing agents, ESCos, layered social housing models, and types of student accommodation.
- 2.8 Two stakeholders said the guidance should include explicit thresholds or tailored treatment for very small or self-supply networks to avoid disproportionate compliance burden.
- 2.9 Two stakeholders called for clear guidance for education sites, noting that minimal consumer risk and sector resource constraints should be considered.

## **Ofgem response**

We are proceeding with our overall approach to guidance on the scope of regulation and have strengthened drafting in the final published guidance to improve clarity in response to stakeholder feedback.

We have added further detail to the guidance which covers self-supply, industrial and Shared Ground Loop (SGL) heat networks and explains how the regulatory framework applies in these cases. We have included examples and specified the authorisation conditions that do not apply for self-supply and industrial heat networks.

We acknowledge stakeholder requests for exemptions for specific scenarios. However, we note that our guidance in this area is based on policy positions that have been established through previous consultations. In the final guidance, we have clarified the status of third-party waste heat producers and how exemptions may be invoked.

The heat networks market is diverse. As such, our guidance is general, with limited content that is specific to a particular sector. To support the transition to regulation, we intend to engage with different sectors of the market and may produce resources targeted to their specific circumstances.

In the final version of the guidance, we have incorporated references to authorisation conditions and relevant legislation to link to defined terms, and, in certain sections, added diagrams to further support users' understanding.

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We have added further detail about the operator role to describe typical scenarios in the leasehold sector and give clarity on how operator status may be determined in layered management structures. Due to the potential for different arrangements across the sector, we have not included a prescribed framework for establishing ‘substantial control’.

### 3. Registering a heat network

#### Section summary

We consulted on draft guidance for registering a heat network, including detail of process steps and the information required from authorised persons. Stakeholders welcome the digital service for registration and clear explanation of baseline data requirements in guidance. Stakeholders called for a bulk upload functionality as part of the digital service, clearer definition of roles in registration, supplier and operator dependencies, expectations on vulnerability data, and provision of practical examples.

#### Question analysis

##### Consultation Question

Q2. Do you agree with the proposed guidance for registering a heat network?

Table 2: Response summary for consultation question 2

Response	Number of responses	Percentage of responses
Agree	6	28.6%
Partially agree	13	61.9%
Disagree	1	4.8%
Not answered	1	4.8%

- 3.1 Six stakeholders (28.6%) agreed with proposed guidance for registering a heat network, describing it as helpful and clear, and expressing support for a digital service.
- 3.2 Thirteen stakeholders (61.9%) partially agreed, requesting more detail on process, roles, and practical improvements for large portfolios and vulnerable consumer data.
- 3.3 One stakeholder (4.8%) disagreed, citing unresolved issues around bulk suppliers and regulatory contact definitions.

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- 3.4 Eight stakeholders requested clarity on evidence requirements, compliance declarations, and best practice for determining whether persons with Significant Managerial Responsibility or Influence (SMRI) are fit and proper.
- 3.5 Seven stakeholders commented on the importance of explicit dates and process milestones, including regular updates on portal launch and the registration window. Three stakeholders said the digital service should include bulk upload functionality and user-friendly digital platforms, with clear guidance and support for those with large portfolios.
- 3.6 Four stakeholders called for clarity on dependencies between suppliers and operators and proposed functionality for suppliers to notify Ofgem of readiness to register and fallback arrangements if operators delay.
- 3.7 Two stakeholders emphasised the need for data collection processes for vulnerable consumers, with clear milestones and reporting requirements.
- 3.8 Two stakeholders called for worked examples and case studies for common scenarios, such as managing agent as supplier, asset owner as operator, and multi-phase developments.
- 3.9 Two stakeholders highlighted concerns about fragmented records, legacy contracts, and adversarial relationships between operators and suppliers, with requests for prioritisation of critical data and fallback mechanisms for non-cooperation.

## Ofgem response

We are proceeding with our overall approach to guidance on registration with some refinements to improve understanding in this area.

We can confirm that bulk upload functionality will not be included as part of the digital service for registration. As outlined in the guidance, registration captures high-level information about authorised persons and their networks. Bulk upload functionality will be considered for future services such as regular data monitoring.

Stakeholders highlighted the dependency between operators and suppliers to complete the registration. In guidance, we have confirmed that the supplier's obligation to register does not come into effect until the operator has completed their component. Suppliers are encouraged to contact us if this issue arises.

In final guidance, we have clarified that where non-compliance is declared as part of registration, this will not prevent an authorised person from completing the process. This forms part of our approach of using registration to establish a baseline of compliance in the market.

Our updates to this section of the guidance also include links to definitions and other information in relevant regulations, authorisation conditions and other guidance.

### 4. Heat networks with multiple operators

#### Section summary

We consulted on draft guidance for heat networks with multiple operators.

Stakeholders support the nominated operator concept for clarity in engagement but seek stronger guidance on dispute handling, duties and cooperation mechanisms.

#### Question analysis

##### Consultation Question

Q3. Do you agree with the proposed guidance for heat networks with multiple operators?

Table 3: Response summary for consultation question 3

Response	Number of responses	Percentage of responses
Agree	11	52.4%
Partially agree	9	42.9%
Disagree	0	0.0%
Not answered	1	4.7%

- 4.1 Eleven stakeholders (52.4%) agreed, supporting the nominated operator model and its clarity for regulatory engagement.
- 4.2 Nine stakeholders (42.9%) partially agreed, highlighting the need for more detailed guidance on dispute resolution, clearer responsibilities, and practical mechanisms for multi-party arrangements.
- 4.3 No stakeholders disagreed, but two stakeholders called for escalation routes and sector-specific guidance.
- 4.4 Six stakeholders commented on ambiguity in language and process, requesting clear definitions and examples to guide behaviour and decision-making in nomination disputes.
- 4.5 Four stakeholders said the guidance should include clear dispute resolution and escalation processes, including Ofgem's intervention mechanisms.
- 4.6 Four stakeholders called for detailed guidance on the division of responsibilities between nominated and non-nominated operators, especially in complex or layered arrangements.

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- 4.7 Two stakeholders raised concerns about the administrative burden and incentives for nominated operators, as well as the risk of being held responsible for issues caused by other parties.
- 4.8 Two stakeholders called for sector-specific guidance, particularly for education and other sectors with unique governance arrangements.
- 4.9 Two stakeholders emphasised the importance of cooperation and effective information sharing between operators, to avoid bottlenecks or compliance risks if other operators fail to cooperate.
- 4.10 One stakeholder suggested nomination and information-sharing obligations should be formalised in operator agreements at an early stage.

## Ofgem response

We are proceeding with our overall approach to guidance on heat networks with multiple operators. Below we have provided comments in response to stakeholder feedback.

In our [2026 decision on authorisation conditions](#) which included the nominated operator authorisation, we outlined our expectation that where multiple parties control different parts of a physical network, they may have established arrangements for decision making. We highlighted the risk of impacting established, effective arrangements by prescribing a process and noted the importance of retaining flexibility for parties to determine an approach best suited to their circumstances.

We have also confirmed in our [2025 decision](#) following consultation on authorisation conditions for registration, nominated operator and notification of changes, to not take forward our proposal to reserve the right to nominate an operator where agreement cannot be reached between the parties involved.

As such, our final guidance on multiple operator scenarios does not extend to decision making or dispute resolution. We will continue to keep this policy area under review during the registration period and will consider where changes may be required.

In our final guidance drafting, we have clarified that this policy applies to scenarios where multiple parties, as operators, are in control of different parts of the physical heat network infrastructure.

We have also clarified that the responsibilities of the nominated operator are limited to their role as the primary point of contact and communication channel between the regulator and other operators for the network. Other operators for the heat network retain their regulatory responsibilities and the nominated operator does not adopt any regulatory liability for the actions of these other parties.

The nominated operator authorisation condition is intended to reduce complexity of regulatory engagement for heat networks with multiple operators. We anticipate that multiple operator scenarios will involve unique circumstances and arrangements

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between parties. As such, our expectations of how parties will comply with the nominated operator requirement will be proportionate and we will take a case-by-case approach.

## **5. Next steps**

We will publish a final version of the registration guidance together with this decision document, that incorporates the changes we have outlined.

We intend to produce further resources to support regulated entities to navigate the digital service for registration and prepare for regular data reporting.

## 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](mailto:stakeholders@ofgem.gov.uk).