

# Guidance

## Heat network registration (draft guidance)

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Team: Heat Networks

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Email: [HeatNetworksRegulation@ofgem.gov.uk](mailto:HeatNetworksRegulation@ofgem.gov.uk)

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This guidance is for authorised persons operating or supplying a relevant heat network during the [first part of the initial period](#), as set out in regulation 26 of the [Heat Networks \(Market Framework\) Regulations 2025](#) (the regulations), and therefore required to complete heat network registration.

This guidance explains roles and responsibilities under the heat networks regulatory framework and outlines the obligations set out in the Registration with the Authority authorisation condition. It also details the information that must be submitted as part of registration and describes what happens after a registration has been completed.

It also explains obligations under the Nominated operator authorisation condition that apply where more than one entity is undertaking the regulated activity of operation of a relevant heat network.

This guidance is not relevant to authorised persons who have commenced regulated activity after the first part of the initial period.

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# 1. Introduction

Ofgem is the designated regulator for heat networks in England, Scotland, and Wales (Great Britain). Under the [Heat Networks \(Market Framework\) Regulations 2025](#) (the regulations), any person undertaking regulated activity on a relevant heat network from 1 April 2025 is required to be authorised. From 27 January 2026, a range of authorisation conditions on consumer protection and supporting regulatory provisions come into effect and authorised persons are required to comply with them.

## Scope

This guidance explains the scope of heat networks regulation including key definitions, clarification on what activity the regulations apply to, and how responsibilities map to the physical boundaries of heat networks.

The guidance:

- covers the requirement to register set out in the Registration with the Authority authorisation condition, which applies to persons who are deemed authorised under the regulations
- provides an overview of how regulated entities must register their heat network activities with us and sets out the information that must be provided through this process.
- details what regulated entities should do following registration and points to information on further obligations under the regulatory framework
- includes information specific to the registration of Shared Ground Loop (SGL) heat networks.

The guidance also explains obligations under the Nominated operator authorisation condition which applies to heat network operators of networks where more than one entity is undertaking the regulated activity of operation.

## Purpose

The purpose of this guidance is to help heat network operators and suppliers with deemed authorisation to understand their obligation to register with us.

Where there are multiple operators for a heat network, the guidance is intended to assist in understanding obligations that apply under the Nominated operator authorisation condition.

This guidance does not apply to regulated activity that commences after the end of the first part of the initial period, and which must be authorised by application to Ofgem. Detailed guidance covering authorisation by application will be published in future.

## Context and related publications

This guidance can be read in conjunction with other related publications:

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- the [Heat Networks \(Market Framework\) Regulations 2025](#), which set out the regulations that govern the framework for heat networks regulation
- the heat network authorisation conditions, which set out obligations for authorised persons undertaking regulated activity on a heat network
- the consumer protection guidance, which explains the rules and requirements set out in authorisation conditions relating to consumer protection rules such as Standards of Conduct, quality of service, billing and transparency, back-billing, heat supply contracts, protections for vulnerable consumers, and the security of supply
- the financial resilience guidance, which explains the rules and requirements set out in the financial resilience authorisation condition
- the fair pricing and cost allocation guidance, which aims to support heat networks to comply with fair pricing rules that come into effect from January 2026
- the regular data reporting guidance, which is intended to help operators and suppliers meet requirements outlined in the authorisation condition for Provision of information to the Authority.

### **Updates to this guidance**

This guidance may be updated from time to time following consultation with stakeholders on proposed changes.

## 2. Scope of heat networks regulation

### The regulated activities

- 2.1 Under the regulations, authorisation is required to undertake regulated activity on a relevant heat network. The regulated activities are:
- operating a relevant heat network (operation)
  - supplying heating, cooling or hot water to heat network consumers by means of a relevant heat network (supply)
- 2.2 In this guidance, we refer to the entity undertaking operation as the ‘operator’ and the entity undertaking supply as the ‘supplier’.
- 2.3 While these roles are distinct in regulatory terms, it is common in practice for a single entity to act as both the operator and the supplier for a heat network. Where this is the case, the entity will be subject to the obligations associated with both roles under the regulatory framework.
- 2.4 It is important that all parties involved with a heat network assess their activities carefully against the regulatory definitions to determine whether they are acting as a supplier, an operator, or both. This will influence the information and evidence they are required to provide during the registration process and the ongoing compliance obligations they must meet.
- 2.5 We have used ‘regulated entity’ throughout this guidance to refer to an entity which undertakes either of or both regulated activities.

### Operation

- 2.6 Operating a relevant heat network means controlling the transfer of thermal energy on that heat network for the purposes of supplying heating, cooling or hot water.
- 2.7 A heat network operator is generally expected to have substantial control over key decisions relating to ensuring the long-term reliability, efficiency, and compliance of the heat network.
- 2.8 This generally includes having authority or influence over significant investment decisions, such as those concerning major upgrades, expansions, or fundamental changes to the infrastructure.
- 2.9 Ownership of network assets may indicate a level of substantial control but may not necessarily determine the role of operator. The operator will be the entity that has sufficient control over the material assets used or needed to comply with the regulatory framework.

## Supply

- 2.10 An entity is undertaking the regulated activity of supply where they are responsible for providing heating, cooling, or hot water to customers via a relevant heat network.
- 2.11 A supplier is expected to hold a contractual relationship with their heat network customers, through a heat supply agreement or other agreement.
- 2.12 A supplier is responsible for managing the commercial arrangements associated with the supply of thermal energy on a heat network such as setting charges, issuing bills, providing customer service and handling complaints.
- 2.13 All parties should ensure they assess their activities against the regulatory definitions to determine whether supplier obligations apply.

## Definition of a relevant heat network

- 2.14 The terms ‘heat network’, ‘relevant heat network’, ‘communal heat network’, and ‘district heat network’, used in this section are defined in [section 216 of the Energy Act 2023](#).

## Relevant heat network

- 2.15 A heat network is a network that, by distributing a liquid or a gas, enables the transfer of thermal energy for the purpose of supplying heating, cooling or hot water to a building or persons in that building, and includes any appliance the main purpose of which is to heat or cool the liquid or gas.
- 2.16 While the term ‘heat network’ is used broadly to describe systems that distribute thermal energy, only those classified as ‘relevant’ are subject to regulatory requirements.
- 2.17 A relevant heat network means a district heat network or a communal heat network.
- 2.18 The heat network definition may include networks that are designed to rely wholly or in part on heat pumps specific to the buildings or premises served by the network.

## District heat network

- 2.19 A district heat network is a heat network that supplies heating, cooling or hot water to two or more buildings.
- 2.20 A district heat network may be located within a single site or development or may be a larger-scale system distributing heat to multiple sites or separately owned properties and involving multiple authorised entities.

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- 2.21 A district heat network may interface with one or more other relevant heat networks such as an embedded communal heat network or a separately owned or managed district heat network.

### **Communal heat network**

- 2.22 A communal heat network is a heat network that supplies heating, cooling or hot water only to a single building divided into separate premises.
- 2.23 A communal heat network may be a standalone building containing an energy centre or may be embedded in a district scheme from which it is supplied heat.
- 2.24 A residential block of flats with a communal heating system is a typical example of a communal heat network, however, the definition also includes buildings with a communal heating system that supplies non-domestic customers in separate premises within that building.

## **Exemptions from regulation**

### **Houses in Multiple Occupation (HMOs)**

- 2.25 HMOs that consist of a single house or building with shared facilities of a kitchen or bathroom, and where heating is provided through a shared system, are not considered to have separate premises and are therefore exempt from heat networks regulation.
- 2.26 The regulations explicitly exempt HMOs as defined under paragraphs (a) to (d) of subsection 1 of section 254 of the [Housing Act 2004](#), or that would be included if section 254 extended to Scotland.
- 2.27 HMOs that are converted blocks of flats as defined under section 257 of the [Housing Act 2004](#), and consist of self-contained flats, are not included under this exemption. If supplied through a shared heating system, this may be a relevant heat network and within the scope of regulation.

### **Converted buildings with domestic heating systems**

- 2.28 If a building has been converted by being divided into separate living accommodation and includes a shared heating system of a domestic capacity, this is exempt from regulation.
- 2.29 This exemption applies to single converted buildings, as defined in section 254(8) of the [Housing Act 2004](#), that are supplied by no more than one source appliance with a thermal capacity of 45kW or less.



## **Connected heat networks**

- 2.30 Where a relevant heat network is connected to another relevant heat network, each network must be individually authorised under the regulations, including where a single entity undertakes operation and supply for both networks.
- 2.31 This may occur where a district heat network supplies heat to another relevant heat network such as an embedded communal heat network or a separately managed district heat network, potentially consisting of multiple buildings within a single site.
- 2.32 The physical boundary between connected heat networks, potentially indicated by a building or site meter, will generally also delineate regulatory responsibility between separate entities undertaking operation and supply for each network.
- 2.33 In applying the consumer protection requirements such as those relating to pricing and reliability, we will consider how a heat network supplied heat from another heat network may be affected.

## 3. Registering a heat network

### Overview

- 3.1 Registration is the process by which heat network operators and suppliers with deemed authorisation must formally notify us about their heat networks and the activities they undertake.
- 3.2 We will use registration to identify regulated entities and their heat networks and establish a compliance baseline.
- 3.3 The Registration with the Authority heat network authorisation condition sets out the obligation to register, types of information that must be provided, the registration procedure if operation and supply are undertaken by different entities, and requirements for heat networks with multiple operators.
- 3.4 Regulated entities must complete registration by the end of the first part of the initial period.
- 3.5 Entities that are required to register have deemed authorisation under the regulations and so the registration process will not affect their authorisation status.

### Who needs to register

- 3.6 Regulated entities that began operating or supplying a heat network before 1 April 2025 are automatically authorised under the regulations, referred to as ‘deemed authorisation’, and may continue these activities. Deemed authorisation also applies to regulated activity that is commenced during the first part of the initial period.
- 3.7 All operators and suppliers with deemed authorisation are required to register their heat networks with us by the end of the first part of the initial period.
- 3.8 For heat networks where operation and supply are undertaken by separate entities, both parties will be required to submit information relevant to their role to complete registration.
- 3.9 For heat networks with multiple operators, if a nominated operator has been agreed by parties, this entity will complete registration, submitting information on behalf of the other operators.

### How to register

#### Digital service for heat networks regulation

- 3.10 The digital service for heat networks regulation is a centralised platform to support regulatory compliance across Great Britain.

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- 3.11 Regulated entities can register their heat networks and activities via the digital service from spring 2026 by submitting required information about their operations, infrastructure, and consumer arrangements.
- 3.12 Registration via the digital service is designed to be user-friendly and to capture the minimum level information required for the commencement of regulatory oversight. It includes built-in help-text to assist users.

### **Regulatory contact**

- 3.13 When creating an account on the digital service, a 'regulatory contact' must be nominated as the designated contact for regulatory purposes. This individual should ideally be the most senior person with responsibility for the heat network's operations and regulatory compliance.
- 3.14 To create an account, the regulatory contact will be required to submit information about the regulated entity such as name, type of organisation and contact details.
- 3.15 The regulatory contact can control user permissions for the account and can invite additional users to access the service and submit information.
- 3.16 The regulatory contact remains ultimately responsible for ensuring that all submitted information is accurate and complete.

### **Registration as a single entity**

- 3.17 If a single entity is undertaking both regulated activities of operation and supply on a heat network, that entity will be responsible for completing the full registration process.
- 3.18 The regulated entity will be required to provide detailed information related to the roles of both operator and supplier.
- 3.19 Information submitted as part of the registration process includes:
- details of the entity or organisation
  - the regulated activities being undertaken
  - the type and configuration of the heat network
  - technical information about the energy centre
  - details about heat network customers
  - declarations about compliance and practices

## Registration of heat networks with split regulatory responsibility

- 3.20 For heat networks where operation and supply are undertaken by separate entities, both parties must register via the digital service and provide information about themselves or their organisation and information relevant to their role.
- 3.21 During the registration process, the operator must confirm whether they also undertake supply on the heat network, or they must identify another entity that does.
- 3.22 Once the operator has completed their submission, the entity they have identified as the supplier for the heat network will be invited to complete their section of the registration.
- 3.23 Under the Registration with the Authority authorisation condition, the supplier must co-operate with the operator of the heat network, including by providing relevant information to them, to facilitate the timely discharge of the obligation to register.
- 3.24 Suppliers cannot complete registration until they are invited to do so. The obligation for the supplier to register is not triggered until the operator has completed their submission.
- 3.25 If a supplier is unable to register by the end of the first part of the initial period due to a separate entity having not completed the operation component of registration, the supplier should contact us.

## Registration of heat networks with multiple operators

- 3.26 For heat networks where multiple parties fulfil the role of operator, all operators that are deemed authorised under the regulations are individually responsible for complying with the requirement to register.
- 3.27 These parties may however agree for one operator to complete registration and submit information on behalf of the other operators.
- 3.28 Where such an agreement is reached and registration is completed by the agreed party on behalf of other operators, all operators will have fulfilled the registration requirement.

## Registration submission

- 3.29 Following the creation of an account on the digital service, regulated entities are required to provide accurate information about their heat networks and activities through the registration process. Prior to submission, the regulated entity must declare that the information they have provided is correct, to the best of their knowledge.

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- 3.30 The digital service will automatically check that all required fields have been completed. When all required information has been provided, the regulated entity may proceed to submit the registration.
- 3.31 Registration does not involve an assessment or approval process. Once submitted via the digital service, registration of the heat network is complete, and no further action is required by the regulated entity unless advised by us.
- 3.32 Regulated entities will receive an email acknowledgement following submission, confirming registration has been completed and including a unique ID which should be retained for reference and correspondence. Registration of each heat network will generate a separate confirmation.

### **Detailed information requirements for registration**

- 3.33 The regulatory contact is responsible for submitting all information requested via the digital service.

#### **Organisation-level information**

- 3.34 As part of account creation on the digital service, regulated entities will be required to submit information about themselves or their organisation. This organisation-level information is submitted once during the registration process and does not need to be repeated for each individual heat network that the regulated entity registers.
- 3.35 Where these are separate entities, the operator and supplier will both provide organisation-level information.

#### **Details of organisation**

- 3.36 The regulated entity will be asked to provide the following details about their organisation before they provide information about specific heat networks:
- type of organisation
  - organisation or company details
  - organisational structure, for example, details of any parent companies
  - financial resilience indicators

#### **Significant managerial responsibility or influence (SMRI)**

- 3.37 Operators and suppliers must not appoint, or retain in post, any individual in a position of Significant managerial responsibility or influence (SMRI) unless that person is deemed fit and proper to hold such a role. This obligation is set out in the Ongoing fit and proper requirement authorisation condition.
- 3.38 People with SMRI may include directly employed staff or certain advisors or consultants who have effective decision-making authority.

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- 3.39 As part of the registration process, the regulatory entity will need to complete and submit an SMRI declaration, unless the organisation already has a current SMRI declaration on their digital service account. SMRI declarations expire after 3 years.
- 3.40 The SMRI declaration asks the regulated entity questions to confirm compliance with the fit and proper obligation, such as having policies and procedures in place to ensure that all persons with SMRI are fit and proper.
- 3.41 We may contact the regulated entity for further information if they indicated they do not have robust procedures in place to assess the suitability of individuals in SMRI roles, or they do not conduct regular assessments to ensure those individuals continue to remain fit and proper. We may also contact the regulated entity if they indicate that not all people with SMRI at the organisation are fit and proper.

### **Network specific information**

#### Technical specifications of the heat network

- 3.42 The operator is responsible for providing information about the physical and technical characteristics of the heat network.
- 3.43 The regulated entity will be required to provide key technical details about the heat network being registered, including:
- the geographical location of the network
  - the number of buildings being supplied heating, cooling or hot water
  - if the network is a district heat network, the number of embedded communal networks and responsibility for those networks
  - the type of energy source and technology used to generate and distribute heat
  - heating capacity of the network

#### Customer information

- 3.44 The supplier is responsible for providing information about the customers served by the heat network, including:
- customer type (domestic or non-domestic consumer)
  - number of customers of each type
  - if any non-domestic customers are 'small businesses' or 'microbusinesses'
- 3.45 The terms 'domestic consumer', 'non-domestic consumer', 'small businesses' and 'microbusiness' are defined in the definitions section of the heat networks authorisation conditions.

#### Continuity plan

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- 3.46 A continuity plan provides assurance that the regulated entity has appropriate measures in place to maintain the supply of heating, cooling and hot water to customers in the event of organisational failure or disruption.
- 3.47 Both the operator and the supplier will be required to confirm whether a continuity plan is in place and fit for purpose. It is required to be in place by the end of the first part of the initial period.
- 3.48 The operator must maintain an operational continuity plan which outlines how the physical infrastructure and day-to-day operations will be sustained.
- 3.49 The supplier must maintain a supply continuity plan, which details how consumer heat supply will be preserved, including arrangements for alternative provision if necessary.

### Complaints management procedure

- 3.50 Regulated entities must maintain a suitable complaints management policy and demonstrate the ability to cooperate with other regulated parties, where necessary, to resolve consumer complaints effectively.
- 3.51 During registration, the operator and supplier are jointly responsible for confirming that the following appropriate complaints procedures are in place:
- a clear and accessible process for consumers to raise complaints
  - a defined procedure for investigating and resolving complaints in a timely and fair manner

### Consumer vulnerability

- 3.52 The supplier is responsible for providing information during registration about consumer vulnerability and compliance with associated regulatory requirements.
- 3.53 Under the heat network authorisation conditions, the supplier must establish and maintain a Priority Services Register (PSR), or an accepted equivalent, to ensure appropriate treatment and support for vulnerable consumers.
- 3.54 During the registration process, the supplier is required to confirm whether a PSR or an equivalent mechanism is in place and operational.
- 3.55 Suppliers are expected to collect information about the vulnerability of their customers to ensure these customers are identified and given appropriate support.
- 3.56 To establish baseline data for monitoring this requirement, the supplier will be required to confirm as part of registration:
- whether the heat network is supplying to any vulnerable consumers
  - the number of vulnerable consumers supplied by the network

## **Registering a Shared Ground Loop (SGL) heat network**

3.57 When registering a Shared Ground Loop (SGL) heat network, the regulated entity will be asked for information relevant to the specific characteristics of this heat network type and its charging structure.

3.58 Certain questions, such as those relating to the heat network energy centre, will not be asked in the registration process where they are not applicable to the regulation of SGL heat networks.

### **SGL heat network definition**

3.59 An SGL heat network is defined as a heat network that relies solely on closed ground or water loops for heat generation, in combination with individual consumer heat pumps.

3.60 The registration process includes questions to identify SGL heat networks and confirm the charging and ownership structure for the network as one of following:

- the ‘utility model’, whereby centralised infrastructure is owned by, and the responsibility of a third-party that charges an access fee
- the ‘non-utility model’, whereby centralised infrastructure is owned by, and the responsibility of a third-party that does not charge any fees
- a ‘small, private SGL’, whereby network consumers have joint ownership and responsibility for centralised infrastructure, and no charges are levied

### **Registration of co-located SGLs**

3.61 Under the regulations, authorisation is required for each individual relevant heat network.

3.62 Due to the design characteristics of SGL heat networks, multiple systems may be installed in proximity to each other without being physically connected by pipework.

3.63 Regulated entities may include a group of co-located SGLs in a single registration, where these are managed as a single entity.

## **Next steps following registration**

### **Publication of list of authorised persons**

3.64 Under the regulations, Ofgem is required to publish a list of authorised persons including:

- the regulated activities that they undertake
- the geographical location of the heat network



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- 3.65 The published list will be updated regularly with details of completed registrations.

### **Authorisation conditions**

- 3.66 Operators and suppliers must comply with the authorisation conditions relevant to the regulated heat network activities they are authorised to undertake. If there are changes to the nature or scope of the regulated activity, the applicable authorisation conditions may also change.
- 3.67 Each regulated entity is responsible for ensuring they are familiar with the authorisation conditions that apply to them. The heat network authorisation conditions are published on our website with associated guidance.
- 3.68 Regulated parties are required to comply with all relevant consumer protection obligations both before and after the registration of a heat network. This includes ensuring fair treatment, clear communication, and appropriate support for heat network consumers.

### **Monitoring**

- 3.69 Following registration, regulated entities will be required to submit monitoring data on a regular basis. The specific data to be submitted, along with the frequency of reporting, will be determined by the applicable authorisation conditions.

### **Heat network technical assurance scheme (HNTAS) engagement**

- 3.70 It is expected that in future, regulated parties will be required to engage with the heat network technical assurance scheme (HNTAS) as part of their ongoing compliance obligations following registration.
- 3.71 At the time of publication of this guidance, the requirements of HNTAS have not been finalised.

## 4. Heat networks with multiple operators

### **Nominating an operator**

- 4.1 This guidance is intended to support understanding and compliance with the obligations outlined in the heat networks nominated operator authorisation condition. It applies specifically to heat networks with multiple operators, clarifying the responsibilities for nominating an operator to act as the main regulatory contact and share information and notifications.
- 4.2 The regulations set out the circumstances under which multiple parties may be identified as the operator for a relevant heat network. Where this occurs, these parties must use reasonable endeavours to agree which of them is to act as the contact point with Ofgem, on behalf of the other operators for the network.
- 4.3 It is expected that all parties identified as operators of the heat network will take practical and proportionate steps to reach an agreement such as actively communicating and cooperating with other parties and making genuine efforts to resolve any differences.

### **Responsibilities**

- 4.4 The nominated operator must promptly relay any information and notifications received from us to the other operators of the relevant heat network, and likewise communicate information and notifications received from those operators to us.
- 4.5 Other operators that are not the nominated operator must promptly provide information and notifications to the nominated operator as may be reasonably required.
- 4.6 The transfer of information and notifications between operators, and between operators and Ofgem, should occur without undue delay and within a timeframe that is both practical and reasonable in the circumstances.
- 4.7 The nominated operator must provide reasonable co-operation and coordination in their role as the single point of contact. This means they must work with the other operators and us to facilitate the communication of information and notifications that is required to follow regulatory rules and for us to exercise our duties in relation to regulation of activity on the heat network.

## Send us your feedback

We are keen to receive your feedback about this guidance. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this guidance?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Do you have any further comments?

Please send your feedback to [stakeholders@ofgem.gov.uk](mailto:stakeholders@ofgem.gov.uk).

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