

- Way out



E-Guide **MIND THE GAP**

Mapping Your Route to Compliance



E-Guide: Part 1 Introduction

Navigating the upcoming Ofgem regulations doesn't have to be overwhelming. In this series, you'll discover practical steps and actionable insights to prepare your heat networks for the changes ahead, ensuring compliance while maintaining reliable, efficient service for your end users.

And there's more to come, stay tuned for a series of additional guides and checklists to help you stay compliant and in control.

Let's make compliance straightforward, starting today.





Mind the Gap Navigating the Route to Heat Network Compliance

Ready to bridge your heat network's compliance gap? If you're a property manager, you've likely noticed the buzz around new regulations for heat networks. These changes, as anticipated under the watchful eye of OFGEM, promise greater transparency and protection for the end users of communal heat networks. The Net Zero 2050 vision has set the bar high, and now it's time to make that promise a reality.

With change comes opportunity, but also apprehension. How will these regulations impact the heat networks you manage? If you're juggling the demands of keeping a heat network operational - maintaining the plant room, servicing heat interface units (HIUs), billing end users, managing utility contracts - then adding compliance into the mix might seem daunting. But there are practical steps you can start taking now to avoid getting stuck when new rules come into play.

So how do you Mind the Gap? Mapping Your Route to Compliance

Even though some details are still up in the air, you can begin paving the way for compliance today. Think of it as planning a journey. The map may not be complete, but we know the main "stations" along the way, with compliance expected by late 2025. We already know best practice under the Building Safety Act (BSA) and can expect these changes to align heat network management further with the increased standards expected across the property industry. Time is marching on, and you don't want to risk being left behind, facing compulsory works or a non-compliance fine. So, what can you start doing now to stay on track?



These "main stations" on the map help you get ahead by clarifying your responsibilities and the potential consequences of non-compliance. Like any journey, the route might change along the way - perhaps with a few detours (or even an unexpected stop at a pub nearby), but the overall direction is already set for heat network professionals. Between current regulations and the guidance already published, heat network operators have the tools to prepare for the new requirements that will take effect in late 2025.



Platform 1: HNOG - The Heat Network Operators Guidance

The Heat Network Operators Guidance (HNOG) is the go-to guide for managing network performance, customer relations and regulatory requirements. It offers an overview of what's expected in terms of standards for maintaining and operating networks.

The HNOG guidance focuses on five key areas. Start by exploring these to establish a strong foundation for compliance:

- Complete a Site Audit: Identify areas needing improvement.
- Technical Analysis: Use audit findings to prioritise network upgrades.
- Root Cause Analysis (RCA): Address underlying issues instead of just the symptoms.
- **Build a Business Case:** Recognise that improvements require investment; prepare stakeholders.
- Watch for Typical Failures: Review 16 key areas that commonly affect network performance.

Platform 2: HNTAS - Heat Network Technical Assurance Scheme

The Heat Network Technical Assurance Scheme (HNTAS) is a framework designed to ensure quality and compliance. It provides a standardised approach for the design, construction, and operation of heat networks, something that we expect to see become part of the new regulation. Integrating HNTAS into your heat network management now can help ensure you're prepared for the future.

A key takeaway? New or existing, all networks will need to meet the standards of the CIBSE CP1 (2020) Code of Practice. This is the playbook for all future network designs, from the initial concept to ongoing operation.

A pilot program led by Gemserv is underway, and soon, we expect even clearer guidance on how often networks must be assessed for compliance.

While we don't have an accurate picture of the assessment frequencies for existing networks, we know that all networks will need to comply or be able to provide reasoning for non-compliance and regular assessments and reporting will be in place for all networks, new or existing.





Platform 3: Heat Trust - Keeping the Customer in Mind



Heat Trust, a leading voice in end-user protection, provides a voluntary charter for consumer rights within heat networks. While they don't handle the technical aspects of heat network operations - areas covered by HNOG and HNTAS - they do provide clear guidance on how end users should be treated. Their work focuses on protecting consumers' rights to fair customer service standards, transparency, performance expectations, metering accuracy, HIU maintenance and effective complaint handling.

Knowing and following Heat Trust's guidelines can prepare you to meet OFGEM's likely consumer protection standards. These measures help safeguard end users, ensuring they have access to fair, transparent billing and high service standards.



Platform 4: OFGEM - Setting the Standard for Transparency

ofgem

OFGEM's well-established values in the utility sector give us a good indication of their approach to heat network regulation. In addition to robust consumer protections, OFGEM's primary focus will likely be on transparency. We can expect frequent reporting requirements, with a strong emphasis on network performance. To stay ahead, it's essential to know your network inside out, especially by evaluating and optimising your metering data.

As a consumer-centric regulator, OFGEM will likely align closely with Heat Trust's standards, reinforcing protections like emergency heat provisions, increased transparency for end users and stronger safeguards for vulnerable customers. This emphasis on transparency and accountability aims to make sure every end user has access to fair, reliable and efficient heat services.



Staying on Track: Avoiding Service Disruptions

No property manager wants to face unexpected delays on the compliance journey. The purpose of these new regulations is to keep everything on track by:

- Protecting consumers
- Promoting transparency
- Improving network performance
- Accelerating decarbonisation

For operators who already prioritise integrity, transparency and usercentric service, there's little in the way of drastic change to day-to-day responsibilities. You may encounter a few extra "stops" for reporting requirements and registration, but if your network is well-maintained and fully metered, you're on the right track for compliance.

Using the expectations set out in the BSA for designer, contractor, building and asset management you're already operating in the right mindset, which will be crucial to be able to meet the expected requirements under the newly proposed regulations.



Next Steps: Preparing for a Smooth Journey

The biggest shift will be OFGEM's active oversight in the way of registration, reporting and verification. Expect requirements for performance metrics, metering accuracy, alongside check-ins to meet new standards for transparency and compliance and additional documentation around service reliability and customer communications.

If your network already performs well, has regular maintenance schedules and maintains open billing practices, these changes should feel more like formalising existing best practices. For many operators, it's about a few additional steps to ensure transparency and data accessibility rather than a major overhaul. With these steps in place, you're well-positioned to enter this new compliance era with confidence.

OFGEM & DESNZ Key Dates



Use the Escalator

The path to compliance has steps, some steeper than others, so why not take the escalator?

Our teams at <u>Data Energy</u> and <u>DMG Delta</u> are committed to leading the way and helping property managers navigate this new landscape. We're dedicated to staying ahead of these regulatory changes, actively making practical adjustments to align with OFGEM's standards. If you're already working with us, you'll be familiar with the range of services we offer to support compliance, from performance monitoring and metering data optimisation to detailed reporting and network audits.

We're here to make this journey as smooth as possible, <u>sharing our</u> <u>expertise</u> to ensure you're fully prepared for each step. If you'd like to know more about anything covered in this article or explore how we can help your network meet compliance requirements, please <u>get in touch</u> with us.



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Trinergy Group: Data Energy & DMG Delta

We're here to provide the complete heat network and energy management solution for Residents and Managing Agents.

Data Energy and DMG Delta have partnered to provide tailored solutions, streamlining maintenance, procurement, metering and billing for Residents and Managing Agents - all under one roof.

> Manage your heat & energy Stay ahead of regulations Improve efficiency Cut costs



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