

**Democratic Services Section
Legal and Civic Services Department
Belfast City Council
City Hall
Belfast
BT1 5GS**



**Belfast
City Council**

1st October, 2026

MEETING OF THE CLIMATE AND CITY RESILIENCE COMMITTEE

Dear Alderman/Councillor,

The above-named Committee will meet in the Lavery Room - City Hall and via Microsoft Teams on Thursday, 8th October, 2026 at 5.15 pm, for the transaction of the business noted below.

You are requested to attend.

Yours faithfully,

John Walsh

Chief Executive

AGENDA:

1. Routine Matters

- (a) Apologies
- (b) Minutes
- (c) Declarations of Interest

2. Presentations

- (a) Energy Cloud and the 'Social Reserve' - Patrick Keatley, Energy Cloud
- (b) Update from DfE Heat Networks Branch on Policy and Regulation -Koichi Samuels, DfE
- (c) Northern Ireland Swifts

3. Response to Department for Economy consultation on Heat Networks in Northern Ireland (Pages 1 - 14)



Subject:	Belfast City Council's response to the Department for Economy (DfE) consultation on Heat Networks in Northern Ireland – Protecting Consumers and Setting Up Regulation
Date:	8 th October 2026
Reporting Officer:	Debbie Caldwell, Climate Commissioner
Contact Officer:	Debbie Caldwell, Climate Commissioner

Restricted Reports

Is this report restricted?

Yes

☐

No

☒

Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.

Insert number ☐

1. Information relating to any individual
2. Information likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the council holding that information)
4. Information in connection with any labour relations matter
5. Information in relation to which a claim to legal professional privilege could be maintained
6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction
7. Information on any action in relation to the prevention, investigation or prosecution of crime

If Yes, when will the report become unrestricted?

After Committee Decision

After Council Decision

Sometime in the future

Never

☐
☐
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☐

Call-in

Is the decision eligible for Call-in?

Yes

☒

No

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1.0	Purpose of Report/Summary of Main Issues
1.1	The purpose of this report is to present for Members consideration a draft council response to the DfE consultation, "Heat Networks in Northern Ireland – Protecting Consumers and Setting Up Regulation."
2.0	Recommendation
2.1	Members are asked to: i. consider and comment on the draft response to the specific questionnaire issued by DfE (attached at Appendix 1); ii. note that the draft response has been submitted to DfE in line with the 1 October 2026 deadline albeit on the basis that the response remained subject to Members consideration and that Council reserves a right to provide any update which may be suggested by Members, iii. note that the Council's response would be submitted on the basis that it would remain subject to full Council ratification on 2 November 2026 with any further comments submitted at this point.
3.0	Main report
3.1	Background The Department for Economy is consulting on the first phase of a locally led regulatory framework for heat networks in Northern Ireland. The Heat Networks (Metering and Billing) Regulations 2014 (HNMBR), which currently provide the only baseline of consumer protection for the sector, are expected to be revoked in 2027, which would leave NI heat network consumers with no regulatory protections. The proposed measures would provide stronger consumer protections while creating a regulatory environment to support the sector's future development.
3.2	Heating accounts for around 59% of Northern Ireland's energy consumption and in Belfast 95% of heating is still fossil-fuel based. The Belfast Local Area Energy Plan identified heat networks as one of the priority investments because they are a cost-effective way to reduce dependence on imported fossil fuels whilst also creating multiple local benefits. The Plan projects 0.4–1.1 TWh/year of heat network demand by 2050 with at least 30% of non-domestic heat demand supplied by district heat networks. Already widely deployed across Europe and around the world, heat networks have increased energy security and enable the use of locally produced, low-carbon sources such as geothermal, large scale heat pumps, surplus industrial heat, or other renewable energy.
3.3	Belfast is a significant player in the future of network development in Northern Ireland as it has the highest concentration of heat networks (25 of the 97 notified NI networks including 24 communal systems and one district heating network) with the Council able to act as a potential anchor customer (alongside other public- sector buildings located in the City centre) and as the body responsible for local planning.
3.4	Preparatory works to support the development of a city centre district heat network have been undertaken over the past two years including high level feasibility, delivery model development and market engagement identifying more than 20 public-sector bodies as potential anchor

	customers. As such, the scheme is considered by DfE to be one of the most developed networks in their regional pipeline of heat network projects. The introduction of a regulatory framework for heat networks in NI is intended to protect consumers, provide confidence to investors, support sector growth, and create skilled green jobs across the region. Regulation that is credible but proportionate is a precondition for both scaling the market and protecting those who join it. Overview of the proposed consumer protections
3.5	The proposed regulatory framework will establish consumer protections and regulatory oversight for heat networks in NI, helping to ensure fair billing, transparent charges and effective complaint resolution for consumers who are unable to switch suppliers. It also aims to provide greater certainty for the future growth of heat networks as part of the transition to low-carbon heating.
3.6	The consultation presents an opportunity for the Council to help shape a proportionate regulatory regime that both protects consumers and supports investment in low-carbon heat infrastructure. The consultation focuses on the first phase of regulation aiming to set a clear baseline on: • who regulates heat networks, • which networks are in scope, and • what minimum requirements operators must meet (especially on metering, billing and handling complaints).
3.7	The first-phase package is deliberately continuity-focused. The more consequential levers including protections relating to fair pricing, technical standards, vulnerable consumers and street works rights and powers are deferred to future phases of work, subject to further consultation and evidence gathering. The consultation proposes: • establishing the Utility Regulator as the regulatory authority for heat networks in Northern Ireland supported by the Consumer Council for Northern Ireland (CCNI) as independent consumer advocate; • that the rules would apply to heat networks that supply heat to more than one premises (e.g. multiple buildings, or more than one apartment in a building), as set out in the Energy Act 2023; • introducing an authorisation regime (rather than licencing) whereby a person or organisation would need to be authorised by the UR to operate a regulated heat network - heat network operators would be required to meet regulatory requirements and consumer protection standards; • retaining and adapting the HNMBR requirements on metering, billing content and limited exemptions, so the initial burden on existing operators is minimal - requiring clear, accurate and transparent billing information for heat network customers with bills based on measured consumption rather than estimates; • implementing a three-step route for complaints handling and dispute resolution plus a possible supplier Code of Conduct as a condition of authorisation;

	- improving consumer access to information on heat network services, charges and operator responsibilities; - creating a public register of authorised heat network operators and heat networks to improve transparency and accountability; and - introducing monitoring, compliance and enforcement powers to ensure operators meet regulatory obligations. Draft Council response
3.8	The proposed framework presents a significant opportunity for Belfast to accelerate the transition to low-carbon heating by supporting the development of heat networks across the city. Increased deployment of heat networks could help reduce carbon emissions from residential, commercial and public sector buildings, supporting both regional climate targets and Belfast City Council's net-zero ambitions as well as strengthening energy security. The framework will also build confidence for future investment in low-carbon heat infrastructure, enabling heat networks to be incorporated into regeneration projects and major developments. Where heat networks are designed and operated efficiently, they have the potential to provide more affordable and stable heating costs for consumers, which could help address fuel poverty and support a just transition to a low-carbon economy.
3.9	The Council's response is supportive of the DfE proposals to introduce a regulatory framework for heat networks in NI as heat network consumers usually cannot readily switch supplier so consumer protections will build confidence in new networks. The response welcomes the appointment of the Utility Regulator as the sector regulator and the Consumer Council NI as the independent consumer advocate, recognising that clear regulation and consumer protections will be essential to building public confidence in heat networks and supporting the growth of the sector. The response also supports the proposed authorisation regime for operators (rather than licencing), the retention of existing metering and billing protections, the introduction of a formal complaints process, and the development of a Code of Conduct for suppliers.
3.10	The response makes a number of key points and recommendations including: - noting the 2027 revocation deadline leaves little slack with regulations having to pass through the Assembly process before the end of the mandate and urging contingency planning should timetabling slip, so consumers are not left unregulated; - recommending that the Department confirms the number of residents on exempted schemes (communal systems) and includes measures to ensure they do not become an unprotected class by ensuring they have access to clear information on charges, effective complaints procedures, and access to the Consumer Council; - highlighting the importance of ensuring that vulnerable consumers are adequately protected and that any regulatory exemptions are kept under review; - emphasising that the regulatory regime should allow schemes to aggregate into larger networks later to enable isolated schemes (that currently predominate the market) to move towards strategic, city and regional scale systems;

- supporting the use of an **authorisation regime** rather than a licensing regime as proportionate for Northern Ireland's developing market and the risk that heavy upfront regulation may risk deterring small, community-scale schemes;
- **highlighting the need for phase two to happen quickly** given that key provisions have been deferred to a later phase (relating to fair pricing, technical standards, protections for people in vulnerable circumstances, arrangements if a network fails and street-works rights and powers) and recommending
 - that the Department publishes a **phase-two roadmap** with indicative timing to improve investor and consumer confidence and avoid perceived drift;
 - that the statutory rules give the **Utility Regulator scope to add or amend authorisation conditions** directly, so that future protections can be introduced without needing a new Act of the Assembly;
 - protections on payment difficulties, disconnection and vulnerability identification should be treated as a priority within Annex B and coordinated with the Executive's fuel poverty strategy;
 - early engagement with the Department for Infrastructure on a **rights-and-powers licence option**, with an indicative timetable, and alignment with GB arrangements where appropriate so that cross-jurisdiction investors face consistent expectations;
 - clarity on the **funding and staffing the Utility Regulator** will have for this function, and on how the eventual cost recovery will avoid falling disproportionately on very small schemes;
- recommending that the Regulator establishes and publishes a **baseline compliance position** during the transition period, so that compliance with existing requirements can be measured;
- recommending that, where the heat supplier is also the landlord and tenants have no direct bill that **tenancy agreements include disclosure obligations for heat costs**;
- recommending that **efficiency data** is collected and reported from the outset;
- ensuring that the regulations do not preclude the use of **smart metering and remote monitoring**;
- requiring operators to publish their **complaints process** and signpost CCNI on bills and at point of sale, ensuring all residents can access the complaints process and Consumer Council support, regardless of who holds the account, and requiring operators to provide complaints information to all residents served by the network, not only to account holders;
- welcoming proposals for a **public register of heat networks** and recommending that information relating to network performance, heat sources and accountability information should be made available to consumers and stakeholders;
- proposing a **guide for residents, landlords and managing agents** to help consumers understand how their heat network operates, how their bills are calculated, how to access support, and how to make complaints;
- advocating targeted **public engagement** in areas with significant heat network potential to improve awareness and understanding of the technology;
- highlighting that regulation, in isolation, risks creating **compliance obligations** for a market that still lacks the conditions required for growth including appropriate policy interventions, funding mechanisms and long-term infrastructure planning to provide

	certainty for investors and developers and increasing access to affordable, low-carbon heating solutions, and as such welcoming the possibility of Northern Ireland joining the Heat Network Technical Assurance Scheme being developed for Great Britain.
4.0	<u>Financial and Resource Implications</u>
4.1	There are no immediate financial implications associated with submitting a consultation response. However, future regulations may influence the development, operation and governance of heat network schemes associated with regeneration, sustainability and decarbonisation projects. Any future heat network developments will likely be subject to compliance, reporting and authorisation requirements under the proposed framework. <u>Equality or Good Relations Implications/Rural Needs Assessment</u> None
5.0	Appendices
	Appendix 1 – Consultation response

Consultation response for Heat networks in Northern Ireland - protecting consumers and setting up regulation

This response is submitted from a Belfast perspective. Belfast hosts the largest concentration of heat networks in Northern Ireland and is a location where, under the Belfast Local Area Energy Plan, the sector is expected to grow most rapidly. We welcome the consultation and the Department's locally led, phased approach. Our overall position is support for the phase-one framework as a necessary baseline, coupled with a clear ask that the Department signal the sequencing and indicative timing of the phase-two protections that consumers and developers will need.

Consultation question 1 (scope)

Do you agree with the types of heat networks that should be covered by these rules, and the types that should be out of scope?

Broadly yes. Aligning scope with the Energy Act 2023 definitions and carrying over the familiar HNMBR exemptions (the exempt class) provides continuity and keeps the first phase administratively simple. This is sensible for the 90 communal and 7 district networks currently notified.

Belfast City Council agrees with the Department's proposal that the Utility Regulator (UR) should regulate heat networks and that the Consumer Council NI (CCNI) should act as the independent consumer advocate. The consultation makes clear that the UR's main role would be to protect the interests of existing and future heat network consumers, and this aligns with the Council's view that early regulatory clarity is essential not only for consumer protection but also for market confidence and growth.

Regarding the proposal to carry forward existing exemptions from the Heat Networks, Metering and Billing, Regulations (HNMBR), consideration should be given to ensuring that all heat network customers, including those in exempt developments, have access to clear information on charges, effective complaints procedures, and consumer advocacy services. Exempt class residents should not become an unprotected class. Where technical exemptions are necessary, these should not automatically exclude consumers from other important protections. This is important because communal systems dominate the NI stock, and many are in social housing and supported accommodation. Whatever the formal scope, residents of exempt schemes still cannot switch supplier.

In particular, exemptions should be reviewed to see if they adversely affect vulnerable customers as this group is least likely to be able to review a bill, challenge a charge, or navigate a complaints process. It includes people for whom being cold is a direct health risk. We recommend that the Department:

- ensures the phase-one information collection, CCNI advocacy and future Code of Conduct extend to consumers on exempt schemes, so the exempt class does not become an unprotected class;
- provides a clear justification and criteria for exemptions, rather than carrying them over by default and suggests that standardised design approaches could help bring currently exempt developments within the regulatory framework over time;
- distinguishes between protections that are impractical in these settings (individual metering, for instance) and protections that are entirely practical (clear information about charges, a working complaints route, access to the Consumer Council);
- as a minimum, brings exempt buildings within the complaints and information requirements even where metering and billing rules do not apply; and
- confirms how many residents in Northern Ireland are currently affected by these exemptions.

Looking ahead, it would be helpful to state for future networks what is required to attain an exemption and if standardised design practice in the future can be used to bring 'exempted class

developments into the regulations to provide those users with the same protections. Future phases of regulation should promote consistency, high operational standards, scalability, and opportunities for network interconnection. For future flexibility, as Belfast moves towards city-centre district heating schemes, the register and authorisation regime should be designed so that networks can move in and out of scope, or aggregate, without administrative friction. As such we recommend that:

- the regulatory regime allows schemes to aggregate into larger networks later - this is particularly important as NI moves from isolated schemes toward strategic, city and regional scale systems.

Consultation question 2 (authorisation)

Do you agree with using an authorisation regime (rather than licensing) for heat network operators, including an automatic “deemed authorisation” for existing networks?

The Council considers the use of an authorisation regime rather than a licensing regime to be more appropriate than a licensing regime and less likely to create unnecessary barriers for smaller or emerging schemes. The consultation correctly identifies that authorisation is proportionate for a developing market such as Northern Ireland reflecting the current scale and maturity of the sector (with only 97 networks and 3,000 customers). In particular, heavy upfront regulation on a market this small may risk deterring small, community-scale schemes.

Deemed authorisation for existing networks is pragmatic and avoids stranding compliant operators — important given that a quarter of all notified NI networks are in Belfast. However, we highlight the importance of clear guidance from the Department and the Utility Regulator, together with a defined timeframe for compliance, to provide certainty and minimise disruption to existing schemes.

We note that key protections relating to fair pricing, technical standards, protections for people in vulnerable circumstances, arrangements if a network fails and street-works rights have been deferred to a later phase. That is understandable for a small market, but only if phase two can actually happen quickly. We therefore recommend that the statutory rules made under these powers give the Utility Regulator scope to add or amend authorisation conditions directly, so that future protections can be introduced without needing a new Act of the Assembly.

In particular, we consider a signal on street-works rights as fundamental in building investor confidence. Investors appraising the proposed Belfast City Centre network told the Council that regulatory certainty is a driver of investability; the absence of street-works rights and powers (Annex B) means consenting risk remains a material barrier at precisely the point of construction. We encourage early engagement with the Department for Infrastructure on a rights-and-powers licence option, with an indicative timetable, and alignment with GB arrangements where appropriate so that cross-jurisdiction investors face consistent expectations.

We would welcome clarity on the funding and staffing the Utility Regulator will have for this function, and on how the eventual cost recovery model — the mechanism by which the industry pays for its own regulation — will avoid falling disproportionately on very small schemes.

Consultation question 3 (metering and billing)

Do you consider that the existing approach to metering, billing and exemptions (as set out in the HNMBR) remains appropriate for the NI market when implemented through the proposed authorisation framework? If not, what changes would you propose?

The Council agrees that retaining the existing metering, billing and exemption arrangements under the HNMBR is appropriate for Phase 1 of the regulatory framework, providing continuity and avoiding unnecessary change as the market develops. We

consider that billing based on measured consumption is the single most important consumer protection at this stage.

However, compliance with existing requirements should be monitored to establish a clear baseline across the sector. The consultation does not tell us how many of the 97 registered networks are actually meeting the existing metering and billing rules. Carrying the rules forward is only meaningful if they are being followed. We recommend the Regulator establishes and publishes a baseline compliance position during the transition period, so that progress can be measured.

As customers on unmetered or estimation-based terms have the weakest visibility of costs, the Department should review whether such customers should receive clearer information on how charges are calculated and record the prevalence of exemptions in NI (particularly in Belfast's social housing communal schemes) as part of phase-one data collection.

Where the heat supplier is also the landlord, tenants may have no direct bill and no individual visibility. The Department's intention to seek legal advice on landlord and tenant law is welcome; we suggest the review also covers disclosure obligations for heat costs within tenancy agreements.

Heat networks are well suited to smart metering and remote monitoring. Rather than mandating it now, the framework should ensure it is not precluded, so that new Belfast schemes are future-proofed.

The consultation acknowledges that some networks are less efficient than customers should expect. Network efficiency and fair consumer outcomes are connected due to the risk that consumers bear the cost of poorly insulated pipes or other inefficiencies. We recommend that efficiency data is collected and reported from the outset.

We also recommend a staged review of exemptions to ensure they remain justified as technology evolves and metering solutions become more cost-effective rather than leaving them in place indefinitely.

Consultation question 4 (complaints)

What are your views on the potential benefits and risks of the illustrative three-step complaints route (operator → CCNI → UR for rule-compliance issues)?

The Council supports the proposed three-step complaints route, i.e. operator then CCNI then UR. The consultation notes that this mirrors existing arrangements in gas and electricity, where consumers escalate issues only when they relate to compliance with regulatory rules with CCNI in its familiar advocacy role. However, we envisage three areas of risk with this approach.

1. The narrow UR remit (compliance with authorisation rules only) leaves disputes about prices, billing accuracy beyond the rules, service quality and reliability without a final adjudicator in phase one. We suggest that the Department should state explicitly that such disputes are within the intended scope of phase-two protections (fair pricing principles, transparency, technical standards), and in the meantime CCNI's advocacy remit should be resourced to cover them.
2. Consumers may not know the complaints route exists. We suggest that the Department should require operators to publish their complaints process and signpost CCNI on bills and at point of sale; CCNI and UR should produce simple joint guidance.
3. Reliability failures (outages, inadequate heat) may fall outside a purely metering-and-billing ruleset. As Belfast networks scale, the Department should consider

minimum service standards, drawing on the GB Heat Network Technical Assurance Scheme work, so reliability complaints have a rule to point to.

We also note that the model assumes the person experiencing the issue is also the bill payer. This could disadvantage tenants and residents in shared heating schemes, particularly where landlords are also heat suppliers and where heating costs are often bundled into rent or a service charge. While the consultation acknowledges this, it defers it to a future phase. We recommend that the Department:

- ensures all residents can access the complaints process and Consumer Council support, regardless of who holds the account, and considers an independent route where the landlord and supplier are the same organisation;
- makes clear in the first phase that a resident may raise a complaint and access Consumer Council support regardless of whether they are the named bill payer;
- requires operators to provide complaints information to all residents served by the network, not only to account holders; and
- considers, where the landlord and heat supplier are the same body, whether an additional route to an independent party is needed.

Consultation question 5 (complaints code of conduct)

Do you agree with the proposal that heat network suppliers should have a Code of Conduct developed with CCNI and the UR as an authorisation condition?

The Council supports the adoption of a Code of Conduct by heat network operators as a condition of authorisation as an important measure to ensure that the Code is enforceable rather than advisory – this will strengthen consumer protection and ensure consistent standards of service before the market grows. For Belfast, where schemes will connect thousands of new consumers who cannot switch supplier, this is the right approach.

1. The Code should be developed with input from consumers as well as regulators and operators, and include provisions covering both billing and service issues, particularly planned and unplanned heat supply interruptions.
2. The Code should set minimum expectations on customer engagement, communications, complaints handling, and transparency especially with regard to planned outages, response times for unplanned ones, and what support is offered when supply is lost — particularly to residents in vulnerable circumstances during winter.
3. The Code should apply to conduct towards all consumers, including tenants and non-bill-payers, not only direct contract holders.
4. The Code's development should not delay the implementation of wider regulatory arrangements which should be supported by a clear timetable.
5. The Department should also clarify whether the Code will be developed in parallel with phase 1 regulation, and whether additional consultation will be required. A pragmatic, staged approach would avoid slowing down shovel-ready schemes.

Consultation question 6 (public register and information)

What information should be included on a public register of heat networks, and what additional low-cost information from suppliers, CCNI and the UR would help customers understand their heat network service?

The Council strongly supports the creation of a public register as a means of improving transparency, consumer awareness, and strategic planning. At present, a council cannot easily find out what heat networks exist in its own district. That is a real barrier to heat planning. A register that collects this information routinely is far cheaper than commissioning surveys every few years. It also provides an evidence base for phase two development. We recommend the register includes, for each network:

Basic identification

- Network name and location, by council area
- Operator details, and the owner if different
- Authorisation status
- Network type - communal (one building) or district system (multiple buildings)
- Date the network began operating
- Number of premises connected

Technical and environmental information

- Technology type/ heat source
- Number of connected premises
- Total installed capacity
- Annual heat supplied
- Network efficiency, meaning how much of the heat generated actually reaches customers rather than being lost from the pipes
- Annual carbon intensity of heat delivered (gCO₂e/kWh). We would ask that the Regulator calculates and publishes this from the data above, using a single stated methodology, rather than asking operators to calculate it themselves. This keeps the burden off small operators and means the figures are comparable between networks
- Metering / billing type (metered or exempt)
- Details on whether the scheme could physically connect to, or be absorbed into, a larger network — so that the register supports planning and avoids fragmentation as the Belfast city-centre network develops

Accountability information

- Authorisation status, including any conditions or enforcement action
- Grants or public funding received
- How to complain, and how to contact the Consumer Council

We also recommend a two-tier data model: information that is public on the register, and commercially sensitive or security-sensitive detail (site plans, energy centre specifics, customer-level data) held by UR under its market observation powers only. This preserves transparency while protecting operators' legitimate commercial interests.

We would also suggest a short, clearly written guide for residents, landlords and managing agents to help consumers understand how their heat network operates, how their bills are calculated, how to access support, and how to make complaints with clear guidance materials for residents, landlords, and managing agents to improve awareness and understanding of heat network services. It should explain why you cannot switch supplier, what your bill should show, and what to do if something goes wrong.

For low-cost consumer information, we recommend targeted engagement in areas identified as having high heat network potential. This could include:

- Local authority-led anchor-load forum(s)
- Public information sessions
- Round-table stakeholder meetings
- Resident information leaflets
- Door-to-door engagement where appropriate (vulnerable residential customers)

This aligns with the Department's existing spatial heat network analysis and would help build early understanding and acceptance.

Consultation question 7 (other comments)

Do you have any other comments on how the Department should exercise its powers under the Energy Act 2023 to deliver a proportionate and effective heat networks regulatory framework for Northern Ireland?

Belfast City Council supports the Department's phased approach to regulation. The emphasis on proportionality is critical and can provide an opportunity for targeted policy support. Overall, we support the direction of travel. The balance the Department must strike is between continuity (which benefits today's small operator base) and signalling (which determines whether Belfast's pipeline of schemes is financeable and fair to the consumers who will join them).

Gaps and risks from a Belfast perspective

The CMA's 2018 heat networks market study (summarised in the consultation) identified consumer detriment concerns around pricing, service quality and reliability. We make the following final points.

- No consumer is yet protected on price, fairness of charges, tariff transparency, technical standards, step-in arrangements, vulnerable consumer protections, street-works rights, smart metering, pre-property transaction information — the areas where the CMA identified the greatest potential for consumer detriment. These all sit in future phases with no indicative timetable. Authorisation alone may not deliver the investor confidence the sector needs — developers financing Belfast-scale schemes will look for the street-works rights, step-in and technical assurance signals deferred to Annex B. We recommend that the Department publishes a phase-two roadmap with sequencing and indicative timing to improve investor and consumer confidence and avoid perceived drift.
- Belfast's stock is old and poorly insulated (63% of dwellings EPC D–G), and heat network customers in dense urban housing are disproportionately exposed to the absence of phase-two protections. We recommend that protections on payment difficulties, disconnection and vulnerability identification should be treated as a priority within Annex B and coordinated with the Executive's fuel poverty strategy.
- The complaints route gives UR a narrow rule-compliance remit; disputes about charges, service quality or reliability fall between stools in phase one.
- Communal systems dominate the NI stock (90 of 97). Regulation and data collection should ensure today's standalone schemes can be connected into larger networks later, rather than locking in fragmentation.
- The 2027 revocation deadline leaves little slack: regulations must pass through the Assembly affirmative resolution process before the end of the mandate. We support the Department's intention to bring forward secondary legislation through the

Assembly affirmative resolution process this mandate, and urge contingency planning should timetabling slip, so consumers are not left unregulated.

- Regulation alone will not enable the development of heat networks in Northern Ireland. What is missing is a strategic and rational allocation of resources across the energy system. The Department has already commenced work on this with their heat network feasibility mapping exercise. At present, establishing a viable commercial case for heat networks remains extremely challenging without targeted policy or financial support. This is the primary barrier to deployment. Although the consultation acknowledges the role heat networks can play in meeting statutory climate targets, the absence of enabling policy instruments means that technically robust projects cannot progress to investment decision. Regulation, in isolation, risks creating compliance obligations for a market that still lacks the conditions required for growth.
- Transitional funding for UR set-up is welcome; the enduring cost recovery framework should be designed so that levies do not materially raise heat prices for consumers in a market that is small and must compete on price with incumbent gas.
- The GB framework is now operational. NI should align on consumer outcomes, technical assurance (including early exploration of joining the Heat Network Technical Assurance Scheme) and data standards where appropriate, while retaining a proportionate local regime.

We support the possibility of Northern Ireland drawing on or joining the Heat Network Technical Assurance Scheme being developed for Great Britain. Developing a separate Northern Ireland scheme for a market of this size would be poor value. Moreover, if Great Britain has technical standards and Northern Ireland does not, there is a risk that Northern Ireland becomes the place where lower quality networks get built. We would encourage the Department to begin those conversations now rather than after phase one is complete.

Belfast City Council welcomes the next stage of this work and we would be happy to discuss any part of this response.

Debbie Caldwell

Climate Commissioner

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