

**FUEL
POVERTY
ACTION**



**ENERGY
FOR ALL**

Heat Networks Regulation: Implementing consumer protections

January 2025

Fuel Poverty Action has been taking part in this consultation process for several years. We are glad that regulation is finally on the horizon, and sure that it will bring some improvements. But it is profoundly disappointing that the advent of regulation has not been seen as a chance to address the fundamental problems that have made so many heat networks a financial - and health - disaster for their users.

We doubt our concerns, or the experience of heat network users will carry much weight with you. The consultation is “open” to all to respond to, but it’s clearly addressed to the industry. Again and again we see questions like “Do you currently engage with your consumers on a regular basis?” or how do “you” believe proposals would impact “on suppliers, particularly smaller suppliers, or on debt management and the recovery of costs”. The intended respondent is clearly suppliers.

There is not one question that asks how do “you”, as consumers, experience x, feel about y, what do you think about z, how does a,b,c affect you. There has been no effort to reach out to heat network users. For years FPA brought residents to DESNZ to explain how their lives are affected by the heat networks they depend on. Then that stopped. Instead, you add up how many respondents agree or disagree with a particular suggestion, without recognising that the vast majority of respondents are on one side of the fence, and not surprisingly the solutions they prefer reflect their own interests. The same is true of Ofgem in its decision making on gas and electricity, leaving little hope of relief when Ofgem takes over as the watchdog for heat networks.

Repeatedly, you note that the sector is very complex, making regulation very difficult. It is true that the complexity produced by a supposedly competitive market in a natural monopoly makes effective regulation unlikely. We have witnessed sympathetic civil servants struggling to find ways around conflicting realities. Not only is there a huge range of models, but even to supply heat to one housing block there may be many players with overlapping roles and a confusion of responsibilities (For how this affects residents see our 2021 report [“Holding Feet to the Fire”](#)). While we hope and expect this to be clarified in the new framework, the UK’s patchwork of interests remains a fundamentally inefficient (expensive) and unaccountable basis for providing one of life’s necessities.

Local authorities are the bodies that in theory could play a key role in coordinating, overseeing, and providing much needed investment in heat network growth, while establishing a promising and substantial income stream for themselves. However, LAs have been systematically starved of resources for many years. Earlier in the process of designing a new heat market framework there was talk of them playing this role, but that has now been effectively sidelined: they would need support to access lower cost capital funds through routes such as municipal bonds or another system that does not bind them forever to high cost private equity finance. Instead we are watching in real time the establishment of another PFI disaster that will mature within the next decade, ensuring that consumer protection can only scratch the surface of what goes wrong. Consumers recognise this as a political choice.

There is a fundamental issue of justice here: individual households must not be penalised because they happen to live in a home where decisions were made by others to introduce a heat network, and decisions continue to be made over their heads about how to finance, maintain, supply and run it. No one should lose their financial stability, their health or their home, because they live on a heat network, large or small. The government needs to discover what it costs to make heat networks reliable and affordable, and either guarantee those costs (not including profits) or find a better solution than the heat network. In many cases, other solutions do exist, for example retrofitting homes' fabric, or heat pumps: the viability of heat networks should not be taken as the overriding priority when they are unable to provide reliable heat at a reasonable price. To continue to expand the HN sector on the basis that residents will pick up the tab is not sustainable.

In our response to the previous consultation on customer protection we dealt with many of the issues raised here, including transparency, affordability, compensation, pre-payment meters, self-disconnection, vulnerability, and the information required in bills. For example, we discuss the meaning of transparency, particularly regarding billing, metering costs, standing charges and service charges, fuel procurement, CHP income, network efficiency, and cost-sharing responsibilities. We include a wide range of examples from different places, whereas our present response draws heavily on the realities on the ground in Lambeth, South London. The examples and arguments we offered in that last round are important, but there seems little point in repeating those arguments here.

Our key contributions in this present response concern

- a) Pricing
- b) Exclusion of social housing residents from compensation
- c) Decoupling heat charges from housing costs, and ending the threat of eviction or forfeiture of lease.

Main consultation questions

(Questions not answered in grey)

1. With reference to the draft authorisation condition on definitions, do you agree or disagree with the definitions for network types (domestic and microbusiness, non-domestic, industrial, self-supply)?

There does not appear to be a definition of non-domestic. Otherwise we agree with the definitions.

2. With reference to proposed consumer protection measures in this consultation, are there any measures that in your view are not relevant to heat networks using shared ground loops and individual consumer heat pumps? If so, what measures and why?

If the SGL bill only relates to the ambient section of the network then the general principles should be relevant.

3. Are there proposed consumer protection measures that in your view should be tailored to suit shared ground loop technology and if so, how?

4. In applying consumer protections to a heat network using shared ground loops and individual consumer heat pumps, in your view should there be differentiation between networks which charge a fee to access the loop, networks that do not charge a fee, and SGL networks that utilise other ambient heat sources in addition to Boreholes?

Heat supply contract principles stay the same in all cases. The type of primary heat generation doesn't affect that. 'Access to the loop' and its energy supply costs are being applied somewhere so why differentiate on how it is split in a bill. Should we not be considering the total charges?

5. With reference to the draft authorisation condition on definitions, do you agree or disagree with the definition for bulk supply?

6. Do you agree or disagree with our proposals to apply some consumer protection measures to bulk supply activity? Please provide evidence and reasons for your response.

We agree, as to not regulate that would leave the price of the energy at that layer un-regulated.

7. Do you agree or disagree with the proposed protections for non-domestic heat network customers? Please provide evidence to support your views, or evidence of the potential impacts.

8. Do you agree or disagree with the proposed definition of an SME for the purposes of heat network regulation?

9. Do you agree or disagree with the proposed approach to 'supply to premises' Conditions?

10. Do you agree or disagree with our proposed approach to the Standards of Conduct?

11. Do you currently engage with your consumers on a regular basis?

12. If yes, could you provide examples of how you currently engage your consumers,
Again, this question is posed only to get the perspective of heat suppliers, not the perspective of their consumers, about how they are being “engaged with”. Lambeth tenants say their Council do not properly engage with their consumers. For example, there is no transparency regarding how charges have been calculated. What engagement there is, may not be reliable. The Lambeth Tenants Heating Campaign said a year ago, *“Some tenants have been told by Lambeth that the evictions won’t be pursued. But as the council refuses to confirm or deny this statement in writing, and to our knowledge have recently taken one resident to court (unsuccessfully), residents have been left in an awful state. The written threats of eviction to tenants, already suffering from the cost of living crisis, further destroys their mental health and drives them further into spiralling debts. Something must be done.”* Lambeth Tenants Heat Campaign - LTHC. Since then, over 3,000 more tenants have been threatened.

13. Do you agree or disagree with our approach to a principle on the security of supply?

14. Do you have any views on the high-level fair pricing framework discussed in the Fair Pricing section and in Annex 3 of this document?

After many years of paying outrageous prices for often inadequate service, residents will be profoundly disappointed. Regulation is finally on the horizon, but its pricing framework leaves them fundamentally unprotected.

What is “fair”? There is no definition, and the *“‘fairness test’ element which would be at the core of our activity ensuring heat networks adhere to this regulation”* is outlined only in terms of vague principles from unstated “customer objectives” to unstated “customer outcomes”.

The section repeatedly makes clear that *“Prices should reflect efficient costs of the network.”* If this meant that prices should reflect what heat would cost if it were produced, distributed, and managed efficiently, that could be a starting point. However, there is no indication that that is your intention.

Residents have been told for many years that the prices they are charged are “fair” because they reflect the network’s costs, when those costs are determined by gross inefficiencies in both physical infrastructure and management, plus bloated salaries and profits. We note that Annex 3 says *“Heat networks should strive to improve efficiency of network operation and costs”*. Not even that they “should” improve efficiency – they should just “strive” to improve it! It also says they should be *“incentivised”* (presumably via profits) to *“make choices based on long-term efficiencies.”* Such language offers no guarantee, and little hope that efficiencies will be required or achieved. In some cases they *cannot* be, for example in Southwark, where miles of underground pipes are filled with sludge and the local authority has been stripped of its ability to pay for the major works needed. In other cases, entrenched bad practice and entrenched personnel will ensure that business continues as usual. It has always been easier for network

operators and suppliers to simply pass on their unnecessary costs to the end user, than to make big changes. We don't expect that to change because of this framework.

It is startling that in Table 7 every hope is expressed in terms of what the network "should" do, with the exception of regulatory control and oversight, where the word used is "must". There is no indication of what sanctions will be if networks do not behave as hoped. Will licences to operate be removed if they do not "strive"? If they "strive" but don't achieve reasonable efficiency? If they have no hope of success because the inefficiencies are baked into badly-designed/installed or aged and decrepit networks?

As we said in our 2023 response, *"From a user's point of view, a high price is no fairer in a clunky old network than it is in an efficient new one."* And, *"... we cannot count on performance reviews etc to actually bring into line businesses which have shown they do not have the capacity - or do not have the will - to deliver. We understand the concern about failing businesses, but the solution must be to ensure they have both the means and the discipline to provide heat at an affordable price, or take them over. Otherwise preventing "operator and supplier insolvencies" just means individual families become insolvent instead."*

The basic question is why should residents pay for these situations? It is not their fault, and nor can they afford it. Leaseholders must not bear large historical capital remediation costs over coming decades, just as they must not bear the cost of recladding their buildings when they were not responsible for the flammable materials chosen. (Some face both.) Tenants should not, through their heat charges, pay for network maintenance that would normally be the responsibility of their landlords. And neither tenants nor leaseholders should be forced to accept the untruth that "net zero" requires a monthly sacrifice peculiar to them. If a heat network - or a heat networks policy framework - is not efficient, then it is no good for the climate either.

You say that pricing should be "not disproportionate", not "significantly above costs, making excess profit or not making efficiencies where clearly possible". Yet there is little sign of the proposal in the previous consultation for benchmarking in relation to prices using other forms of heating (option 2). You say "Pricing should not discredit the growth of the heat network sector given its importance to net-zero goals. Heat network consumers should not be unduly disadvantaged compared to other consumers on alternative heat sources such as gas boilers or heat pumps." But this is simply one of the broad objectives/outcomes that "could be required". Has option 2 been kicked into the long grass? The injustice of what many heat network users pay compared to their neighbours - with no choice to "switch" and in many (unmetered) cases without even the option to cut down on their heat - is increasingly well known.

Residents, charities and the public have long been told to wait for regulation to bring relief. That will not happen with a framework like this, and the results will not only be severe fuel poverty but huge anger. As a Lambeth tenant in supported housing said, *"I thought it was a way of saving your money. It's communal heating so you all chip in a little bit and buy a big lump of electricity or whatever and you all get the benefit. But there's no benefit to this."* Failure to make heat networks benefit their users will not only discredit heat networks (a danger you seem to be

aware of). It will have a knock-on effect, more widely discrediting other measures being imposed on people in the name of “net-zero”.

Measures to delay collection of debt, and even to write it off, fail to deal with the fact that when prices are too high, residents simply cannot pay them. How can people keep to an agreement to pay off accumulated arrears at even a low monthly rate, when they cannot pay the new incoming bill in the first place? Lambeth Tenants Heat Campaign says, *“Your universal credit does not cover your heating costs and sometimes doesn’t fully cover your rent. When your heating costs go up by 3 times what you were paying, you end up in debt. Lambeth calls and says pay an additional £10 on top of the current demand, without any extra income. This is an impossible situation.”*

We have said from the start of the consultation process that transparency on prices only goes so far. Heat network users need price caps and limits as much as any other UK resident. Instead, the framework suggests that “networks’ profit *should* take affordability into account”. This will inspire nothing but cynicism among heat users.

We will be monitoring progress of your plan to keep price caps *and profit regulation* “under review”:

- Profit regulation does not pose the same risk of insolvencies that price caps do and could be applied quickly. Yet we have seen no signs that it is even being actively considered.
- Price caps apply to the rest of the domestic energy market. London Tenants Federation asks, *“Are you really suggesting that tenants on an heat network should be treated differently to tenants not on heat networks? They should not be afforded the same protections of their peers? Surely this is discriminatory.”*

Finally, we endorse the Heat Trust’s demand for regulation of the price of gas and electricity used to generate heat. Without this there is little hope of affordable pricing. In the absence of such protection, we could be forced to rely on a repeat of the woefully inadequate EBDS/EBRS exercise. Such mechanisms are better than nothing but they are inefficient and unfair. Small networks may have trouble coping with them, and large ones may not see it as a priority. In Lambeth the local authority failed to apply for the relief until subject to outside pressure, and then did so late and incorrectly. The result was demands for payments that would not have been necessary if the prices had not been artificially inflated by lack of this support. Tenants have been threatened with eviction as they could not pay these inflated prices.

15. Do you agree or disagree with our proposal to extend the scope of fair pricing to all non-domestic consumers?

16. Do you agree or disagree with our proposed overall approach to vulnerability, adopting the existing Ofgem definition for gas and electricity consumers but combining this with targeted protections for heat network consumers, where needed, through the authorisation conditions?

Yes, but it must include financial vulnerability.

Please note that deaths from fuel poverty are a reality. In this rich country there are thousands every year.

17. Do you agree or disagree with our proposed protections from disconnection? Please give reasons or supporting evidence for your answer, and clearly outline any alternative proposal. See our [previous consultation response \(2023\)](#).

In the government's response (August 2024), we were glad to see you considering evidence of the huge and lasting harm that fuel poverty can impose on children, with an option of protecting them up to the age of 16. You said you would consider this, along with extending protection into the summer months - important as many people, especially families, the elderly, and people who are ill or disabled are very dependent on hot water, as well as heat. We cannot see either of these proposals in the present paper.

18. Do you agree or disagree with our proposal to align with gas and electricity PPM protection rules? No. PPMs should never be forced on anyone, but only used if freely chosen as a way of budgeting.

19. Do you think it is appropriate to go further than gas and electricity PPM protections? If you have an alternative approach, please set this out, including how this would impact on debt management and the recovery of costs.

PPMs may be seen as a "last resort" but where prices are unaffordable they are no rarity - they are a fundamental part of the system, and they work by cutting customers off supply. Advice and one-off debt write-offs can be helpful, but that truth should be acknowledged. Advisers have built their careers on finding ways to help people juggle inadequate budgets, ensuring that the most important bills are paid first, and any non-essential spending is cut out. But they recognise that now, in many cases, the money required for bare essentials like basic food and heating is higher than the money coming in, every month. This applies to people on benefits, on pensions, and in employment. (E.g. Citizens Advice has [demonstrated](#) that when they try to help such consumers reduce their outgoings, all of the levers that they have used in the past are not able to help these consumers balance their budget). With prices allowed to soar beyond affordability, heat network billing is built on an assumption that people will go cold, and where they cannot cut their expenses that way (because they have no meter of any kind) they are likely to go deeply into debt, and go hungry because of their heat bills.

We are glad you are considering moving the additional vulnerabilities to the "do not install" category. We do not have confidence in those seeking to install a PPM to perform an objective assessment to verify that it would not have a significant impact on those people's wellbeing. As Joseph Jones from London Tenants Federation says, *"PPMs often lead to self-disconnection, where consumers, unable to afford top-ups, are forced to go without essential energy supplies. This exacerbates the financial and emotional strain on vulnerable households, particularly those on benefits or with limited incomes, and further undermines their wellbeing."*

The effect of a forced installation itself can be damaging and in some cases seriously traumatic. The [prohibition of disconnection and prepayment meters in the provision of water](#) has shown

that where basic life necessities are involved, supply is a basic right and denying it is unnecessary.

Finally, it is unacceptable for anyone to charge PPM customers more than others. Whatever the costs, the supplier is getting the benefit of having the customer's money *in advance* (the equivalent of an interest free loan), and also gains because there can be no bad debt or debt chasing. People on PPMs are generally poorer than others. To charge them more is a poverty premium, an additional penalty for inability to pay which just compounds the problem. This practice has been established abolished for gas and electricity, via the price cap; as far as we know some heat network customers are the only ones now suffering this injustice.

20. Do you agree or disagree with our proposal to explore options to mitigate the impact of unrecoverable debt arising from prohibitions on disconnecting consumers, or installing pre-payment meters, for protected consumers? If yes, please provide any views you may have on approaches for doing so.

21. Do you agree or disagree with our self-disconnection proposals?

22. Can you provide any evidence of the impacts these proposals could have on suppliers, particularly smaller suppliers?

Residents on small Heat Networks cannot “switch” to a big one. **Where there is no choice, there must be equity.** You suggest spreading debt across the heat network market; we agree. However, the total heat network customer base is still quite small, and costs that cannot be recovered from profits should be spread to the much wider base of energy customers – or to the tax payer (a close equivalent, and potentially fairer).

We believe that this should apply not only to debts but to costs of remediating failures. Everything possible must be done to recover funds from heat suppliers who have been negligent or have profited from bad installations or bad practice. But what cannot be recovered from them must not fall on their customers, who may already have been disadvantaged for years by a heating system that they did not choose.

23. Do you agree or disagree with the proposed protections that will be included in the Statutory Instrument that provides for Powers of Entry?

24. Please provide evidence of any impacts or supporting rationale in your response, these can be marked as confidential if appropriate.

25. Do you agree or disagree with our proposed approach to complaint handling?

Yes. We are glad to see recognition of the need to listen to group complaints. This must include complaints via the elected Tenants and Residents Association, or equivalent, which should be positively encouraged and supported to pass on information about what is going wrong. We note your principle that complaints processes must “Be in plain and intelligible language”. This must include a sheet with *multiple* languages, saying in each language that “this tells you how to complain if you have a problem with your heating or hot water” and signposting readers to where they can get a translation.

A principle of complaint handling should be recognition of the emotional stress that residents may be under, either from heat network debts, eviction threats, or failure of heat and hot water. This must inform both the timing and the manner of response to residents who may be at the end of their tether.

26. Do you agree or disagree with our proposed compensation levels that broadly align with existing practice in the sector (Heat Trust levels)? See our [previous consultation response \(2023\)](#).

A few key points are:

- 1) Sanctions should be punitive. The Heat Trust compensation regime has not proved sufficient as an incentive to solve a problem, rather than letting it continue and compensating residents.
- 2) Compensation should cover financial losses. It should also go beyond that, to the very real pain and suffering produced by the shocking standards of reliability in many networks.
- 3) Clarity is needed on defining and determining the start and end times of an outage.
- 4) Compensation should be automatic and timely. There should not be a requirement for residents to raise complaints in order to be compensated for outages.
- 5) There should be minimum temperature requirements. Heat network systems can often be functioning below the required temperature.

27. We welcome feedback from those that place Guaranteed Standards on external contractors through contract, on the requirement to take best endeavours to update existing contracts to align with our standards and compensation levels or provide feedback on what would be an appropriate transitional period to update contracts. It is a sorry reflection on the state of the industry that many residents have no contract dealing with their heat at all. [See here](#).

28. Do you agree or disagree that we should extend certain Guaranteed Standards to protect non-domestic consumers? Would the proposed standards be a reduction in protection, and would they reduce a non-domestic consumers ability to negotiate their own standards? We welcome feedback on our proposal to introduce the standards as a minimum for non-domestic consumers, providing the opportunity to go beyond.

29. Do you agree or disagree with our proposed approach to apply Overall Standards of Performance to heat networks operating on a not-for-profit business model?

Disagree.

We are sympathetic to the rationale which prioritises improvement over compensation. However, this means that social housing tenants, often among the poorest HN residents, will be deprived of financial support that others receive. They may, for example, be unable to afford to use electric space heaters - even if provided to them as vulnerable customers - when the

heating goes off. They will have to pay if they boil a kettle for washing or bathing. They may not have access to medically needed hot water for laundry. This is unacceptable.

In addition, many residents in social housing have long ceased to see their social landlord as genuinely acting for the public good. Some local authorities have excellent reputations. Others are frankly seen as incompetent and even corrupt, and housing authorities behave for all the world like empire building developers acting for profit (See contribution by Suzanne Muna of SHAC to our 2021 report "[Holding Feet to the Fire](#)", p.56). Residents have no faith in promises, even monitored promises, to follow improvement plans and make them work.

The strongest argument for exclusion is the idea that network users will end up paying for their own compensation, as there are no profits to take the compensation from. But local authorities and housing associations are generally large entities, and although they are very short of funding they do have some choices. Lambeth Council, for example has c. 41 members of staff on six figure salaries, recently spent over £13m in legal fees and disrepair compensation, and has wasted over £400m on a failed housing development initiative. There should certainly be rules to prevent residents paying compensation, just as there should be rules to ensure that billions of pounds required for remediation are not sourced from the people who've been paying inflated bills.

30. Do you agree or disagree with the proposals for including additional information on consumer bills? See our [previous consultation response \(2023\)](#) Please note that all information must include signposts to translations, as is standard for many official documents now.

If you agree, what timescales could you reasonably implement these changes?

31. Do you agree or disagree that we should further explore the proposal on unbundling heat from other service charges, noting this may require legislative change to be implemented?

It is perverse and unjustifiable to bundle heat charges into other service charges or rent, with the ultimate consequence being eviction for inability to pay an unavoidable - and irreducible - heat bill. The consequences for residents are severe even when the threat of eviction is not carried out: people work two jobs, leaving children unattended, go hungry, become ill, suffer severe depression, miss out on holidays, time with friends and family, for the sake of a bill that they simply cannot meet because their essential outgoings are greater than the money coming in. If they are evicted, in favour of a new tenant that is probably not informed about the dilemma, where are they and their families to go? See the blog and social media posts of Lambeth Tenants Heat Campaign: <https://lthc.weebly.com> for how people there have been affected in a year when their heat costs rose by 353% and a tenant of sheltered housing was actually taken to court (the court ruled against eviction).

In Lambeth, nearly 3,500 council tenants households have suffered such threats. They have [spoken out](#) on BBC TV.

Kirsty Oliveira: "*There are people who are not eating properly, because they're trying to pay this because they're scared they're going to be evicted. This can't be right. It's not fair.*"

John, MacIntosh Court resident: *“The letter says, if you don’t pay it, the way to avoid paying it is to end your tenancy. Basically, you pay up or you get out. I’ve been managing on my pension, and to suddenly have to find an extra £220, I’ve been struggling through trying to cover it but I’m just falling further behind, and now I’m in arrears and probably heading towards eviction, because I can’t pay.*

Joseph, MacIntosh Court resident *“I’m going to be back on the street.”*

As LTHC has pointed out, heating bills are not, like real rent, included in the cap on how much rent can be increased in one year. Nor are they covered by Housing Benefit or Universal Credit. Some may think it is fair to evict someone who fails to pay rent which is capped or covered by benefits, no one can see it as fair to put people on the street because they cannot afford their heat charge.

You say changing this intolerable injustice “may require legislative change”. If so, it may require Ofgem and the government to ***step in - immediately - and make clear to social housing providers that eviction threats for heat charge arrears are neither expected nor acceptable and that every possible step will be taken to ensure they are never used.*** The same should apply to forfeiture of leases. No one can afford to wait for legislation to end the threat of heat networks leading to people losing their homes.

The danger of leaseholders losing rights through decoupling heat from other charges/rent is worrying, and must be dealt with if necessary by legislation.

32. Do you have any views on options 1, 2 and 3?

For the reasons explained above, option 2 is the only one acceptable.

33. If we were able to unbundle the heat charge for individual properties, do you agree or disagree with our proposals on limiting back-billing to 12 months?

Agree. Aside from the human cost, and the fact that back-billing is not the heat user’s fault, there is no point demanding money people simply do not have. If back billing is applied, there should also be a requirement for the landlord to provide a clear breakdown of how the back-bill has been calculated for the individual property concerned.

Another key issue is: **over what period** are suppliers back-billing errors to be corrected by tenants? Having failed to bill promptly, some suppliers expect consumers to instantly come up with gigantic sums that they never expected to face. Many are on a low income with no savings, and perhaps children to support. Payments should be negotiated according to what they can afford. In many cases, a ten-year period to pay off four figure sums is the minimum you would expect.

In addition, back-billing requires accurate accounting and timely auditing to ensure figures have not been massaged to plug other holes in the landlord’s HRA account. Another likely scenario is that if the landlord is unable to recoup these funds within a given period they will instead increase charges to leaseholders.

34. Can you provide evidence of any potential impacts of limiting back-billing to 12 months for individual properties? We wonder if you are considering the impacts for consumers, who may go without food to pay sums they could never have dreamt of, or only the impact for suppliers?

Do you have any concerns regarding communal areas?

Lack of transparency over 'actual' costs for each estate. Social landlords are not incentivised to be energy efficient. Lighting is often on 24hrs a day, when not necessary.

35. Do you agree or disagree that we should seek to align with HNTAS technical standards/metering rules to give networks adequate time to meet regulatory requirements?

We said in our 2023 consultation response, "*Children have grown up while the market matures*". *Grandparents have died in homes where people are waiting for rescue from their failing or unaffordable heat.*" That was two years ago. Many outrageous practices that are being regulated against are things that should never have been attempted in the first place. The introduction of regulation is hardly a surprise, and many elements of it have been known for a long time. Such generosity to the industry puts consumers at continuing risk.

36. Do you foresee any potential challenges of creating new contracts or amending existing ones to ensure the information proposed is included?

37. What timeframe should we allow heat networks to implement this?

38. Do you agree or disagree that the risks associated with failure in social housing and local authority operated heat networks can be managed within existing regulatory arrangements? If you disagree, please explain why.

The avalanche of horror stories in the media about children and pensioners dying in cold, damp, mouldy social housing, some with holes in the roof, leaking toilets, etc etc should be evidence enough that existing regulatory arrangements are insufficient.

Please see our 2021 report "[Holding Feet to the Fire](#)" for the labyrinth of contested responsibility that can foil any attempt to hold parties responsible in many housing estates, especially those where a housing association is landlord to a few tenants among many leaseholders.

39. Are there additional sectors, other than social housing, where you consider the risks are managed due to factors not identified here? If yes, please provide details.

40. Do you agree or disagree with the proposals for authorisation conditions on financial responsibility and control over assets? If you disagree, please provide rationale or suggestions for other ways to address the risks.

41. Do you agree or disagree with the proposed financial monitoring requirements, including the metrics and the frequency? If you disagree, please provide further details and/or alternative suggestions.

42. Do you agree or disagree with the structure and contents of the proposed Operations/Supply Continuity Plan? If you disagree, please provide feedback such as additional material you consider should be required or other suggested changes.

43. Are you aware of examples of, or do you already have in place, this type of contractual step-in arrangement, to enable a replacement entity to continue to operate a heat network?
44. Do you have any feedback on what support could facilitate the implementation of a contractual step-in requirement for an existing heat network? Are there any arrangements that you think would support its introduction?
45. Where a heat network has a separate supplier and operator, do you agree or disagree that the supplier's contractual arrangement should be with the heat network operator?
46. Do you envisage any additional risks associated with the proposed Last Resort Direction process? If so, what do you consider are the most appropriate mitigations to these risks?
47. If you support the introduction of such a scheme, what would be the benefits of such an arrangement, and why do you think it is necessary? What impact do you think it would have on the likelihood of commercial solutions being found?
48. Do you agree or disagree with the proposal to introduce a Special Administration Regime, modelled on existing SARs and using bespoke provisions, where appropriate, to ensure it functions in the heat network sector?
49. Do you agree or disagree with the proposal for the introduction of transfer schemes?
50. Do you agree or disagree with the proposal that heat networks should put in place a funding mechanism to support the regulatory interventions outlined?
51. Are you aware of any of the proposed funding mechanisms currently being used to mitigate failure risks for existing heat networks?
52. Do you have any comments on the feasibility of the proposed funding mechanisms?
53. Do you agree or disagree with the proposed approach to Market Segmentation, including the characteristics we have identified to inform our proposals?
54. Do you agree or disagree with the proposal to develop and implement a minimum standard for regulated providers across some services over time?
55. Which services would you find appropriate to be regulated by a minimum standard?