

Improving standards in heat networks



Bindi Patel, Head of Scheme
25 June 2019



Heat (networks) is where it's at!

- Low carbon heat networks are changing the way we heat our homes. They are set to play a key role in meeting carbon reduction targets and helping to create a sustainable energy future.
- The government is investing heavily in these networks and the number of UK households using them is expected to grow rapidly over the next few years.
- There are already thousands of individual heat network providers, of all shapes and sizes, but the market is currently unregulated. **The majority of these networks deliver a good service, but some are letting customers down.**





*What are customers
saying to Heat Trust?*

Transparency, clarity and redress

Transparency esp. heat charges

- “So most residents are not signing this agreement until we understand **why we're paying such a high rate**”
- “**I feel mistreated as a customer** and falsely tricked into signing a 25 year contract which has ever increasing costs.

Quality & clarity of information

- “Basically **we have lots of questions and no one is able to help us so far** - I've written to [supplier], [developer], and the housing association that owns [development name]”
- “The tenants are keen for [supplier name] to register the site with the Heat Trust, however the **process being used by [supplier name] to gauge a consensus is divisive at best**, for example implying that membership will cost c£80 per year per tenant.”

Redress when things go wrong

- “Other buildings that are being brought onto the system and not commissioned properly so flow to existing on the system is impacted. **We were told to try to run the water slowly and it will come hot in the end.**”
- The residents keep hearing the same rubbish response, “**Heat is not regulated so they are unable to do anything at this time.**”



Positive future for heat networks...

UK Housing Fit for the Future, CCC (2019)

“Aligning infrastructure investment in low-carbon heat with the UK's climate change targets requires the UK Government to develop a strategy for decarbonised heat. In the 2020s this should include roll-out of heat pumps in homes that are off the gas grid, with a focus on the 1 million homes using high carbon fossil fuels; **a major programme to build and extend low-carbon heat networks in heat-dense areas (e.g. cities), aiming for around 1.5 million homes connected by 2030...**”



...but also increased scrutiny and expectations

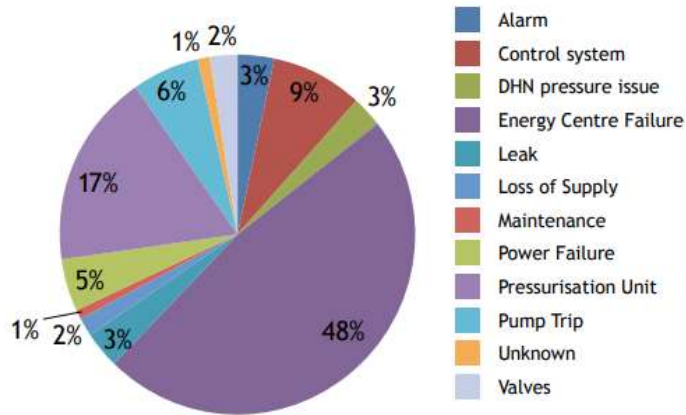


Figure 4: Unplanned Interruptions

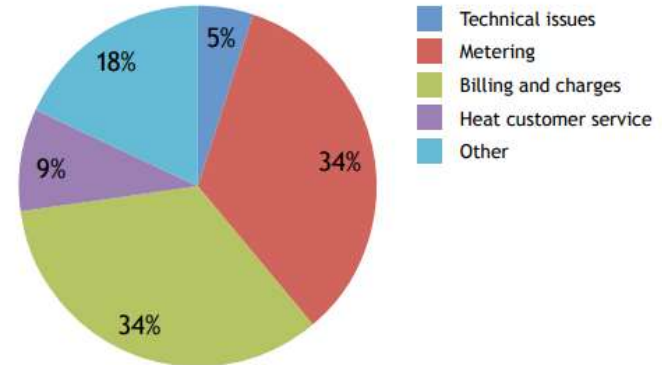


Figure 2: Total Annual Complaints

Comparison between 2016 and 2017 complaints

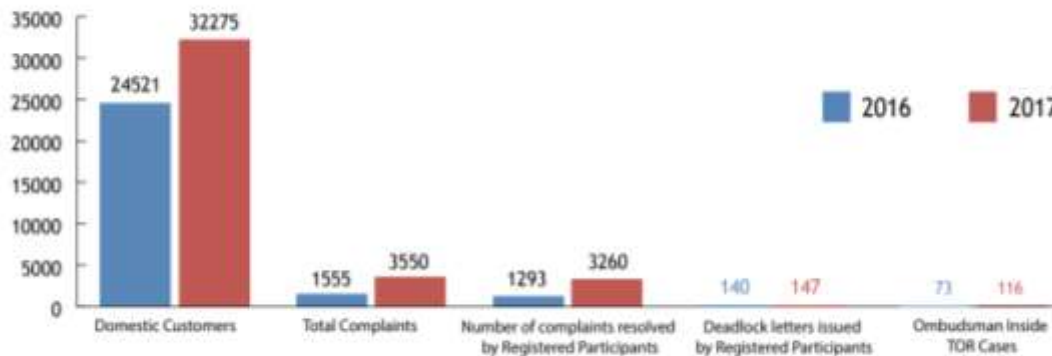


Figure 1: Comparison between 2016 and 2017 complaints



HEAT NETWORKS CONSUMER SURVEY

Results Report

BEIS Research Paper Number 27

December 2017

ofgem



Heat networks market study

Final report



Letter for the attention of the heat network owner or operator

April 2019

Heat networks when designed, installed and operated correctly offer significant benefits in terms of lowering heating costs for consumers and providing good quality of service. I welcome the work of the heat networks industry in driving up standards and service provision for consumers on heat networks.

Heat networks are also an important part of our approach to decarbonising heat. In our Green Growth Strategy, we set out a significant role for heat networks as a key element of meeting our decarbonisation commitments. The Government is determined to ensure that as we address this important challenge, consumers are protected. Our 2017 consumer survey¹ showed that many of the 400,000 customers on heat networks are largely satisfied with their provision. However, it also highlighted that there are some schemes where the full benefits to consumers are not being realised, and where the quality of heating provision is not up to the standards of alternative (gas or electricity) systems. The Government, together with other market and industry players, is working to accelerate the growth of the heat network market in the UK and ensure that the market transitions on the basis of the highest standards and guarantees for consumers.

We published our policy position for the future heat network market² in December and are currently analysing the responses received. We intend to launch a full policy consultation later in the year, setting out our plans for future regulation of the sector in light of recommendations from the Competition and Markets Authority last year³. In the meantime, we recognise that there is a need and an opportunity for existing networks to improve their consumer experience and build on existing good practice – and do so now, rather than wait for regulation.

One of the organisations working hard to establish good industry practice is the Heat Trust⁴. The Heat Trust is an independent organisation seeking to drive up standards of performance of heat networks and improve the customer experience through a voluntary industry scheme. Heat networks registered with Heat Trust offer customer service standards comparable to those required by gas and electricity companies which include:

- Support for vulnerable consumers
- Responding to faults and emergencies
- Guaranteed service payments for interruptions in supply
- Transparency in metering and billing, and
- Complaints handling, including access to the Energy Ombudsman (see below)

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/668886/heat-networks-consumer-survey-2017-report.pdf

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/668886/heat-networks-consumer-survey-2017-report.pdf

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/668886/heat-networks-consumer-survey-2017-report.pdf

⁴ <https://www.heattrust.com/>



The Scottish Government

Riaghaltas na h-Alba



UK housing: Fit for the future?

Committee on Climate Change
February 2019



Putting heat network customers first

- Heat Trust is all about protecting heat network customers.
- We are an independent, non-profit consumer champion for heat networks that holds suppliers to account for the benefit of everyone involved.
- We make sure customers enjoy the benefits of heating systems fit for the future by setting the standards they should expect, making sure they are treated fairly and working with suppliers to deliver high-quality customer service.
- Consumer protection is essential to the long-term success of heat networks. We're putting in place the foundations of regulations that will protect customers while allowing this exciting new industry to flourish.



What does Heat Trust cover?

Heat Supply
Agreements /
Terms of Service

Complaints
procedure and
Energy
Ombudsman

Faults and
interruptions

Vulnerable
customers &
Priority Services
Register

Billing, back-billing
and payments

Customer
communications

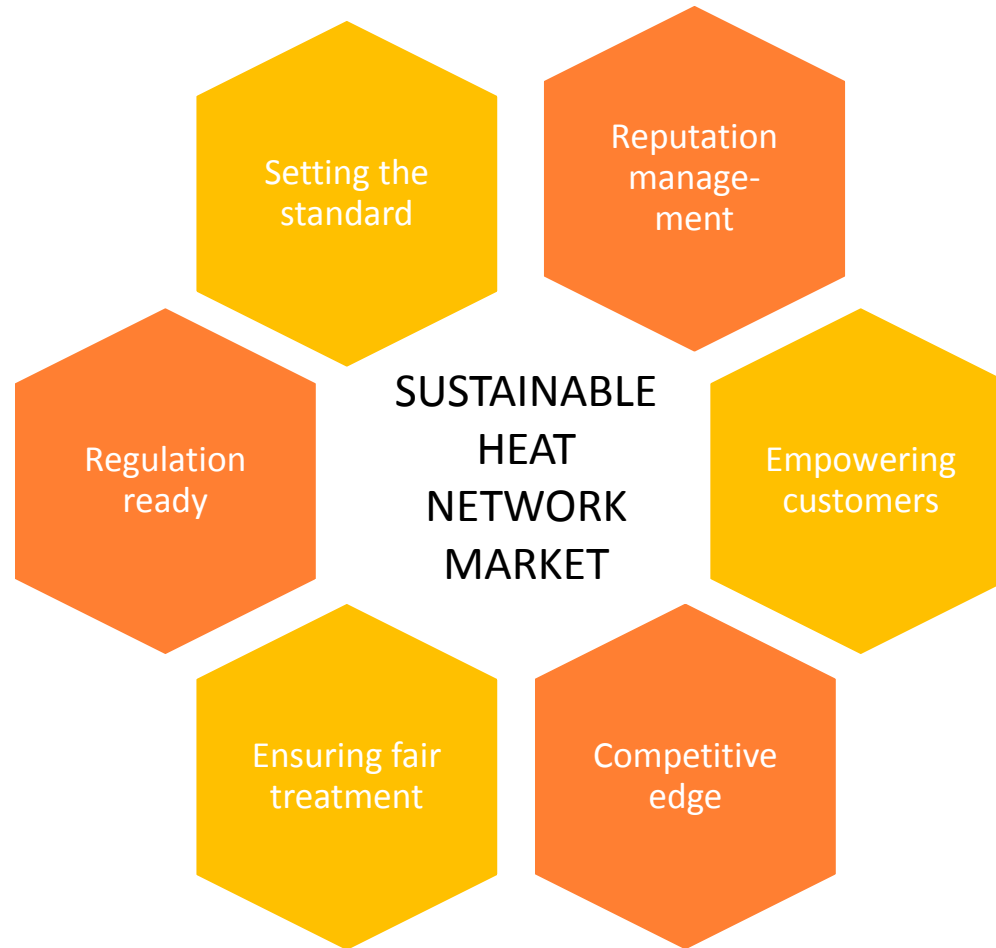
Pricing

Contract length

**Supplier of last
resort**



What's the offer?



Thank you!

Contact details

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