

Dear stakeholder,

## **Scottish Government Heat Networks Regulations team – update 7 October 2022**

Following the Heat Networks Regulations Introductory Event, we have assigned stakeholders to assist with the four regulatory work packages, in order to implement the Heat Networks (Scotland) Act 2021 (the 2021 Act). The work packages and proposed start dates are as follows:

1. Building assessment reports and heat network zoning – autumn 2022
2. Consenting and key network assets (incl. Transfer Scheme) – winter 2022
3. Permitting and local authority cost strategy – early 2023
4. Licensing and powers of licence holders – early summer 2023

Upon commencement, we will hold regular stakeholder engagement group (SEG) meetings to review and discuss draft regulations in progress for each particular work package. The SEG meetings will provide:

- a point of contact for a cross-section of key sector stakeholders
- a forum for comment to help shape drafts
- an opportunity to feedback progress to wider industries

Note that there was a practical constraint on the number of members we could accommodate in each SEG.

Additionally, we have created an organisational and governance structure around the SEGs to ensure their smooth operation. The SEGs' activities will be overseen by a Board (comprising of Scottish Government officials) and a Steering Group (external sectoral experts). These two governance bodies will operate in tandem to guide and manage the SEG meetings. Any strategic decisions and/or dispute settlement will be undertaken by an overarching Senior-Level Decision-Making body (comprising of senior level Scottish Government officials).

In September, we held first meetings of the board, steering group and SEG1 (building assessment reports and heat network zoning).

### **Some initial thoughts and outcomes from the SEG1 meeting:**

- SEG1 members will review and provide feedback on draft regulatory and guidance documents which will be provided to them in a timely fashion.
- LHEES guidance and methodology will form the basis of zoning, providing local authorities with a flow-through process from receipt of building assessment reports, to review of areas with potential to be zones, to designation of zones.
- Scottish Government intends to consult local authorities on the feasibility of completing the review of zones by end of 2023 (to coincide with submission of their LHEES).
- “Relevant persons” are required to submit a building assessment report “as soon as reasonably practicable” to local authorities and the Scottish government. “Relevant persons” are defined by the 2021 Act as those who have an interest of ownership in non-domestic public buildings. It remains under consideration whether to (i) expand the definition of “relevant person” to include maintenance/facilities managers of such buildings; (ii) define the meaning of “reasonably practicable” by regulation.

**Key work undertaken so far for work package 1:**

- The Heat Networks Regulation team has contracted Zero Waste Scotland to produce guidance to help (i) “relevant persons” (i.e. public sector non-domestic building owners who are not deemed exempt) to submit a building assessment report (i.e. assessment of suitability to connect to a heat network); and (ii) local authorities to discharge their duties in relation to designation of heat network zones. Such guidance will take the form of standardised pro-formas and templates, designed to make the process as straight-forward as possible.

We will be in touch soon with our next update.

With kind regards,

**Heat Networks Regulation Team**  
**Directorate for Energy & Climate Change**