Department for Economy Consultation on Heat Networks in Northern Ireland: Protecting Consumers and Setting Up Regulation

September 2026

Summary of NIFHA View:

- NIFHA support the development of a clear and proportionate regulatory framework for heat networks in NI.
- NIFHA consider the current approach metering, billing and exemptions to be proportionate and would support the continuation of the existing exemptions, including related to supported and sheltered housing.
- NIFHA would welcome continued engagement with DfE as the framework, Code of Conduct and transitional arrangements are developed.

About NIFHA

The Northern Ireland Federation of Housing Associations (NIFHA), formed in 1977, is the representative body for Northern Ireland's 19 registered housing associations.

Our members are all not-for-profit organisations. Together, supported by the Department for Communities and the Housing Executive, they provide over 62,000 social and affordable homes.

Housing associations access private finance to effectively double the number of homes they could build with government housing association grant alone.

Housing associations also deliver high-quality care and support to help people stay as independent as possible.

Working in partnership with other organisations, they also invest millions each year in community services and facilities.

Our sector employs more than 3,400 people and manages total assets of £5.42 bn.

NIFHA welcomes the opportunity to respond with our views on the Department for Economy Consultation on Heat Networks in Northern Ireland: Protecting Consumers and Setting Up Regulation.

Response to consultation

Consultation questions:

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

   NIFHA agree with the types of heat networks that should be covered by these rules and the types that should be out of scope. Many housing associations manage a range of supported and sheltered accommodation that are supplied by communal heating systems, and these exemptions need to remain.

2. Do you agree with using an authorisation regime (rather than licencing) for heat network operators, including an automatic 'deemed authorisation' for existing networks?
   Comments:

   NIFHA support the proposed authorisation approach in preference to a licensing regime, as this should provide a proportionate framework for regulating heat network operators. However, it will be important to ensure that the associated administrative and compliance requirements are not unnecessarily burdensome. Any additional regulatory costs placed on housing associations operating heat networks could ultimately place further pressure on already constrained resources. We would therefore encourage DfE to ensure that the authorisation regime is proportionate, streamlined and designed to minimise unnecessary administrative burdens while still delivering appropriate consumer protections.

3. 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?
   Comments:

   NIFHA would consider the current approach to be proportionate and would support the continuation of the existing exemptions, including related to supported and sheltered housing.
   We would however encourage greater clarity in the terminology used within the regulations. For example, while the regulations refer to 'supported housing', the definition also encompasses 'sheltered housing'. Making this clear within the wording would help to avoid any uncertainty and ensure the requirements are more easily understood by housing providers. We would also welcome more clarity on how billing transparency requirements interact with heating costs recovered through rent / service charges, to ensure consistency with existing housing association and tenant arrangements.

   It is also important to recognise the practical and financial challenges associated with retrofitting heat meters within existing housing schemes. In many cases, this would not be technically straightforward or financially viable. There is also currently no dedicated financial support in NI to assist housing associations with any retrofit costs. In addition to the initial expenditure, the installation of individual heat meters would create ongoing costs for housing associations. These additional costs could not necessarily be absorbed within existing budges without placing further pressure on housing association finances and potentially having an impact on tenant rents.
   NIFHA would therefore strongly support the retention of the existing exemptions.

4. What are your views on the potential benefits and risks of the illustrative three-steps complaints route (operator – CCNI – UR)
   Comments:

NIFHA supports the principle of a clear and staged complaints route, and we consider the proposed three stage process to be proportionate. However, we would welcome further detail on how the process would operate in practice. Housing associations already have established complaints procedures and tenant redress mechanisms. It will therefore be important that any complains relating specifically to heat networks are aligned, as far as possible, with existing processes. This would help to avoid unnecessary duplication, ensure clarity around responsibilities and reduce the risk of confusion for tenants about where / how a complaint should be raised.
NIFHA and our members would also welcome engagement with DfE on the processes housing associations currently follow when calculating heat network costs to tenants. A greater understanding of these arrangements would help ensure that any future complaints framework reflects the practical operation of heat networks within the housing association sector in NI and appropriately distinguishes between issues relating to service delivery, cost recovery and wider tenancy matters.

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

We agree that the introduction of a Code of Conduct would be beneficial in providing greater consistency and clarity for heat network operators and consumers. It will be important that the Code is appropriate and proportionate to the scale and nature of heat networks operating in NI.
Housing associations currently provide a proportion of existing heat networks in NI and have practical experience of their operation, management and associated consumer issues.
NIFHA would welcome engagement with our sector as the Code of Conduct is developed. This would help ensure that the requirements are practical, proportionate and reflective of the operational realities of heat networks within the social housing sector.

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

NIFHA would support the creation of a public register of heat networks. This register could usefully include information such as the operator name / contact information, the number of connected properties, the heat source used and information detailing the relevant complaints handling process.
We would however caution against including information on energy consumption or costs as heat networks can very considerably in terms of their size, age, design, building type and end user. As a result, headline figures on consumption or cost could be easily misinterpreted and may lead to unfair or misleading comparisons between different heat networks.

7. 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 NI?
Comments:

A proportion of heat networks in NI are currently operated by housing associations in the form of communal heating systems. It will therefore be important that any transitional guidance and the revised regulatory framework are developed with this operating context in mind.

In conclusion, NIFHA support the development of a clear and proportionate regulatory framework for heat networks in NI. It is important that the framework reflects the specific nature of the NI market, where housing associations operate a number of existing heat networks. Any new requirements should be practical, proportionate and avoid creating unnecessary administrative or financial burdens. In our view, particular attention must be given to existing housing association complaint processes, the technical and financial challenges of retrofitting older schemes, and the risk of additional costs impacting tenants. NIFHA would welcome continued engagement with DfE as the framework, Code of Conduct and transitional arrangements are developed.

ENDS

Submitted on behalf of NIFHA by:

Clára Robinson
Policy and Research Manager
Northern Ireland Federation of Housing Associations