

## **FM21259 – Early Engagement Notice**

### **Heat Networks Technical Standards Assurance Scheme**

#### Context

We have committed to introducing legislation that provides regulation for the heat network sector, ensuring customers have comparable protections as gas and electricity customers. We have announced Ofgem will be the heat networks regulator.

As part of this package of regulatory measures, we consulted in 2020 on introducing mandated technical standards and an associated assurance scheme. We indicated required standards should build on work the industry has done to date, especially on CIBSE's Code of Practice 1 2020 (CP1),<sup>1</sup> which covers design, build, operation, and maintenance (DBOM) of heat networks. Respondents widely supported our proposal. CP1 is commonly cited in DBOM contracts and adherence to it is required for some government schemes.<sup>2</sup> There is not a standardised approach for assessing compliance to it, or more generally for assessing heat network performance.

We want to develop standardised quality assurance processes that will provide demonstration of compliance to relevant standards and plausible performance data about heat networks. Such processes will provide Ofgem with a means to establish compliance with mandated standards, improve data about heat network performance and improve accountability for parties involved in heat network DBOM.

#### Deliverables

The final deliverable will be an operable heat networks technical assurance scheme (or set of assurance schemes) covering heat network DBOM. In order to develop this product, the supplier will need to establish:

- **The scope of technical requirements:** primarily drawing from CP1, the supplier will need to determine which DBOM requirements are appropriate to be required in the assurance schemes.
- **Conformity assessment procedures:** the supplier will need to define the processes – including, tests, inspections, and calculations – that need to be done to measure compliance to the technical requirements
- **The overarching framework and packaging of schemes:** the supplier will need to consider how the rules come together into workable schemes (e.g. stages) that reflect regulatory requirements, the heat network development process, the assurance industry's capacity to undertake conformity assessment.

#### Ways of working

The supplier will act as the technical author, responsible for developing and writing the scheme's rules.

The supplier will also be expected to chair working groups held with key industry and consumer stakeholders to inform the development of the rules. These will be comprised of representatives from the heat network industry, conformity assessment industry representatives, consumer advocacy bodies and other technical experts. The working groups will provide scrutiny of draft products, provide evidence to inform analysis and generate proposals. While the Department for Business, Energy & Industrial Strategy (BEIS) intend to constitute these working groups, we expect the supplier to chair these working groups and provide project management and secretariat functions as appropriate.

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<sup>1</sup> <https://www.cibse.org/knowledge/knowledge-items/detail?id=a0q3Y00000IMrmGQAT>

<sup>2</sup> Applicants to the Green Heat Network Fund must provide a CP1 checklist confirming that work-to-date is compliant with CP1 requirements. <https://www.gov.uk/government/publications/green-heat-network-fund-ghnf>

The supplier will be expected to carry out pieces of research and analysis that inform the deliverables. This may include literature reviews of comparable schemes, analysis of government data and evidence about heat network performance, and assessments of outputs from the working groups.

Across its functions, the supplier will work closely with staff from BEIS, Ofgem and Scottish Government. They will need to collaborate with BEIS economists and other analysts..

An expert on heat network technical standards, working on behalf of BEIS, will work closely with the supplier. The expert will provide the supplier with technical advice, can support drafting and analysis, and promote coherence with concurrent relevant BEIS work on heat networks.

### Key attributes of the supplier

We are keen to work with suppliers who can offer expertise (and effectively harness expertise from the working groups) across:

- Heat networks, other energy infrastructure or building services DBOM processes
- Standards and conformity assessment. This may include familiarity with relevant ISO protocols such as ISO 17065, 17020, and 17029, or with assurance schemes such as the Micro Certification Scheme (MCS) or Combined Heat and Power Quality Assurance Programme (CHPQA)
- Stakeholder management including consensus building
- Project management

### Indicative timelines & costs

We expect this project to run from June 2022 to November 2022.

Our preliminary budget for this work is £80,000 (excluding VAT).

### **Supplier Engagement Session**

The Early Engagement Notice is being issued in order to undertake market consultation exercise with regards to the current view of requirements detailed above. If you believe this will be of interest to you and your organisation, please register your interest by sending an email the following address – [fmprocurement@uksbs.co.uk](mailto:fmprocurement@uksbs.co.uk).

The supplier engagement session is due to take place W/C 25<sup>th</sup> April 2022 via Microsoft Teams. The date and timing of the supplier engagement session is still to be confirmed however we anticipate the session will take place in the afternoon. The supplier engagement will last approximately 60 minutes, comprising of the following:

- Overview of the requirements
- Open floor Q&A

Attendance is restricted to 3 individuals per supplier. We would request that attendance is restricted to key members of your organisation that would have a keen interest in this project and be able add value to the discussions that will take place.

By registering and attending you will be engaging in non-competitive dialogue which will enable BEIS to develop and assess the market's appetite, concerns and views on formulation of its requirements. BEIS may consider the information and responses received as part of the preliminary market consultant to help inform the specification and further decision making in relation to the planning and conduct of the proposed procurement, ensuring all valid options are considered.

Any information supplied as part of preliminary market consultation shall not place any supplier at an advantage in a potential procurement process.

### Route to Market

For the avoidance of doubt, this notice is not a Call for Competition. BEIS will be utilising the CCS RM3824 Heat Networks and Electricity Generation Assets (HELGA) DPS for the purposes of this competition, if you wish to be invited to this tender opportunity you will need to ensure you are registered against the HELGA DPS under all of the following Service and Filters before Friday 29<sup>th</sup> April 2022.

Service 1: Energy Advisory, Design and Technical Services. The filters selected are as follows:

#### Energy Advisory Services

- Bioenergy and energy from waste
- Energy data management software & systems
- Energy efficiency in buildings
- Gas transmission and distribution systems
- Geothermal technologies
- Heat networks, space heating and domestic heating (including heat pumps)
- Industrial energy efficiency

#### Energy Design Services

- Bioenergy and energy from waste
- Energy data management software & systems
- Energy efficiency in buildings
- Heat networks, space heating and domestic heating (including heat pumps)

#### Energy Technical Services

- Bioenergy and energy from waste
- Energy efficiency in buildings
- Heat networks, space heating and domestic heating (including heat pumps)

### New Supplier on HELGA

If you are a new supplier looking to register against HELGA please follow the below instructions.

1. Follow this link <https://supplierregistration.cabinetoffice.gov.uk/dps#utilitiesandfuels> and select 'Access as a Supplier'
2. Complete the selection questionnaire in full
3. Submit application, once submitted the CCS DPS team will review your application and either request further information or approve your application.

If you have any issues with regards to locating your details and/or with the process and require assistance, the platform providers, NQC, will be best placed to assist you and can be contacted via the following details:

- Phone: 0161 413 7982 (General service desk)
- Email: [Support@nqc.com](mailto:Support@nqc.com)

### Existing Supplier on HELGA

If you are an existing supplier against HELGA and you need to amend the filters your organisation has access to please follow the below instructions.

1. Sign into dashboard and locate 'Appointed' assessment.
2. Select 'Update DPSQ' from the hyperlink options on the application.
3. Navigate through already pre-populated assessment up to where you need to make updates whereby fields can be edited to add/change information.
4. Submit application and return to Assessing whereby the CCS DPS team will update the application status back to appointed.

If you have any issues with regards to locating your details and/or with the process and require assistance, the platform providers, NQC, will be best placed to assist you and can be contacted via the following details:

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- Email: [Support@nqc.com](mailto:Support@nqc.com)