

HEAT NETWORK ZONING

Unlocking the potential of low-carbon district heating



A plan for change

The target: 7% of heat demand in England by 2035 through heat networks

The why: 86% households use natural gas for heating, 2.7m households are in fuel poverty, and buildings are responsible for 21% of territorial greenhouse gas emissions

The ambition in the WHP is clear: cut energy bills, tackle fuel poverty, create good jobs, and deliver energy security whilst addressing the climate crisis.

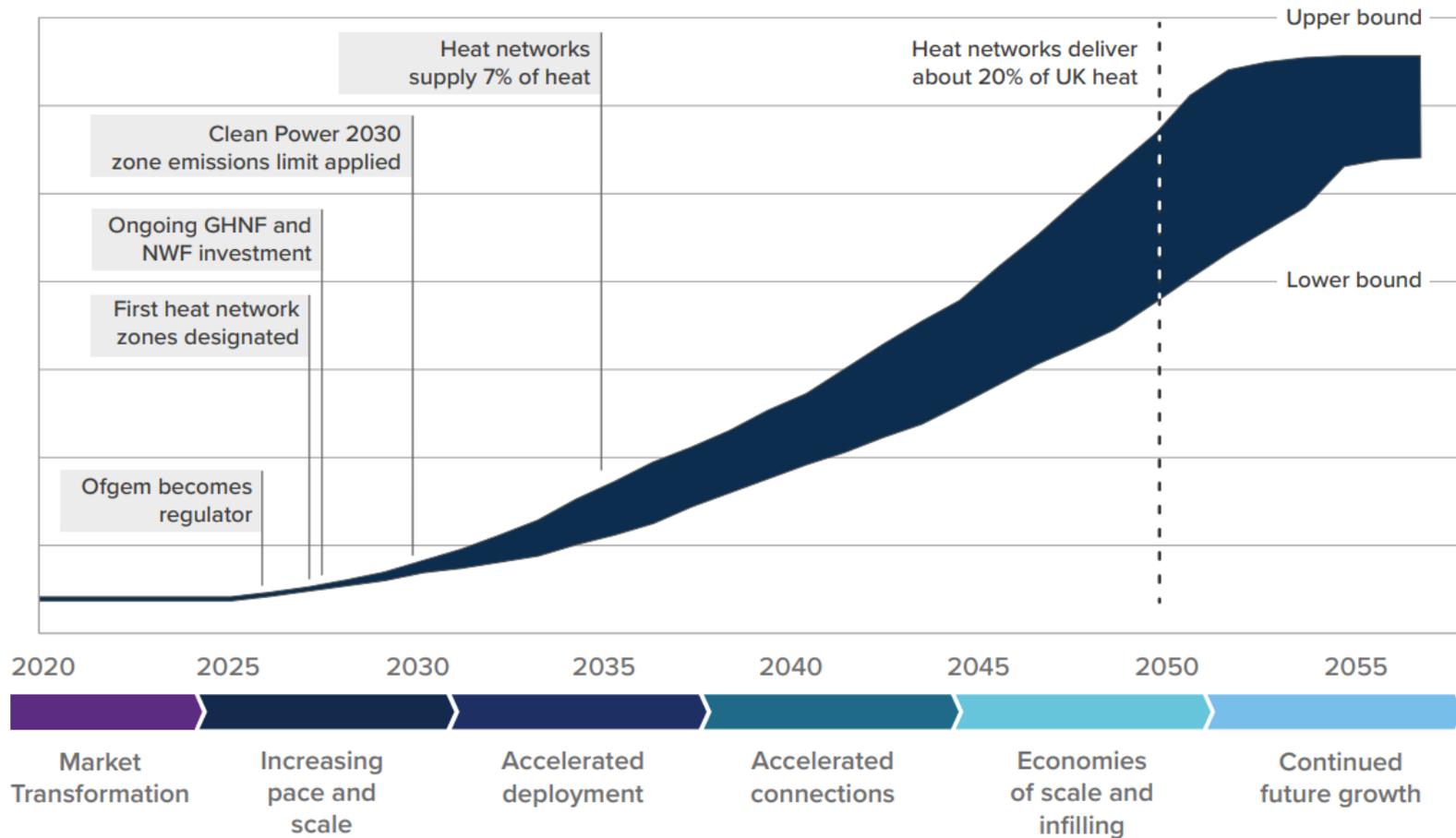
Heat networks are a core component of that long term strategy



Ambition for growth

Figure 10: Stages of growth for English heat networks to 2050

TWh



Strategic growth framework

High public trust in heat networks	Lower bills and competitive prices	Growing supply chains and skills	Access to clean, flexible sources of heat	Local certainty through Zoning
Starting with a foundation of consumer trust in a well-regulated heat network market, including robust consumer protections, high technical standards, and clear consumer journeys.	Lowering the average cost of heat from a heat networks, including through investment support, rebalanced fuel prices, and protecting against excess profits.	Growing a strong market which can deliver heat network projects faster, with a clear pipeline for suppliers, open business practices, and targeted support on skills.	Supporting the lowest-carbon growth, by enabling the use of surplus heat, faster grid connections, and maximising the opportunity of Clean Power 2030.	Ensuring developers, investors and local authorities have the certainty they need to plan bigger more-ambitious projects, with strong governance and clear routes to market.

What is heat network zoning?

Heat network zoning is the process of identifying and designating geographical areas where heat networks are expected to provide the lowest cost low carbon heating solution.

Zoning will empower local communities to accelerate the development of heat networks. It will unlock investment by creating greater certainty for investors and developers and will help ensure that more homes and businesses have access to greener, cheaper heat.

The Energy Act 2023 is being used to establish the regulatory framework for heat networks in Great Britain and to introduce heat network zoning in England through secondary legislation.

Government consultation response

In December 2023, a consultation was launched to gather feedback on proposals for how heat network zoning policy will be rolled out in England.

All consultation feedback has been carefully considered and used to help inform decisions in the consultation response and in the development of the secondary legislation.

The consultation response details how this feedback has been considered, along with new policy developments since 2023.

Key features of the response

1

Certain types of buildings in a zone can be required to connect to a heat network, with specified exemptions.

2

Heat sources can be asked to connect to a network.

3

Core roles and responsibilities of the heat network zoning authority and zone coordination bodies have been set out.

4

Existing heat networks can maintain rights to operate.

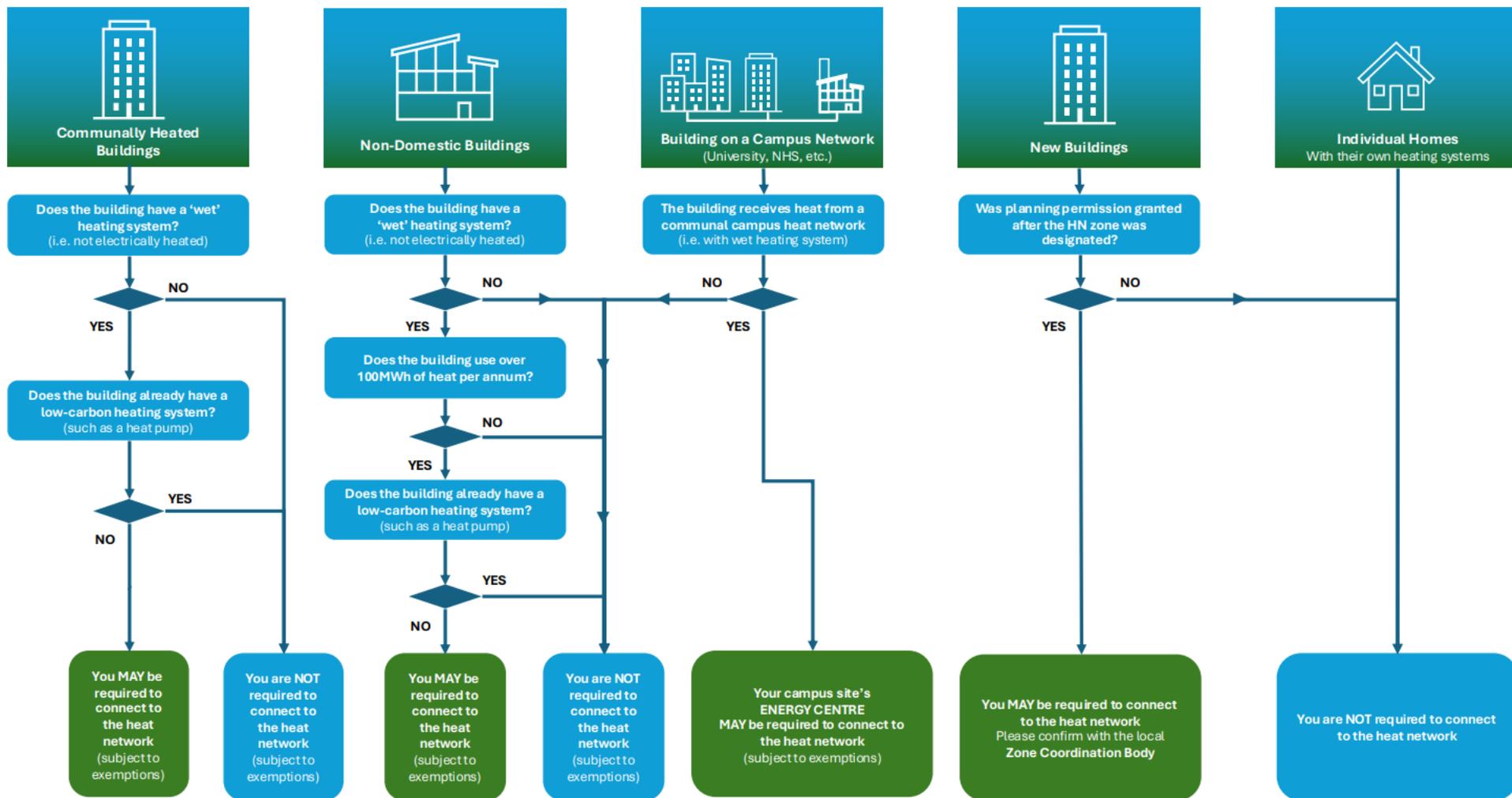
5

Processes are set out for refining and consulting on the boundary of a zone before it is designated, ensuring local context is considered.

6

Developers will gain exclusive consent to develop a zone via a competed process.

Requirement to connect



Roles and responsibilities

Heat network zoning authority

Overseeing the delivery of zoning, including identifying and designating zones.

Zone coordination bodies

Appointed at a local level to coordinate zone activity. Staffed by local authorities (inc. MCAs) with support and funding from zoning authority.

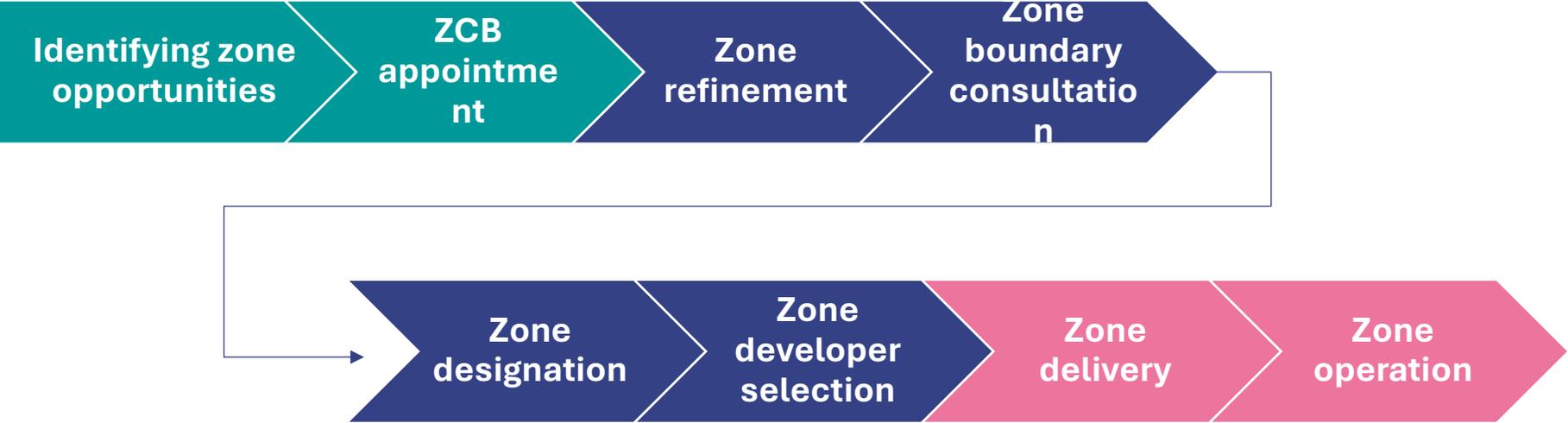
Heat network zone developers

Competitively bid for exclusive rights to develop and operate the heat networks within one or more zones.

Ofgem

Regulator of heat networks, overseeing consumer protection, standards and regulation.

Zoning stages



Roll out of zones

National Zoning Pipeline

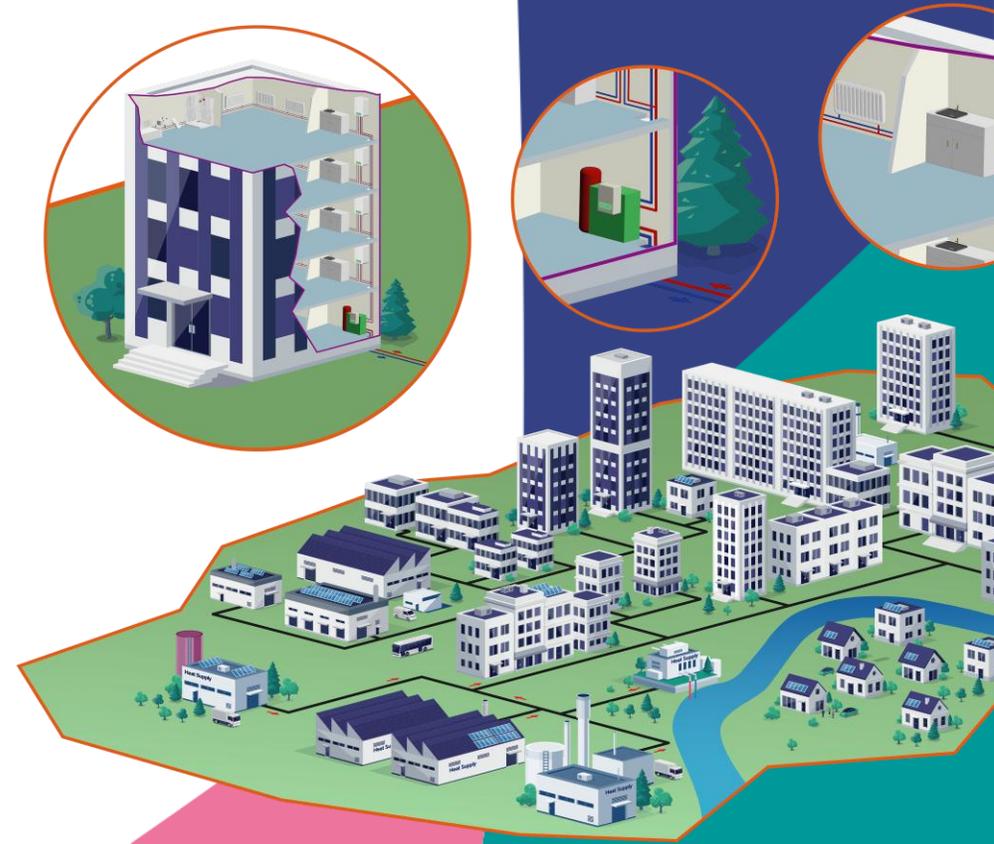
- The heat networks zoning authority will use outputs from the National Zoning Model to build a pipeline of zones expected to be designated in the next five years
- This pipeline will be reviewed annually

Advanced Zoning Programme

- A selection of towns and cities have been supported to establish the first zonal-scale heat networks ready for development when zoning launches in 2026

Heat networks and zones service

- An interactive website due to be launched in 2026



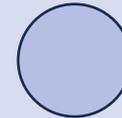
What's next?

15 January:
Zoning
consultation
response &
WHP

Feb-Mar:
Zoning
consultation
webinar
series

Spring 26:
Zoning Statutory
Instrument (SI)
laid in
Parliament

**December
26:** Target for
first zones to
begin
construction



27 January:
Ofgem receive
regulatory
powers

Feb-Mar:
Comment on
zoning regulations
and consent
conditions

Spring 26:
Installation &
Maintenance
License SI laid

26 February
2026

[Delivering Heat Network
Zones: Developer
Appointment \(Competition
and Consenting\)](#)



4 March
2026

[Bringing zones to life:
Operation](#)



Zoning implementation team



Ella Sanders
North West

Ella.Sanders@liverpoolcityregion-ca.gov.uk



Lauren Kemp
North East & Yorkshire

Lauren.Kemp@westyorks-ca.gov.uk



Thiru Annamalai
Midlands

Thiru.Annamalai@nottinghamcity.gov.uk



Elli Nikolaidou
South West

Elli.Nikolaidou@westofengland-ca.gov.uk



Emma-Jane Danielsson
Greater South East

Emma-Jane.Danielsson@gsenetzerohub.org.uk

THANK YOU

Find out more about Local Net Zero Hubs

<http://tinyurl.com/NetZeroHubs>

