

The Scottish Government carried out a consultation on proposals to introduce a new installation and maintenance licence for heat networks, using the [Buildings \(Heating and Energy Performance\) and Heat Networks \(Scotland\) Bill](#). The purpose of licensing is to enable heat network organisations to access the statutory rights and powers they require - for example, rights and powers to access land or carry out road works necessary to the installation or maintenance of essential heat network pipework and apparatus.

The consultation sets out our proposals for an installation and maintenance licensing regime and seeks views on how licensing might work in practice. Responses were welcomed from across the heat and climate change sector and beyond as proposals are developed in this area.

The rights and powers granted by installation and maintenance licences will help the heat network sector to expand at pace and scale, encouraging investment in our communities and contributing towards meeting Scotland's climate targets.

CIBSE has responded to the consultation with the following response.

Question 1: Do you agree that Scottish installation and maintenance licences should be opt in, meaning only organisations who want the associated rights and powers need apply?

Strongly agree **Mostly agree** Mostly disagree Strongly disagree

CIBSE broadly agrees that an opt-in licensing model is proportionate and appropriate at this stage of market development.

The proposed approach recognises that many smaller communal heat networks or single-building systems may not require the full range of statutory undertaker powers associated with major district heating infrastructure. Avoiding unnecessary licensing requirements for smaller or simpler schemes should reduce administrative burden and avoid discouraging market participation.

CIBSE also recognises the importance of aligning Scottish arrangements with the developing GB-wide regulatory framework under the Energy Act 2023 and Ofgem authorisation regime. Minimising duplication between regulatory systems will support investment confidence and reduce unnecessary compliance costs.

However, CIBSE considers that an opt-in model should not create a two-tier quality environment where licensed networks are more robustly governed than unlicensed schemes. All heat networks, regardless of licensing status, should still be expected to comply with minimum technical and consumer protection standards.

The success of heat networks in Scotland will depend heavily on public trust and long-term operational performance. It is therefore important that the Scottish Government continues to support consistent technical standards through alignment with HNTAS - TS1 (Formerly CIBSE CP1) and associated standards and emerging Ofgem regulation.

CIBSE would also encourage periodic review of the effectiveness of the opt-in approach as the sector matures.

Question 2: Do you agree that installation and maintenance licences should be granted at organisation level rather than to individual networks, meaning that organisations with multiple heat networks only need to apply for one licence?

Strongly agree **Mostly agree** Mostly disagree Strongly disagree

CIBSE agrees that licensing at organisational level is likely to be more efficient and proportionate than licensing each individual network.

Many heat network developers and operators manage multiple schemes across different regions. Requiring separate licences for each network could create significant administrative burden and potentially discourage investment.

An organisational licence approach also better reflects the importance of assessing corporate competence, governance, technical capability and financial resilience.

However, CIBSE believes the regulator should retain powers to impose network-specific conditions where necessary, particularly where:

- different technologies are used.
- networks vary significantly in scale or complexity.
- consumer risk profiles differ.
- critical infrastructure interfaces exist
- site characteristics e.g. the presence of archaeological remains which may require specific precautions, and therefore dedicated licencing arrangements; or
- operational performance concerns arise.

The regulator should also ensure that organisational licences do not dilute accountability for individual network performance.

CIBSE would support a framework where operators are licensed at organisational level but maintain clear reporting and compliance obligations for each network they own or operate.

Question 3: Do you agree that licences should be applicable to any type of heat network in Scotland irrespective of size or technology?

Strongly agree Mostly agree Mostly disagree Strongly disagree

CIBSE strongly agrees that the licensing framework should remain technology-neutral and applicable across different forms of heat network.

The heat network sector is evolving rapidly and includes a growing range of technologies and configurations including:

- traditional district heating.
- communal heating systems.
- ambient loop systems.
- shared ground loop networks.

- waste heat recovery systems.
- low-temperature networks; and
- fifth-generation heat networks.

A technology-neutral approach will help avoid unintended barriers to innovation and future-proof the regulatory framework.

CIBSE considers that regulation should focus primarily on outcomes including:

- safety.
- reliability.
- efficiency.
- carbon performance.
- consumer protection; and
- operational competence.

The framework should also remain sufficiently flexible to accommodate future technological developments.

At the same time, technical standards should reflect the differing operational characteristics and risks associated with different heat network types.

Question 4: Are there any other considerations for the scope of licensing you wish to highlight?

CIBSE would highlight several additional considerations relevant to the scope of licensing:

Competence and skills

The success of heat networks depends heavily on competent design, commissioning, operation and maintenance. Licensing should support competency development across the sector and align with recognised professional standards.

CIBSE would encourage the Scottish Government to continue supporting competency frameworks linked to TS1 (Formerly CP1) and other recognised industry guidance.

Long-term operational performance

Historically, some UK heat networks have suffered from poor operational performance, high heat losses and poor consumer experiences. The regulatory framework should encourage whole-life performance monitoring rather than focusing solely on construction and installation.

Consumer confidence

Consumer confidence remains critical to the wider adoption of heat networks. Poorly performing schemes can damage public trust in the wider sector.

CIBSE therefore supports alignment with Ofgem's consumer protection framework and HNTAS technical standards.

Existing legacy heat networks

Consideration should be given to how existing and older heat networks are incorporated into the evolving regulatory framework, particularly where older systems may not meet modern technical standards.

Interoperability with heat network zoning

Licensing arrangements should align closely with future zoning, planning and consenting arrangements to avoid fragmented delivery frameworks.

Question 5: Do you agree with the additional rights and powers which will be available to licence holders?

Strongly agree **Mostly agree** Mostly disagree Strongly disagree

CIBSE agrees that heat network developers and operators require statutory powers comparable to those available to other utility infrastructure providers. The ability to survey land, undertake works, install and maintain apparatus and secure rights of access is essential to the efficient development and long-term operation of networks.

However, CIBSE considers that the proposed rights and powers should be understood as a graduated toolkit rather than as a single equivalent package. The powers listed in the consultation differ materially in their effect on affected landowners and on the existing use of land. Survey access and rights to enter for repair sit at one end of the spectrum; the network wayleave right, road works powers and compulsory acquisition of land sit at the other.

CIBSE recommends that future guidance present the rights and powers as a proportionate escalation sequence:

- Voluntary agreement should normally be the starting point – a negotiated wayleave, servitude or other land agreement reached through early engagement;
- A necessary wayleave should be available where voluntary agreement cannot be reached, and apparatus needs to cross land;
- Compulsory acquisition should be reserved as a last resort, where lesser rights are demonstrably insufficient – for example, where freehold acquisition of an energy centre site is genuinely necessary and cannot be accommodated by a wayleave.

This sequencing is particularly important in a developing market. Unlike the established gas and electricity sectors, the heat network sector includes a wider range of new operators, delivery models and corporate structures. A clear hierarchy of routes would give developers, landowners and public bodies a shared and predictable process, reduce disputes and avoid statutory routes being relied upon where a negotiated one would have worked.

CIBSE also notes that where statutory powers may be exercised over operationally sensitive land – for example acute healthcare sites, emergency service estates, telecommunications infrastructure or other land supporting continuous public services – applicants should be expected to demonstrate early and meaningful engagement with the affected operator, and to show that the land or rights sought are the minimum reasonably necessary.

Subject to the above, CIBSE agrees with the availability of the proposed survey, access, repair, maintenance, apparatus and necessary wayleave powers, properly limited and subject to appropriate safeguards and reinstatement obligations.

Question 6: Are there any other rights and powers you feel should be considered for installing and maintaining heat networks?

CIBSE suggests consideration of the following additional areas:

Coordinated utility access

Greater coordination powers between utilities and infrastructure providers could help reduce repeated excavation works and minimise disruption.

Data sharing and infrastructure mapping

Improved access to underground utility mapping and infrastructure data could assist route planning and reduce construction risk.

Emergency maintenance access

Clear emergency access provisions may help operators respond rapidly to major outages or safety-critical failures.

Futureproofing and expansion rights

Consideration could be given to how future network expansion, and interconnection can be facilitated efficiently

Consumer protection safeguards

Any expansion of statutory powers should remain balanced by clear protections for property owners, occupiers and consumers.

Registration of network wayleave rights

CIBSE recommends that the Scottish Government bring forward, alongside the licensing regime, the register of network wayleave rights enabled by the 2021 Act.

Beyond its transparency function for affected landowners, a wayleave register would directly support coordinated access to underground infrastructure. Where the location and extent of existing heat network apparatus is recorded and discoverable, other utilities, contractors and statutory undertakers can plan works around it, reducing the risk of strikes, repeated excavation and avoidable disruption. The register would also assist heat network operators themselves in identifying interfaces with other networks during route planning, design and maintenance.

A licensee register identifies who holds statutory powers; a wayleave register identifies where those powers have been exercised on the ground. Both are needed for the regime to function efficiently in practice.

Question 7 Do you have any views on who the licence regulator should be?

CIBSE considers that the regulator should:

- possess strong technical capability.
- operate consistently with the wider GB heat network framework.
- maintain close coordination with Ofgem; and
- understand both infrastructure delivery and consumer protection considerations.

Given the relatively limited number of anticipated licence applications, there may be benefits in minimising fragmentation.

CIBSE therefore encourages close coordination between the Scottish licensing authority and Ofgem to avoid duplication, conflicting requirements or inconsistent standards.

Whichever body is appointed should have access to sufficient technical expertise in:

- district heating infrastructure.
- engineering standards.
- construction and maintenance.
- asset management; and
- heat network operational performance.

CIBSE would welcome continued engagement between government, regulators and industry bodies during development of the detailed regulatory arrangements.

Question 8: Do you agree that the licence application process should focus on industry expertise and financial stability?

Strongly agree Mostly agree Mostly disagree Strongly disagree

CIBSE strongly agrees that technical competence and financial resilience should form core elements of the licensing process.

Heat networks are long-life infrastructure assets requiring:

- specialist engineering expertise.
- effective design and commissioning.
- robust asset management.
- long-term maintenance capability; and
- sufficient financial resilience to maintain continuity of service.

Past experience within the UK heat network sector has demonstrated that poor design, inadequate commissioning and weak operational management can result in:

- excessive heat losses.
- high operational costs.
- poor reliability.
- customer dissatisfaction; and
- higher carbon emissions.

The application process should therefore assess:

- technical competence.
- relevant experience.

- governance capability.
- operational capacity.
- financial standing; and
- commitment to recognised technical standards.

CIBSE would support explicit reference to recognised guidance such as TS1 with CP1 remaining a useful reference point during transition and alignment with HNTAS standards.

Consideration should also be given to competency frameworks for key personnel involved in the design, commissioning and operation of networks.

Question 9: Do you agree that fuel poverty, greenhouse gas emissions and Just Transition are not appropriate requirements for an opt in installation and maintenance licence?

Strongly agree Mostly agree **Mostly disagree** Strongly disagree

Please give reasons for your answer.

CIBSE understands the Scottish Government's rationale for avoiding excessive regulatory burden within an opt-in licensing framework.

However, CIBSE considers that fuel poverty, decarbonisation and Just Transition objectives remain central to the long-term success and public acceptability of heat networks and are strongly influenced by heat networks: consumers on heat networks could be significantly affected by poor performance.

Heat networks are being promoted as a key strategic component of Scotland's net-zero transition.

As such, the regulatory framework should continue to reflect broader public policy objectives.

CIBSE agrees that some matters may be more effectively addressed through:

- heat network zoning.
- planning.
- consenting.
- technical standards.
- procurement frameworks; and
- funding conditions.

However, the licensing regime should still reinforce these objectives at a high level.

In particular, CIBSE note:

- heat networks should demonstrably support decarbonisation objectives.
- affordability and consumer outcomes should remain important considerations; and
- network design and operation should minimise long-term customer costs.

Technical quality is directly linked to affordability. Poorly designed networks with high heat losses can lead to unnecessarily high consumer bills and undermine confidence in the sector.

CIBSE therefore recommends that while detailed fuel poverty and carbon assessments may not need to form part of every licence application, the licensing framework should remain aligned with wider Scottish climate, affordability and Just Transition objectives.

Question 10 Do you agree licences should be subject to general and specific conditions, and limitations, which may be modified after the licence has been granted?

Strongly agree Mostly agree Mostly disagree Strongly disagree

CIBSE agrees that flexibility within the licensing framework is necessary and appropriate.

Heat networks vary significantly in:

- scale;
- technology;
- ownership structure;
- operational complexity; and
- consumer risk profile.

A combination of general and specific conditions will allow the regulator to apply proportionate oversight while accommodating different network types and circumstances.

The ability to modify licence conditions over time is also important as:

- the sector evolves;
- technical standards develop;
- consumer expectations change; and
- operational lessons are learned.

However, modification processes should be transparent, proportionate and subject to appropriate consultation.

CIBSE also encourages consistency with wider GB regulatory approaches where possible.

Question 11 Do you agree licences should not have an end date unless revoked or surrendered?

Strongly agree Mostly agree Mostly disagree Strongly disagree

CIBSE broadly agrees that indefinite licences are appropriate for long-life infrastructure assets such as heat networks.

Long-term regulatory certainty can help support investment confidence and infrastructure financing.

The proposed approach is also consistent with utility-sector regulatory models and reflects the long operational life of heat network assets.

However, CIBSE considers that indefinite licences should be accompanied by:

- ongoing monitoring;
- periodic compliance review;
- regular reporting requirements; and
- effective enforcement powers.

The regulator should retain the ability to intervene where standards fall below acceptable levels.

CIBSE would also support periodic strategic review of licence conditions to ensure continued alignment with evolving technical and policy requirements.

Question 12: Do you agree there should be a public register of installation and maintenance licences?

Strongly agree Mostly agree Mostly disagree Strongly disagree

CIBSE strongly supports the creation of a public register.

CIBSE also recommends that the Scottish Government consider, in parallel, the register of network wayleave rights enabled by the 2021 Act. A licence register identifies licensees and the powers they hold; a wayleave register identifies which titles are actually affected by an exercised wayleave right. The two are complementary and both are needed for the regime to function transparently in practice.

Transparency will help:

- build public confidence;
- improve market visibility.
- support regulatory accountability; and
- provide clarity regarding licensed operators and their powers.

A public register may also support local authorities, developers, consumers and investors in understanding the developing heat network landscape across Scotland.

The register should be easily accessible and regularly updated.

Question 13: Is there any other information you think we should include on the public register of installation and maintenance licences?

Please use the space below to answer.

CIBSE suggests consideration should be given to including:

- the geographic areas or networks covered by the licence.
- the types of statutory powers held.
- status of licence conditions or enforcement notices.
- confirmation of alignment with recognised technical standards where applicable.
- whether networks are subject to HNTAS compliance requirements; and

- key contact details for operational or emergency issues.
- a named operational contact route for affected landowners and prospective affected landowners to engage with the licensee before works or the exercise of statutory powers;
- cross-reference (where established) to the corresponding entry in any register of network wayleave rights, so that the licensee's identity and the affected title can be linked through a single search
- operational performance: annual fuel consumption, annual heat generated, annual heat delivered to consumers, associated carbon content of heat: CIBSE has concerns that this is insufficiently covered by the current proposals for HNTAS and heat zoning, risking a continued legacy of high-energy, high-carbon networks; we encourage more attention to it through the Scotland register, even if performance itself is covered by the GB-wide set of regulations and standards .

Consideration should also be given to ensuring information is presented in a format accessible to consumers and non-technical stakeholders.

Question 14: Do you agree that there should be fees associated with recovering the costs of administering installation and maintenance licences?

Strongly agree **Mostly agree** Mostly disagree Strongly disagree

CIBSE agrees that it is reasonable for licence holders benefiting from statutory powers to contribute towards the administrative costs of the licensing regime.

However, fees should remain proportionate and should not create barriers to entry for smaller organisations or innovative projects.

CIBSE would encourage:

- transparent fee-setting methodologies.
- proportionality based on scale and complexity.
- avoidance of excessive cumulative regulatory costs; and
- coordination with wider GB regulatory charging arrangements where possible.

Care should also be taken to avoid costs ultimately being passed disproportionately onto consumers.

Question 15 Please provide any further comments on the proposals set out in this consultation in the box below.

CIBSE welcomes the Scottish Government's continued commitment to supporting the development of heat networks as part of Scotland's wider decarbonisation strategy.

The proposed installation and maintenance licensing framework represents a pragmatic attempt to balance:

- infrastructure delivery.
- regulatory proportionality.

- investor confidence.
- technical quality; and
- alignment with the wider GB regulatory framework.

CIBSE supports:

- avoiding unnecessary duplication with Ofgem authorisation.
- alignment with HNTAS and TS1 technical standards, but with stronger emphasis on energy and carbon performance than is currently proposed by HNTAS.
- enabling appropriate statutory powers for heat network delivery; and
- maintaining flexibility for future sector development.

However, long-term success will depend not only on enabling infrastructure deployment, but also on ensuring heat networks consistently deliver:

- high technical performance.
- low heat losses.
- reliable operation.
- affordable heat.
- positive consumer outcomes; and
- demonstrable carbon reductions.

The UK heat network sector has historically experienced mixed performance and consumer confidence remains fragile in some areas. Strong technical standards, competent delivery and effective regulation will therefore be essential.

CIBSE would encourage continued collaboration between:

- Scottish Government.
- Ofgem.
- local authorities.
- industry bodies.
- professional institutions; and
- consumers.

Finally, CIBSE recommends that technical standards and competency requirements remain central to the future evolution of Scotland's heat network policy framework.