GENERAL SCHEME OF THE HEAT (NETWORKS AND MISCELLANEOUS PROVISIONS) BILL

PART 1 – PRELIMINARY AND GENERAL

HEAD 1 - SHORT TITLE AND COMMENCEMENT

Provide that:

(1) This Bill may be cited as the Heat (Networks and Miscellaneous Provisions) Bill 2024.

(2) This Bill shall come into operation on such day or days as the Minister may appoint by order or orders either generally or with reference to any particular purpose or provision and different days may be so appointed for different purposes and provisions.

Explanatory Note:

This Head provides for the short title, collective citation, Heat Network Developer, and allows for a phased implementation by empowering the Minister to commence different provisions of the Bill at different times. These are standard provisions.

HEAD 2 - INTERPRETATION

Provide that:

In this Bill-

“Act of 1999” means Electricity Regulation Act, 1999;

“Act of 2000” means the Planning and Development Act 2000;

“Commission” means the Commission for Electricity Regulation should be read in accordance with the Act of 1999;

“Communal Heating” or “Communal Cooling” means the distribution of thermal energy in the form of steam, hot water or chilled liquids, from central or decentralised sources of production through a network to a single building divided into separate premises or persons in those premises for the use of space heating or cooling;

“Development’’ has the meaning assigned to it by section 3 of the Act of 2000;

“District Heating” or ‘District Cooling’ has the meaning assigned to it by the Renewable Energy Directive (EU) 2018/2001;

“District Heat Network” means the relevant Heat Network that, by distributing thermal energy, enables District Heating;

“District Heat Network Development Plan” means the Plan that the Heat Network Authority must develop under Head 9;

“Efficient District Heating and Cooling” has the meaning assigned to it by the Energy Efficiency Directive (EU) 2023/1791;

“Emergency roadworks” means roadworks necessary to eliminate or reduce danger or risk to persons or property, construed in accordance with Part 5 of the Communications Regulation Act, 2002;

“Energy Source” means energy from one or many sources including, but not limited to bioenergy, solar thermal, heat pumps, geothermal, waste heat from industrial installations and data centres;

“Energy from renewable sources” or “renewable energy” has the meaning assigned to it by the Renewable Energy Directive (EU) 2023/2413;

“European Union” means European Union within the meaning of the European Communities Act 1972;

“Final customer” has the meaning assigned to it by SI 426/2022;

“Final User” has the meaning assigned to it by SI 630/2022;

“Heat Network” means a set of interconnected pipes, associated installations and other auxiliary equipment that enables the supply and distribution to final customers of heating, cooling or domestic hot water by means of a District Heating, Efficient District Heating or Communal Heating system.

“Heat Network Authority” means the Heat Network Authority established under Head 17;

“Heat Network Developer” means a natural or legal person who carries out the construction or expansion of a Heat Network and who is registered with the Heat Networks Regulator;

“Heat Network Licence” means a licence granted by the Commission for the operation of a Heat Network or the supply of heat from a Heat Network;

“Heat Network Operator” includes “district heat network operator” as defined in SI 630/2022 and any natural or legal person who carries out the function of distribution and is responsible for operating, ensuring the maintenance of, and, if necessary, developing the distribution system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long- term ability of the system to meet reasonable demands for the distribution of heating, cooling and domestic hot water within a communal heating system.

“Heat Network Supplier” includes “district heating supplier” as defined in SI 630/2022 and a natural or legal person who carries out the delivery or sale of heating, cooling or domestic hot water to customers through a communal heat network;

“Local authority’’ shall be construed in accordance with the Local Government Act, 2001;

“Mapping Model” means a digital tool building on the specifications set out in Annex X of the Energy Efficiency Directive 2023/1791 that generates modelled geographical areas with the highest potential for developing district heating networks, for the purpose of preparation of heat network mapping that can be used in the Heat Network Development Plan.

“Minister” means Minister for the Environment, Climate and Communications;
“National Road” shall be construed in accordance with the Roads Act 1993;

“National Road Authority” shall be construed in accordance with the Roads Act 1993;
“Public road” shall be construed in accordance with the Roads Act 1993;

“Road” shall be construed in accordance with the Roads Act 1993;

“Road Authority’’ shall be construed in accordance with the Roads Act, 1993;

“Schedule of Heat Network Assets” means the schedule prepared by the Heat Network Authority under Head 19;

“SEAI” means the Sustainable Energy Authority of Ireland;

“State Authority” shall be construed in accordance with the Schedule to the State Authorities (Public Private Partnership Arrangements) Act, 2002;

“Strategic Efficient District Heating and Cooling Network” means a heat network that has strategic economic and societal (including climate and security of supply) importance for Ireland, a region or a local area, and aligns with the following criteria:

- The heat within its system is produced on a site other than the one where the heat is consumed.
- The heat within its system is sold by a retailer to either multiple buildings owned or occupied by at least two different customers, or multiple sites owned by at least two different customers.
- The network meets the definition of an efficient district heating and cooling scheme as defined within the Energy Efficiency Directive.
- It has the capacity to deliver a minimum of 20 GWh of heat.
- It has a linear heat density greater than 1,000 MWh/km.
- The emissions per unit of energy it delivers are smaller than 100 gCO2/kWh
- It does not meet all of the above criteria but it has significant potential for expansion, demonstrates significant enough importance in the deployment of district heating and towards meeting Climate Action Plan targets, demonstrates significant enough importance in the security of supply of energy to Ireland, and/or demonstrates significant enough importance in its coupling with the electricity market through thermal storage, as determined by the Heat Network Authority.

“Supplier of Last Resort” means a third-party supplier identified under the Heat Network Licence (Head 10) to operate and/or supply heat in the event of a security of supply or supplier failure incident;

“Thermal Energy” means energy transferred by means of steam, hot water or chilled liquids;

“Vulnerable customer” means a household customer of heat or cooling who is particularly vulnerable to disconnection for reasons of advanced age or physical, sensory, intellectual or mental health;

Explanatory Note:

This Head provides for necessary definitions for the Heat Bill 2024. This is a standard provision to set out definitions and interpretations for terms used in this General Scheme of Bill.

Where relevant, definitions used in this General Scheme that have been drawn from existing Acts have been identified in the Head itself.

For the purposes of this Bill, it will be necessary to define new terms which are not already in existence in domestic or EU legislation

The following definitions have been drafted by officials for the purposes of this General Scheme:

- “Communal Heating” or “Communal Cooling”
- “District Heat Network”
- “District Heat Network Development Plan”
- “Energy Source”
- “Heat Network”
- “Heat Network Assets”
- “Heat Network Authority”
- “Heat Network Developer”
- “Heat Network Licence”
- “Strategic Efficient District Heating and Cooling Network”
- “Supplier of Last Resort”
- “Thermal Energy”
- “Vulnerable customer”

HEAD 3 – LAYING OF ORDERS, ETC.

Provide that:

Every order, or regulations made by the Minister, in the case of orders or regulations made by the Minister, or by the Commission, in the case of orders or regulations made by the Commission, shall be laid before each House of the Oireachtas as soon as may be after it is made and, if a resolution annulling the order or regulation is passed by either such House within the next subsequent 21 days on which that House has sat after the order or regulation is laid before it, the order or regulation shall be annulled accordingly but without prejudice to the validity of anything previously done thereunder.

Explanatory Note:

This standard provision is based on Section 3 of the Electricity Regulation Act 1999.

PART 2 – REGULATION OF HEAT NETWORKS

HEAD 4 – REGULATOR OF HEAT NETWORKS

Provide that:

Section 9 of the Electricity Regulation Act, 1999 is amended by inserting the following after subsection (1)(x):

> (y) to regulate Heat Networks in line with the Heat (Networks and Miscellaneous Provisions) Act 2024,
>
> (ya) to perform its functions in relation to the regulation of district heating / heat networks under the European Union (Renewable Energy) Regulations (2) 2022 (S.I. No. 350/2022) and all subsequent amending Statutory Instruments, whether transposing subsequent iterations of the Renewable Energy Directive or clarifying new aspects of the Directive
>
> (yb) to perform its functions in relation to the supervision of guarantees of origin for district heating and cooling under the European Union (Renewable Energy) Regulations (2) 2022 (Amendment) Regulations 2025 (S.I. 407/2025)
>
> (yc) to perfom its functions in relation to regulation of district heating / heat networks under the European Union (Energy Efficiency) Regulations 2014 (S.I. 426/2014) and all subsequent amending Statutory Instruments, whether transposing subsequent iterations of the Energy Efficiency Directive or clarifying new aspects of the Directive, and
>
> (yd) to grant, monitor the performance of, modify, revoke and enforce licences and authorisations pursuant to the Heat (Networks and Miscellaneous Provisions) Act 2024.

Consequential drafting amendment will also be required to delete “and” at the end of section 9(1) (w) and to delete “.” at the end of “x” and insert “,”.

Explanatory Note:

District Heating is a method of delivering thermal energy in the form of hot water through a network of highly insulated pipelines. In this way, heat rather than fuel is delivered to buildings.

District heating schemes are large-scale systems supplied by one, or several, centralised or decentralised heat sources, serving multiple buildings and customers.

In Ireland communal heating schemes are similar to district heating schemes; however, they are smaller-scale operations typically involving single buildings or complexes and they generally use fossil fuel energy sources such as natural gas to provide hot water and space heating. Neither the district nor communal heating sectors are currently regulated in Ireland.

It is intended to appoint a regulatory body in district and communal heating for the purposes of consumer protection and of the implement the Government approved recommendation of the District Heating Steering Group in that regard. This Head places the function of regulation of Heat Networks with the Commission for Regulation of Utilities, through amendment of the Electricity Regulation Act 1999.

The Electricity Regulation Act 1999 established the CRU, and it details the CRU's role, powers and duties. Due to the extent of functions to be provided for, the Heads have been drafted in such a way that, apart from the insertion of the overall functions in the ERA 1999, the detailed functions and powers of the Heat Network Regulator will be set out in the Heat Bill (and not inserted into the Electricity Regulation Act 1999).

Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (Renewable Energy Directive), as well as Directive (EU) 2018/2002 of the European Parliament and of the Council of 11 December 2018 amending Directive 2012/27/EU on energy efficiency (Energy Efficiency Directive), required that regulatory functions be undertaken in the district heating sector. This was done by way of S.I. 350 of 2022 and S.I. 630/2022 (which amended S.I. 426/2014). As the Commission for Regulation of Utilities is appointed as Ireland's energy regulator, the provisions in this Head provide for the expansion of the remit of the CRU to include the wider regulation of the district heating sector, beyond the functions required under European Directives. It is not intended to transpose European obligations in the Heat Bill, other than by providing the funding mechanism to allow for the implementation of the obligations transposed via S.I.

HEAD 5 – RESOURCING OF THE REGULATOR OF HEAT NETWORKS

Provide that:

(1) The interpretation section of the Electricity Regulation Act, 1999, is amended by:

a. Amending the definition of "energy undertaking"
b. Inserting the definition of "heat undertaking"
c. Inserting the definition of "heat network operator" and "heat network supplier"

(2) Schedule 1 of the Electricity Regulation Act, 1999 is amended by:

a. inserting the following new paragraphs after section 16A

"16B. For the purposes of meeting expenses properly incurred by the Commission in the discharge of its functions under the Heat (Networks and Miscellaneous Provisions) Act 2024 the Commission may make an order (in this Act referred to as a "levy order") imposing such levy to be paid each year by energy undertakings, or heat undertakings, or both, as may be specified by the Commission in the order.

16C. A periodic review shall be undertaken by the Commission to assess the capacity of heat undertakings to support a levy and a summary report provided to the Minister, with a recommendation in relation to any ongoing requirement for exchequer funding or levy imposed on energy undertakings.

b. Amending paragraph 17 by inserting 'or 16B' after 'paragraph 16'

c. Amending paragraph 18 by deleting 'or' and replacing with ',', and by inserting ', 16B' after '16A'.

d. Amending paragraph 19 by deleting 'or' and replacing with ',', and by inserting ', 16B' after '16A'.

e. Inserting the following five new paragraphs after paragraph 21A

'21B. The Minister may from time to time, with the consent of the Minister for Public Expenditure, NDP Delivery and Reform, advance to the Commission out of moneys provided by the Oireachtas such sums as the Minister for the

Environment, Community and Local Government may determine for the purposes of expenditure by the Commission in the performance of its functions assigned by means of the transposition of the Renewable Energy Directive and the Energy Efficiency Directive, and under the Heat (Networks and Miscellaneous Provisions) Act 2024.

'21C In respect of its functions under S.I. No. 350/2022- European Union (Renewable Energy) Regulations or, S.I 426 of 2014 - European Union (Energy Efficiency) Regulations as amended by S.I. No. 630/2022 - European Union (Energy Efficiency) (Amendment) Regulations 2022, or both, the Commission shall not be liable to repay the monies advanced to it under paragraph 21 for those functions nor will it be liable for interest under paragraph 23.

'21D Following a determination by the Minister under 21B that exchequer funding is no longer required, the provisions of paragraphs 21C shall no longer apply.

'21E Expenses incurred by the Commission carrying out its functions as regulator of Heat Networks may, with the consent of the Minister and the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation, be paid out of monies provided by the Oireachtas, on an annual basis until 31 December 2035.

'21F The monies provided to the Commission for the carrying out of its functions as regulator of Heat Networks may be used in fulfilment of its functions since the Commission's assignment of regulatory functions in respect of district heating under S.I. No. 350/2022 - European Union (Renewable Energy) Regulations (2) 2022.'

f. Replacing 'paragraphs 21 and 21A' with 'paragraphs 21, 21A and 21B' in section 22

g. Replacing paragraph 25 (aa) with "ensure, as far as is reasonably practicable, that such accounts identify separately in regard to the gas, LPG, electricity, water, petroleum and district heat sectors all elements of

cost and revenue, with the basis of their calculation and the detailed attribution methods used, related to the discharge of the Commission's functions under this Act, the Water Services (No. 2) Act 2013, and the Heat (Networks and Miscellaneous Provisions) Act "(5) A review shall be undertaken by Minister in or before 2035 and the Minister shall make a determination regarding the continuation or cessation of exchequer support for carrying out functions as regulator of Heat Networks.

(6) The review by the Minister in respect of subsection (5) should assess, inter alia, the case for continued exchequer funding, the capacity for a levy to be imposed on heat undertakings, and the availability of other mechanisms to fund the regulatory activity of the Heat Network Regulator.

Explanatory Note:

The Electricity Regulation Act 1999 sets out, in section 8 and Schedule 1, that the CRU be funded by levies and licence income received from the relevant electricity, gas, LPG, water, and petroleum safety regulated entities.

As the District Heat industry in Ireland is nascent, any levy of sufficient scale required to establish a regulatory framework for the sector would be punitive on the small number of actors in the sector. For that reason, this Head provides that the expenses incurred by the Commission for the Regulation of Utilities in the regulation of heat networks be paid initially from monies provided by the Oireachtas.

It is intended that this method of funding would continue until the regulation of the district heating sector can be sustained through an alternative source of funding. It is proposed that a periodic review be carried out by the Commission, with a subsequent review to be carried out by the Minister in or before 2030 to determine the most appropriate funding mechanism beyond 31 Dec 2031.

The review by the Minister should assess, inter alia, the case for continued exchequer funding, the capacity for a levy to be imposed on relevant energy sectors, and the availability of other mechanisms to fund the regulatory activity of the Heat Network Regulator (e.g. licence fee income).

Subhead (3) specifically addresses a funding issue that arose since the Commission was assigned district heating functions in 2022 under S.I. No. 350/2022 - European Union (Renewable Energy) Regulations (2) 2022. As there are no levies yet in the sector, or a way of funding the sector, the Commission required funding to develop an initial district heating regulatory regime - this must be underpinned by primary legislation, as

Schedule 1 to the Electricity Regulation Act 1999 at present does not permit for funding in this manner.

It is not intended that this funding arrangement would impact the independence of CRU, as is set out in Section 8 (9) of Schedule 1 of the 1999 Act.

The policy intention of the proposed amendments set out above is to provide clarity in relation to the following topics:

1. There being a retrospective legal basis for monies already paid to the CRU to meet expenditure incurred in carrying out activities around regulation of Heat Networks during the year 2023 (under SIs 350/2022 and 426/2014 as amended by SI 630/2022 - €233,926 paid total).
2. There being a retrospective legal basis for providing funding to the CRU to cover outstanding invoices relating to expenditure incurred in carrying out activities around regulation of Heat Networks (under the same SIs as above - €90,248 invoice outstanding).
3. The repayment provisions under Schedule 1 of the 1999 Act not being applicable to heat functions, given the nascent nature of the sector and the investment required to get it up and running.
4. The CRU being properly funded for new functions under the Heat Bill (and this funding not being repayable).
5. There being provision for the CRU to levy the heat sector once that sector has developed to a point where it can sustain such a levy.
6. There being provision for a review of heat network sector funding for the purpose of determining whether the sector is in a position to sustain a levy, or whether further Exchequer funding will be required past a given date
7. There being the legal space within the wording of the Electricity Regulation Act to allow for the possibility of the CRU imposing a cross-funding levy on the gas and electricity sectors in order to fund the regulation of the heat network sector, in the event that a decision to do so was taken by government further down the line.

HEAD 6 – FUNCTIONS OF THE COMMISSION

Provide that:

The Commission shall have the following functions, namely—

(1) To monitor the development of supplier competition in the heat network sector on final customers, pursuant to Head 7 of this Act.

(2) To respect contractual freedom with regard to interruptible heat supply contracts, as well as with regard to long-term contracts, provided that they are compatible with European Union law and consistent with European Union policies.

(3) To monitor the occurrence of restrictive contractual practices, including exclusivity clauses which may prevent Heat Network Operators from contracting simultaneously with more than one Heat Network Supplier or restrict their choice to do so and, where appropriate, to inform the Competition Authority of such practices.

(4) To grant, monitor, modify revoke and enforce heat network licencing.

(5) To carry out reporting on improper conduct, in line with Head 8 of this Bill.

(6) To decide upon and impose effective and proportionate measures where possible, to promote effective competition.

(7) To cooperate, where appropriate, with the Competition and Consumer Protection Commission, other regulatory bodies and the European Commission, as necessary, when conducting an investigation relating to competition law.

(8) To advise the Minister on the development of heat networks and on the exercise of the functions of the Minister under this Act.

(9) To share information, as necessary for the fulfilment of its functions, with the Heat Network Authority.

(10) To publish information and advice in respect of the dispute resolution function of the Commission in accordance with the provisions of this Act.

Explanatory Note:

This Head strengthens the regulatory role currently being undertaken by the CRU and provides for the Commission to carry out a range of regulatory activities, which have been informed by the provisions of Section 9 of the Electricity Regulation Act 1999.

HEAD 7 – CONSUMER PROTECTION, COMPETITION, TARIFFS AND CHARGES

Provide that:

1. The Commission shall protect heat network customers through:
    a. ensuring that Heat Undertakings operate heat networks in a manner that is efficient:
    b. monitoring heat network charges and the costs underlying such charges;
    c. reporting to the Minister, at such intervals as are agreed by the Commission and the Minister, in relation to charging in the heat network sector;
    d. advising the Minister as to whether it may be necessary to prescribe additional pricing regulation.

<u>Pricing Framework</u>

2. (1) The Commission shall develop a principle-based approach to pricing for heat.
   (2) Charges imposed by Heat Undertakings shall be aligned with the following principles:
       a. non-discriminatory
       b. transparent
       c. cost reflective
       d. cost-efficient
       e. allow for fair and reasonable returns
       f. take account of consumer impact and affordability
   (3) The Commission shall publish guidelines setting out how the principles in subsection (3) are to be interpreted and applied by Heat Undertakings.
       a. In developing such guidelines, the Commission may consult stakeholders as it considers appropriate.
       b. The Commission shall ensure that the guidelines are published as soon as practicable after their preparation.
       c. The Commission may review or amend the guidelines as often as is considered necessary. Unless otherwise specified, any revision shall apply equally to existing and new connections.
   (4) In furtherance of subsection (1)(d), the Commission shall, following a period of implementation and monitoring, including any review of the framework established under subsection (2), advise the Minister as to whether it considers it necessary to prescribe additional pricing regulation for the application of that framework. The Minister may, having

considered the advice of the Commission, determine whether additional pricing regulation is required.

(5) Where the Minister determines that additional pricing regulation is required and where provision is made under this Act, the Commission may develop proposals for such regulation, setting out the requirements and processes with which Heat Undertakings shall comply in giving effect to that framework.
    a. Prior to adopting any additional pricing regulation, the Commission shall publish a draft and consult publicly.
    b. The Commissions shall consider all submissions received before finalising any such proposals and may amend them as appropriate prior to finalisation.

Compliance and Monitoring

3. (1) The Commission may require heat undertakings periodically to provide information relating to charges, tariffs, costs and revenues, in such manner and frequency as the Commission may specify.
(2) Heat network licensees shall comply with any decisions published by the Commission, including, but not limited to, those relating to Heat Undertakings Customer Charters and Codes of Practice.
(3) Heat Undertakings shall notify the Commission of any proposal to amend charges for the supply of heat, in advance, within such time period, and in such manner as may be specified by the Commission.
(4) Heat Network Operators and/or Suppliers shall inform the Commission of any failure by them to supply heat.
(5) The Commission shall develop and consult on guidelines to inform Heat Network Operators and/or Suppliers on the manner in which they must notify the Commission of any failure by them to supply heat. Following consultation, the Commission shall amend the draft guidelines, as necessary, and finalise the guidelines.
(6) Where the Commission determines it to be necessary, it shall:
    a. examine the charges for heat which Heat Undertakings have determined and the costs underlying such charges
    b. examine any proposal by Heat Undertakings to alter charges for the supply of heat
    c. issue directions or approvals to Heat Undertakings in relation the nature and the amount of any charge, or proposed charge, for the supply of heat, to such class or classes of final customers as the Commission may specify, and

d. take any actions, on foot of the monitoring provisions in Head 6, that it determines to be necessary to prevent market distortion or anti-competition practices in the supply of heat to final customers.

(7) The commission shall publish a notice on its website of any directions or approvals issued under subparagraph 9(c), stating the nature of the direction and the reasons for it.

Vulnerable Customers

4. (1) Heat Undertakings shall establish and maintain a register of vulnerable customers register in accordance with the requirements specified by the Commission.

(2) The Commission shall establish requirements, including through guidelines, governing the protection of vulnerable customers, including the process to be followed prior to any disconnection.

(3) Heat Undertakings shall comply with the requirements established under subsection (1).

(4) Heat Undertakings shall ensure that vulnerable customers are not disconnected for non-payment during the winter months, subject to conditions specified by the Commission.

Customer Charters

5. (1) The Commission shall prescribe minimum standards regarding the contents of customer charters to be developed by Heat Undertakings.

(2) A Heat Undertaking shall—

(a) establish, publish, adhere to and maintain, in a form approved by the Commission, a charter ("customer charter") for household customers,

(b) review the content of a customer charter at intervals determined by the Commission, and

(c) provide all household customers with a copy of a customer charter.

(3) Any amendment to a customer charter shall be subject to the prior approval of the Commission, in a manner determined by the Commission.

(4) A customer charter shall set out conditions attaching to the supply of heat to household customers. Such conditions shall be fair, transparent, readily accessible and expressed in clear and comprehensible language.

(5) A customer charter shall be provided in advance of the making of any contractual commitment by a household customer.

(6) A customer charter shall not include any non-contractual barriers to the exercise, by a final customer, of his or her statutory rights.

(7) A customer charter shall, at a minimum, and where appropriate, provide that all household customers—

(a) are informed of their statutory rights to be supplied with heat of a specified quality in accordance with subsection (4)

(b) have a right to a contract with a heat undertaking which includes—

(i) the name, address and contact details of the heat undertaking,

(ii) services to be provided,

(iii) service quality levels offered as well as the time for the initial connection,

(iv) types of maintenance service, if such service is offered,

(v) means by which up-to-date information on all applicable tariffs and, if offered, maintenance charges may be obtained,

(vi) methods of payment of bills by final customers,

(vii) the duration of the contract,

(viii) conditions for renewal and termination of services or the contract or both, including connection and disconnection of final user,

(ix) existence of any right of withdrawal by either party and whether withdrawal from the contract without charge is permitted,

(x) contact details for customer service and details of complaints mechanism offered by the Heat Undertaking,

(xi) compensation and the refund arrangements which apply if contracted service quality levels are not met, including in the case of inaccurate and delayed billing,

(xii) method of initiating procedures for the independent settlement of disputes, including referral to the Commission's dispute resolution service.

(xiii) Information on the vulnerable customer register and how to access services for vulnerable customers ,

(xiv) emergency heat service contact number,

(xv) information relating to consumer rights, including on the complaint handling and all of the information referred to in this paragraph, clearly communicated through billing or the heat undertaking's website,

(xvi) fair conditions that are well known in advance,

(xvii) that household customers are given adequate notice of any intention to modify contract conditions and are informed about their right to terminate the contract when the notice is given, and

(xviii) that household customers are notified directly of any increase in charges, at an appropriate time no later than one normal billing period after the increase comes into effect in a transparent and comprehensible manner,

(c) receive fair and transparent information on applicable prices and tariffs and on standard terms and conditions, in respect of access to and use of heat services,

(d) are offered a choice of payment methods which do not unduly discriminate between household customers—

(i) which shall be fair,

(ii) prepayment methods shall adequately reflect likely consumption, and

(iii) any difference in cost arising from the choice of method of payment, including prepayment systems, reflects the cost to the Heat Undertaking of the different payment methods,

(e) shall be protected against unfair, misleading or predatory selling methods, and

(f) shall benefit from transparent, simple and free of charge procedures for dealing with their complaints and such procedures, including out-of-court dispute settlement procedures, shall enable complaints to be settled fairly and promptly, preferably within 3 months (except where this is not possible for technical reasons), with provision, where warranted, for a system of reimbursement and compensation, in accordance with the Commission Recommendation.

(8) Subsections (2), (3) and (4) apply equally where a household customer enters into a supply contract through an intermediary.

(9) In this provision, a reference to a household customer includes a person proposing to become a household customer of the Heat Undertaking concerned, and who has or is entitled to have a connection to the heat network.

(10) This provision is without prejudice to any requirements on Heat Undertakings to develop, publish, adhere to and keep up to date codes of practice to ensure that Heat Undertakings provide a high standard of protection to all final customers, as directed by the Commission.

Codes of practice

6. (1) The Commission may, from time to time draw up guidelines for the development of codes of practice by heat undertakings with respect to consumer protection as regards final users.

(2) The Commission shall ensure that a heat undertaking shall—

(a) establish, publish, adhere to and maintain, in a form approved by the Commission, codes of practice for final customers,

(b) review the content of a code of practice at intervals determined by the Commission, and

(c) publish all codes of practice.

(3) Where the Commission deems it to be appropriate, it may restrict certain codes of practice to suppliers of household customers only.

(4) Any amendments to a code of practice shall be subject to the prior approval of the Commission, in a manner determined by the Commission.

(5) Codes of practice shall ensure that final customers are provided with a high standard of protection in the areas of, but not limited to:

(a) billing,

(b) complaints handling

(c) prepayment metering,

(d) disconnection, and

(e) Sign up.

(6) A code of practice shall not include any non-contractual barriers to the exercise by a final customer, of their statutory rights.

(7) The Commission shall monitor compliance with codes of practice.

Step 1: Complaint Handling - Heat Undertakings

Heat Undertaking Complaint Handling Process (Heat Operator First Line Process)

7. (1) Heat undertakings shall provide a complaint handling service for all final users that results in a written outcome at the end of the process. Final users shall first exhaust a heat undertaking's complaint handling service before referring a complaint to the Commission's dispute resolution service.

(2) The Commission shall establish guidelines for the provision of dispute and customer complaint resolution services by Heat Undertakings. Heat Undertakings shall be required to comply with both these guidelines and any further dispute resolution mechanisms established by the Commission.

Step 2: Dispute Resolution Process (Escalation to Commission)

Commission/CRU Dispute Resolution Service (After Heat Undertaking Process Exhausted)

8. (1) The Commission shall provide a dispute resolution service for any final customer having an unresolved complaint with a Heat Undertaking or its intermediaries and shall publish the procedures and details of the service. The service shall be transparent, simple and inexpensive.

(2) The Commission shall not provide the service referred to in paragraph (1) where the complaint—

(a) is or has been the subject of legal proceedings before a court,

(b) is made after the expiration of 6 years from the date on which the cause of the complaint is alleged to have occurred, or

(c) relates to a matter that does not concern the functions or objectives of the Commission.

(3) For the purpose of paragraph (b) of paragraph (4), conduct that is of a continuing nature is taken to have occurred at the time when it stopped, and conduct that consists of a series of acts or omissions is taken to have occurred when the last of those acts or omissions occurred.

(4) A customer is not entitled to make a dispute referral to the Commission unless—

(a) the customer—

(i) has previously communicated the substance of their complaint to the heat undertaking concerned, and

(ii) has exhausted the heat undertaking's customer complaints process, and

(b) a final decision in writing has been issued by the Heat Undertaking concerned.

(5) A complaint to the Commission shall be submitted in writing, save where the Commission considers it appropriate to accept a complaint which is not in writing.

(6) Where the Commission accepts a complaint which is not in writing, it shall reduce the complaint to writing as soon as possible after receiving it.

(7) The Commission may decide not to provide a dispute resolution service in relation to a complaint where the issue is, in the opinion of the Commission, vexatious or frivolous or not made in good faith.

(8) A Heat Undertaking and a complainant shall comply with all reasonable requests for information by the Commission for the purposes of providing dispute resolution in relation to a complaint.

(9) The Commission shall notify a complainant in writing of the reasons for its decision following the conclusion of the dispute resolution process.

(10) The Commission shall issue a determination to the Heat Undertaking concerned in writing regarding its decision on the matter in dispute (including, where appropriate, the payment of a refund or compensation, which shall be proportionate).

(11) Where the matter, the subject of a complaint, impacts on other final customers, the Commission, in making its determination under paragraph (12), may require the undertaking concerned to comply with the determination in respect of those customers as well as the complainant.

(12) The heat undertaking concerned shall comply with any requirement made of it in a determination under paragraph (13).

(13) The Commission shall publish annually a report to the Minister on—

(a) the number and type of complaints received and their resolution,

(b) any decision by the Commission not to provide a dispute resolution service under Regulation (9), and

(c) the service levels provided by heat undertakings.

(14) The Commission may, in the public interest, publish an outline of any complaint received (other than any personal information relating to the complainant).

(15) Costs shall not be awarded to a party under this Regulation.

(16) In these provisions, a reference to a heat undertaking includes a reference to its intermediary.

(17) In this Regulation, "complaint" means a complaint made to the Commission by a final customer under this Regulation.

In this section:

A principle-based approach aims to ensure that heat undertakings charge customers in a fair, cost-reflective and transparent manner, while supporting efficient investment.

Explanatory Note:

This Head provides for price controls, which during an initial phase will follow a principles-based step in approach that will recognise the cost of supply. Licenced entities shall, under the provisions of the Bill, submit their tariffs, determined using the principle-based approach described in the Bill to the Commission for approval. The Commission will monitor the heat network market and step in where the pricing principles established in this Head are not being adhered to by heat network license holders.

For the purposes of monitoring and assessing compliance with the pricing principles set out in this Head, the Commission may carry out comparative or benchmarking

assessments of charges, costs or performance across Heat Networks or classes of Heat Networks, having regard to differences in scale, technology, location and customer characteristics.

Heat Network License holders must, under the provisions of this Head, disclose to the Commission all data requested relating to charges, pricing and costs.

The Head allows for additional or more detailed pricing regulation to be introduced at a later stage if this proves necessary in light of sector development.

This Head also provides that the Commission, in its role as regulator of heat networks, has the obligation to protect consumers of heat networks from anti-competitive practices.

In regulating Heat Networks, the Commission shall, inter alia, promote competition through ensuring that the only principle for selecting one renewable energy source over another is that it is the most economically efficient renewable energy source in that specific network's context.

The Head places an obligation on Heat Undertakings to establish and maintain a register of vulnerable customers in accordance with requirements specified by the Commission. It also contains provisions obliging Heat Undertakings to establish Customer Charters and Codes of Practice. The Commission will prescribe minimum standards regarding the contents of such Customer Charters and Codes of Practice.

The requirement for a customer complaint handling and dispute resolution service in the context of district heating was originally established in Regulation 22A of SI 426/2014, as inserted by SI 630/2022, and this Head seeks to extend it to communal heating networks.

The provisions in this Head will require Heat undertakings to provide a complaint handling service for all final users. A Heat Undertaking's complaint handling service must first be exhausted before a complaint may be referred to the Commission's dispute resolution service. Under the provisions in this Head, the Commission shall provide a dispute and customer complaint resolution service for any final customer having an unresolved complaint with Heat Undertaking.

HEAD 8 – COMPLIANCE AND ENFORCEMENT FUNCTIONS OF THE COMMISSION

Provide that:

In this Head—

"improper conduct" means—

1. failure by the holder of a licence under Head 10 to comply with such standards of performance as may be specified by the Commission for the licence concerned,
2. failure by a Heat Network Operator to comply with the determination of the Commission under Head 10, or
3. failure, by the holder of a licence under Head 10, to keep, and make available upon request by the Commission, data relating to transactions in fuel or energy supply contracts with 3rd parties.

"inspector" means a person appointed under this section to be an inspector for the purposes of this Part;

"investigation" means an investigation under this section

"investigation report", in relation to an investigation, means a report in writing prepared,

following the completion of the investigation, by the inspector appointed under Section 3 to carry out the investigation;

"major sanction" means—

1. a direction to a specified body that the specified body pay a sum, as specified in the direction, but not exceeding €50,000, to the Commission, being the whole or a part of the cost to the Commission of an investigation of the specified body,
2. a direction to a specified body that the specified body pay a sum, as specified in the direction, but not exceeding 10 per cent of the turnover of the specified body, to the Commission by way of a financial penalty for improper conduct, by the specified body, specified in the direction, or

3. any combination of the sanctions specified in paragraphs (a) and (b);

"minor sanction" means—

1. the issue, to a specified body, of—
    a. advice,
    b. a caution,
    c. a warning, or
    d. a reprimand,

or

2. any combination of any of the sanctions specified in paragraph (a);

"specified body" means a person referred to in any of paragraphs (a) to (d) of the definition in this section of "improper conduct";

"turnover" means, in relation to a specified body, the turnover of the body in the financial year of the body ending immediately before the financial year in which the improper conduct took place.

1. Authorised officers.

(1) The Commission may appoint persons to be authorised officers for the purposes of this section.

(2) A person appointed under subsection (1) shall, on appointment, be furnished by the Commission with a certificate of his or her appointment and when exercising a power conferred by subsection (4) shall, if requested by any person thereby affected, produce such certificate to that person for inspection.

(3) An appointment under this section as an authorised officer shall cease—

(a) on the revocation by the Commission of the appointment,

(b) if the appointment is for a fixed period, on the expiry of that period, or

(c) if the person appointed ceases to be a member of staff of the Commission, on the date on which he or she so ceases.]

(4) For the purposes of the exercise by the Commission of its functions under this Act, [an authorised officer may—

(a) enter at any reasonable time any premises owned or occupied by a person to whom this section applies for the purpose of exercising any powers conferred on him or her by this subsection,

(b) require a person to whom this section applies or any member, officer or employee of the person to whom this section applies to produce to the

authorised officer any books, documents or records (and in the case of such information in a non-legible form to reproduce it in permanent legible form) which are in his or her power or control or to give him or her such information, whether oral or written, as the officer may reasonably require in relation to any entries in such records,

(c) require any such person to give to the officer any other information, whether oral or written, which the officer may reasonably require to determine whether this Act, is being complied with,]

(d) inspect and take extracts from or make copies of any books, documents and records (including in the case of information in a non-legible form a copy of or extract from such information in a permanent legible form), and

(e) require a person to whom this section applies to maintain such books, documents and records for such period or periods of time as the authorised officer may direct.

(5) Where an authorised officer in exercise of his or her powers under this section is prevented from entering any premises an application may be made under Section 2 for a warrant to authorise such entry.

(6) A person to whom this section applies who—

(a) obstructs or impedes an authorised officer in the exercise of a power under this section,

(b) fails or refuses to comply with a requirement under this section,

(c) knowingly alters, suppresses or destroys any books, documents or records which the person concerned has been required to produce, or may reasonably expect to be required to produce, or

(d) knowingly gives to the Commission or to an authorised officer information which is false or misleading, in a material respect, shall be guilty of an offence and shall be liable

(i) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months or both, or

(ii) on conviction on indictment, to a fine not exceeding €50,000 or imprisonment for a term not exceeding 5 years or both.

2. Search warrants.

If a judge of the District Court is satisfied on the sworn information of an authorised officer that there are reasonable grounds for suspecting that there has been a contravention of a condition or requirement of a licence or an authorisation, or a registration granted under Part 10 the judge may issue a

warrant authorising the authorised officer accompanied by other authorised officers, or members of the Garda Síochána, at any time or times within one month from the date of issue of the warrant, on production if so required of the warrant, to enter such premises as are specified in the warrant, if need be by reasonable force, and exercise all or any of the powers conferred on an authorised officer under *section 1*.

3. Appointment of inspectors

(1) For the purposes of this Head the Commission may appoint such members of its staff as it thinks fit to be inspectors for such period and subject to such terms as the Commission may determine,

(2) the Commission may appoint such other persons as it thinks fit to be inspectors for such period and subject to such terms (including terms as to remuneration and allowances for expenses) as the Commission, with the approval of the Minister and the consent of the Minister for Public Expenditure and Reform, may determine.

(3) Each inspector shall, on his or her appointment, be furnished with a certificate of appointment and, when exercising a power conferred on him or her or performing any function imposed by under this Act, shall, if requested by any person thereby affected, produce the certificate or a copy of it, to that person for inspection.

4. Investigation

(1) Where the Commission considers it is necessary to do so for the purpose of the performance of any of the functions conferred on it by or under this Act or any other Act of the Oireachtas, the Commission may cause such investigation as it thinks fit to be carried out to identify any improper conduct by a specified body.

(2) For the purposes of the investigation, the Commission shall appoint an inspector, subject to such terms as it thinks fit—

(*a*) to carry out the investigation, and

(*b*) to submit to the Commission an investigation report following the completion of the investigation.

(3) The terms of appointment of an inspector may define the scope of the investigation to be carried out by the inspector, whether as respects the matters or the period to which it is to extend or otherwise, and in particular may limit the investigation to matters connected with particular circumstances.

(4) Where more than one inspector has been appointed to carry out an investigation, the investigation report shall be prepared jointly by the inspectors

so appointed and this Part shall, with all necessary modifications, be construed accordingly.

(5) Where the Commission has appointed an inspector to carry out an investigation, the inspector shall, as soon as is practicable after being so appointed—

(*a*) give notice in writing to the specified body concerned of the matters to which the investigation relates, and

(*b*) give the specified body—

(i) copies of any documents relevant to the investigation, and

(ii) a copy of this Part,

and

(*c*) without prejudice to the generality of *section 5*, afford the specified body an opportunity to respond within 30 days from the date on which it received the notice referred to in *paragraph (a)*, or such further period not exceeding 30 days as the inspector allows, to the matter to which the investigation relates.]

5. Powers of inspectors

(1) For the purposes of an investigation, an inspector may—

(*a*) subject to *subsections (13)* and *(14)*, at all reasonable times enter, inspect, examine and search any premises at, in or by means of, which any activity of a specified body, authorised by or under any enactment or by any licence or authorisation held by the specified body, is carried on,

(*b*) subject to *subsections (13)* and *(14)*, at all reasonable times enter, inspect, examine and search any dwelling occupied by—

(i) a specified body, or

(ii) a director, manager or any member of staff of a specified body,

that carries on an activity referred to in *paragraph (a)*, being a dwelling as respects which there are reasonable grounds to believe records, books, accounts or other documents relating to the carrying on of that activity are being kept in it,

(*c*) without prejudice to any other power conferred by this subsection, require any person found in or on any premises referred to in any of the preceding paragraphs or any person in charge of or in control of such premises or directing any activity therein referred to in *paragraph (a)* to produce any records, books, accounts or other documents which it is

necessary for the inspector to see for the purposes of the investigation (and the inspector may inspect, examine and copy any such records, books, accounts or other documents so produced or require any such person to provide a copy of them or of any entries in them to the inspector),

(*d*) require any person referred to in *paragraph (c)* to afford such facilities and assistance within the person's control or responsibilities as are reasonably necessary to enable the inspector to exercise any of the powers conferred on the inspector under *paragraph (a)*, *(b)* or *(c)*,

(*e*) require any person by whom or on whose behalf data equipment is, or has been, used in connection with an activity referred to in *paragraph (a)*, or any person having charge of, or otherwise concerned with the operation of, such data equipment or any associated apparatus or material, to afford the inspector all reasonable assistance in respect of its use,

(*f*) require the specified body or the specified body's employee or agent to give such authority in writing addressed to any bank that the inspector requires for the purpose of enabling the inspection of any account or accounts opened, or caused to be opened, by the specified body at such bank (or any documents relating thereto) and to obtain from such bank copies of such documents relating to such account or accounts for such period or periods as the inspector deems necessary to fulfil that purpose, and

(*g*) be accompanied by a member of the Garda Síochána if there is reasonable cause to apprehend any serious obstruction in the performance of any of the inspector's functions under this subsection.

(2) A requirement under *subsection (1)(c)*, *(d)*, *(e)* or *(f)* shall specify a period within which, or a date and time on which, the person the subject of the requirement is to comply with it.

(3) For the purposes of an investigation, an inspector—

(*a*) may require a person who, in the inspector's opinion—

(i) possesses information that is relevant to the investigation, or

(ii) has any records, books, accounts or other documents within that person's possession or control or within that person's procurement that are relevant to the investigation,

to provide that information or those records, books, accounts or other documents, as the case may be, to the inspector, and

(*b*) where the inspector thinks fit, may require that person to attend

before the inspector for the purpose of so providing that information or those records, books, accounts or other documents, as the case may be, and the person shall comply with the requirement.

(4) A requirement under *subsection (3)* shall specify—

(*a*) a period within which, or a date and time on which, the person the subject of the requirement is to comply with it, and

(*b*) as the inspector concerned thinks fit—

(i) the place at which the person shall attend to give the information concerned or to which the person shall deliver the records, books, accounts or other documents concerned, or

(ii) the place to which the person shall send the information or the records, books, accounts or other documents concerned.

(5) A person required to attend before an inspector under *subsection (3)*—

(*a*) is also required to answer fully and truthfully any question put to the person by the inspector, and

(*b*) if so required by the inspector, shall answer any such question under oath.

(6) Where it appears to an inspector that a person has failed to comply or fully comply with a requirement under *subsection (1)*, *(3)* or *(5)*, the inspector may, on notice to that person and with the consent of the Commission, apply in a summary manner to the Circuit Court for an order under *subsection (7)*.

(7) Where satisfied after hearing the application about the person's failure to comply or fully comply with the requirement in question, the Circuit Court may, subject to *subsection (10)*, make an order requiring that person to comply or fully comply, as the case may be, with the requirement within a period specified by the Court.

(8) An application under *subsection (6)* to the Circuit Court shall be made to a judge of that Court for the circuit in which the person the subject of the application ordinarily resides or carries on any profession, business or occupation.

(9) The administration of an oath referred to in *subsection (5)(b)* by an inspector is hereby authorised.

(10) A person the subject of a requirement under *subsection (1)*, *(3)* or *(5)* shall be entitled to the same immunities and privileges in respect of compliance with such requirement as if the person were a witness before the High Court.

(11) Any statement or admission made by a person pursuant to a requirement under *subsection (1)*, *(3)* or *(5)* is not admissible against that person in criminal

proceedings other than criminal proceedings for an offence under *subsection (17)*, and this shall be explained to the person in ordinary language by the inspector concerned.

(12) Nothing in this section shall be taken to compel the production by any person of any records, books, accounts or other documents which he or she would be exempt from producing in proceedings in a court on the ground of legal professional privilege.

(13) An inspector shall not, other than with the consent of the occupier, enter a private dwelling without a warrant issued under *subsection (14)* authorising the entry.

(14) A judge of the District Court, if satisfied on the sworn information of an inspector that—

(*a*) (i) there are reasonable grounds for suspecting that any information is, or records, books, accounts or other documents required by an inspector under this section are, held on any premises or any part of any premises, and

(ii) an inspector, in the performance of functions under *subsection (1)*, has been prevented from entering the premises or any part thereof,

or

(*b*) it is necessary that the inspector enter a private dwelling and exercise therein any of his or her powers under this section,

may issue a warrant authorising the inspector, accompanied if necessary by other persons, at any time or times within 30 days from the date of issue of the warrant and on production if so requested of the warrant, to enter, if need be by reasonable force, the premises or part of the premises concerned and perform all or any such functions and exercise all or any such powers.

(15) For the purposes of an investigation, an inspector may, if he or she thinks it proper to do so, of his or her own volition or at the request of the specified body to whom the investigation relates, conduct an oral hearing.

(16) Part 1 of Schedule 4 to the Electricity Regulation Act 1999 shall have effect for the purposes of an oral hearing referred to in *subsection (15)*.

(17) Subject to *subsection (12)*, a person who—

(*a*) withholds, destroys, conceals or refuses to provide any information or records, books, accounts or other documents required for the purposes of an investigation,

(*b*) fails or refuses to comply with any requirement of an inspector under

this section, or

(*c*) otherwise obstructs or hinders an inspector in the performance of functions conferred by or under this Part,

commits an offence and is liable—

(i) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months or both, or

(ii) on conviction on indictment, to a fine not exceeding €50,000 or imprisonment for a term not exceeding 5 years or both.

(18) Subject to *subsection (19)*, where a specified body is convicted summarily of an offence under *subsection (17)*, the court may, after having regard to the nature of the offence and the circumstances in which it was committed, order that any licence or authorisation held by the specified body be revoked and that the former holder be prohibited (which may be a permanent prohibition, a prohibition for a specified period or a prohibition subject to specified conditions) from applying for any new licence or authorisation or a particular class of new licence or authorisation.

(19) An order under *subsection (18)* shall not take effect until—

(*a*) the ordinary time for bringing an appeal against the conviction concerned or the order has expired without any such appeal having been brought,

(*b*) such appeal has been withdrawn or abandoned, or

(*c*) on any such appeal, the conviction or order, as the case may be, is upheld.

(20) Subject to *subsection (21)*, where a specified body is convicted on indictment of an offence under *subsection (17)*, the court shall order that all licences and authorisations held by the specified body be revoked and that the former holder be permanently prohibited from applying for any new licence or authorisation.

(21) An order under *subsection (20)* shall not take effect until—

(*a*) the ordinary time for bringing an appeal against the conviction concerned has expired without any such appeal having been brought,

(*b*) any such appeal has been withdrawn or abandoned, or

(*c*) on any such appeal, the conviction is upheld.

(22) In this section, "records, books, accounts or other documents" includes copies of records, books, accounts or other documents.

(23) In this section where records, books, accounts or other documents are

held or maintained in electronic form, the obligation to produce or provide records, books, accounts or other documents includes an obligation to provide those records, books, accounts or other documents in a legible and comprehensible printed form.]

6. Actions to be taken by inspector upon completion of investigation

(1) Subject to *subsection (3)*, where an inspector has completed an investigation, the inspector shall, as soon as is practicable after having considered, in so far as they are relevant to the investigation, any information or records, books, accounts or other documents provided to the inspector pursuant to any requirement under *section 58* or any statement or admission made by any person pursuant to any requirement under that section, any submissions made and any evidence presented (whether at an oral hearing referred to in *section 5 (15)* or otherwise)—

(*a*) prepare a draft of the investigation report, and

(*b*) give to the specified body to whom the investigation relates—

(i) a copy of the draft of the investigation report,

(ii) a copy of this section, and

(iii) a notice in writing stating that the specified body may, not later than 30 days from the date on which it received the notice, or such further period not exceeding 30 days as the inspector allows, make submissions in writing to the inspector on the draft of the investigation report.

(2) Subject to *subsection (3)*, an inspector who has complied with *subsection (1)* following the completion of an investigation shall, as soon as is practicable after—

(*a*) the expiration of the period referred to in *subsection (1)(b)(iii)*, and

(*b*) having—

(i) considered the submissions (if any) referred to in *subsection (1)(b)(iii)* made before the expiration of that period on the draft of the investigation report concerned, and

(ii) made any revisions to the draft of the investigation report which, in the opinion of the inspector are warranted following such consideration,

prepare the final form of the investigation report and submit it to the Commission along with any such submissions annexed to the report.

(3) Where an inspector states, whether in a draft of the investigation report or in the final form of the investigation report, that he or she is satisfied that improper conduct by the specified body to whom the investigation relates has occurred or is occurring, the inspector shall not make any recommendation, or express any opinion, in the report as to any major sanction or any minor sanction, as the case may be, that he or she thinks ought to be imposed on the specified body in respect of such improper conduct in the event that the Commission is also satisfied that improper conduct by the specified body has occurred or is occurring.

7. Actions to be taken by Commission on receipt of investigation report

(1) On receipt of an investigation report submitted to it by an inspector in accordance with section 6 (2), the Commission shall consider the report and any submissions annexed to it.

(2) Subject to *subsection (3)*, where the Commission has considered an investigation report (and any submissions annexed to it) under *subsection (1)*, the Commission—

(*a*) if it is satisfied that improper conduct by the specified body to whom the investigation relates has occurred or is occurring, shall, subject to *subsection (6)* and *Head 8A*—

(i) impose a minor sanction on the specified body, or

(ii) impose a major sanction on the specified body,

as it thinks fit in the circumstances of the case,

(*b*) if it is not satisfied that improper conduct has occurred or is occurring but is of the opinion that a further investigation of the specified body is warranted, shall cause the further investigation to be carried out pursuant to its powers under *section 4* or

(*c*) if it is not satisfied that improper conduct has occurred or is occurring and is not of the opinion that a further investigation of the specified body is warranted, shall take no further action.

(3) Where the Commission has considered an investigation report (and any submissions annexed to it) in accordance with *subsection (1)*, the Commission may, if it considers it proper to do so for the purposes of assisting it to make a decision under *subsection (2)*, or for the purposes of observing fair procedures, for those purposes—

(*a*) conduct an oral hearing, or

(*b*) give to the specified body to whom the investigation concerned

relates—

(i) a copy of the investigation report, and

(ii) a notice in writing stating that the specified body may, not later than 30 days from the date it received the notice, or such further period not exceeding 30 days as the Commission allows, make submissions in writing to the Commission on the investigation report.

(4) *Part 2* of *Schedule 4* to the Electricity Regulation Act 1999 shall have effect for the purposes of an oral hearing referred to in *subsection (3)(a)*.

(5) The Commission shall, as soon as is practicable after making a decision under *subsection (2)*, give notice in writing of the decision and the reasons for the decision to the specified body to whom the investigation concerned relates and, if *subsection (2)(a)* applies in the case of that specified body, set out in that notice—

(*a*) the minor sanction or major sanction imposed on the specified body for the improper conduct specified in the notice in respect of which the Commission is satisfied as referred to in that subsection, and

(*b*) the reasons for the imposition of such minor sanction or major sanction, as the case may be.

(6) Where *subsection (2)(a)* applies in the case of a specified body the Commission shall, in deciding the sanction to be imposed on the specified body, take into consideration the matters referred to in *Head 8E*.

(7) The Commission may publish particulars, in such form and manner and for such period as it thinks fit, of any imposition of any major sanction or any minor sanction, as the case may be, on a specified body pursuant to a decision confirmed or given under *Heads 8B or 8C*, as the case may be.

(8) A Heat Undertaking shall not recover, directly or indirectly, from customers any costs arising from financial penalties, fines, or sanctions imposed upon it by the Commission.

(9) A Heat Undertaking that contravenes subsection (8) commits an offence.

8. Directions by Commission to protect public health, etc.

(1) In this section and in *sections 9, 10 and 11* "condition or requirement" means any term or condition of a licence or an authorisation, or any requirement imposed by or under this Act.

(2) Where the Commission is satisfied that all or any of the circumstances set out

in *subsection (3)* have arisen or are likely to arise it may direct the holder of the licence or authorisation concerned or the Board in respect of the heat activity to discontinue or to refrain from specified practices.

(3) The circumstances referred to in *subsection (2)* are—

(*a*) where the Commission is of the opinion that immediate action is necessary to protect—

(i) public health or safety or the environment,

(ii) the continuity of supplies of heat ,

(iii) the interests of other holders of licences or authorisations;

(*b*) where the Commission is of the opinion that the holder of a licence or an authorisation is contravening or is likely to contravene a condition or a requirement and immediate action is necessary to cease or prevent such contravention; or

(*c*) where the Commission is of the opinion that immediate action is necessary to prevent dissipation of the assets of the holder of a licence or an authorisation.

(4) Nothing in this section shall authorise the Commission to give directions relating to industrial disputes.

9. Issue of notice by Commission concerning contraventions, etc.

(1) Where the Commission is of the opinion that the holder of a licence or an authorisation has contravened,] may be contravening or may be likely to contravene a condition or requirement, it may issue a notice under *subsection (2)* to the holder of the licence or authorisation.

(2) The notice referred to in *subsection (1)* shall—

(*a*) specify—

(i) the condition or requirement which the Commission considers that the holder of the licence or authorisation has contravened, may be contravening or may be likely to contravene, or

(ii) the acts or omissions which in the opinion of the Commission constitute, may constitute or would be likely to constitute contravention of the condition or requirement concerned,

and

(*b*) specify the period (being not less than 28 days from the date of the issuing of the notice) within which representations or objections may be made.

(3) The Commission shall consider any representations or objections which are made

under *subsection (2)* and not withdrawn.

(4) On consideration of any representations or objections, the Commission may give a direction to the holder of a licence or an authorisation—

(*a*) to take such measures as are necessary to cease the contravention or to prevent a future contravention, and

(*b*) where there has been a contravention, to undertake such remedial actions as are necessary to rectify the situation and to prevent a re-occurrence of the contravention concerned.]

(5) As soon as practicable after giving a direction in accordance with *subsection (4)* or *(2)* the Commission shall give notice of the direction in accordance with *subsection (10)*.

(6) Subject to *subsection (7),* the Commission may revoke a direction given under this section.

(7) Before revoking a direction the Commission shall give notice in accordance with *subsection (10)*—

(*a*) stating that it proposes to revoke the direction and setting out the effect of the revocation, and

(*b*) specifying the period (being not less than 28 days from the publication of the notice) within which representations or objections with respect to the proposed revocation may be made.

(8) The Commission shall consider any representations or objections which are made under *subsection (7)* and not withdrawn.

(9) If, after giving notice of a revocation made in accordance with *subsection (6)*, the Commission decides not to revoke the direction to which the notice refers, it shall give notice of its decision.

(10) A notice under this section shall be given—

(*a*) by publishing the notice in a newspaper circulating in the State, (, and

(*b*) by serving a copy of the notice and a copy of the direction or revocation, as the case may be, on the holder of the licence or authorisation to whom the notice, direction or revocation relates.

10. Determination by Commission of specified breach.

(1) Where the Commission decides not to give a direction under Section *8*, the Commission may make a determination that the holder of a licence or an authorisation has committed a specified breach of a condition or requirement.

(2) As soon as practicable after making a determination under *subsection (1)* the Commission shall—

(*a*) publish a notice of the determination in a newspaper circulating in the State, and

(*b*) serve a copy of the notice and a copy of the determination on the holder of the licence or authorisation to whom the determination relates.

11. Compliance with direction or determination.

(1) In order to ensure compliance with a direction given under *section 8 (2)* or , the Commission may apply in a summary manner *ex parte* or on notice to the High Court for an order requiring the holder of a licence or an authorisation who, in the opinion of the Commission, is contravening or who is likely to contravene a condition or requirement to discontinue or to refrain from specified practices.

(2) The High Court may make such order as it thinks fit and may confirm, revoke or vary a direction given by the Commission.

12. Settlement arrangements

(1) Where the Commission suspects on reasonable grounds that the holder of a licence or an authorisation has contravened, or is contravening a licence condition or a relevant requirement, the Commission may enter into a written agreement the heat undertaking to resolve the matter.

(2) The Commission may, at its discretion and with consideration to public interest, offer an opportunity to enter into an agreement under this section—

(a) before initiating a formal investigation into the matter (an “undisputed facts settlement”), or

(b) at any time after initiating such an investigation (an “investigative settlement”)

(3) An agreement under this section—

(a) shall be on such terms and conditions as may be specified in the agreement,

(b) shall be binding on the Commission and on the person concerned, and

(c) may include provisions for the person to accept the imposition of sanctions, including financial penalties, directions, or such other measures as may be specified by the Commission.

(4) Subject to subsection (6), where a person who has entered into an agreement under this section fails to comply with any of its terms, the Commission may apply to the High Court for an order under subsection (5).

(5) If satisfied on application to it under subsection (4) that the Heat Undertaking concerned has failed to comply with any of the terms of the agreement under this section, the High Court may make an order requiring the person to comply with those terms or that term.

(6) The Commission may recover, as a debt due, and any sum payable under an agreement entered into under this section, by proceedings in a court of competent jurisdiction.

Explanatory Note:

The Act of 1999 provides for compliance and enforcement functions for the Commission. The purpose of this Head is to provide similar compliance and enforcement functions for the purposes of regulating heat networks.

This Head has been informed by the following Sections of the 1999 Act:

Section 11, which makes provision for the appointment of 'Authorised Officers' by the Commission. Authorised officers will have the powers to conduct most investigations;

Section 12 which allows a judge of the District Court to issue warrants giving Authorised Officers the powers to enter premises where there are reasonable grounds for suspecting that there has been a contravention of a condition or requirement of a licence;

Sections 23–25, which provide administrative compliance tools, including directions, notices of contravention, and determinations of breach;

Section 26, which allows the Commission to apply to the High Court for an order requiring the holder of a licence or an authorisation who, in the opinion of the Commission, is contravening or who is likely to contravene a condition or requirement to discontinue or to refrain from specified practices.

Additionally, the Head has been informed by PART IX of the 1999 Act, 'Power To Carry out investigations and impose administrative sanction'.

The Head includes an equivalent to the administrative sanctions regime provided for in Part IX of the Electricity Regulation Act 1999, together with essential investigation and enforcement powers contained in other Sections of that Act. A number of provisions follow closely those contained in Section 11 of the ERA 1999 in relation to Electricity and Gas in order to allow for inspection, entry, evidence-gathering, and information-requiring powers. These powers are foundational investigative tools that will enable the Commission to determine whether a breach has occurred and to undertake routine compliance monitoring.

The Head will also provide the Commission with administrative compliance tools, including directions, notices of contravention, and determinations of a breach. Again, these provisions will be similar to those contained in Sections 23–25 of the ERA 1999 in relation to Electricity and Gas. These tools support proportionate regulatory intervention by resolving issues early, preventing customer harm, and avoiding unnecessary escalation to sanctions.

Part IX of the 1999 Act provides for the appointment of inspectors to carry out investigations in instances where improper conduct is suspected, and similar powers have been incorporated into this Head. An investigator shall, after investigating, prepare a report for submission to the Commission. On foot of receiving an investigation report, the Commission will either impose a major or minor sanction, require further investigation, or take no action in the case that it is satisfied that no improper conduct has taken place. The intent of this Head is to ensure that the Commission has the requisite powers to investigate suspected breaches of Heat Network Licence conditions.

HEAD 8A - CONFIRMATION OF HIGH COURT REQUIRED BEFORE DECISION TO IMPOSE SANCTION TAKES EFFECT

Provide that:

(1) A decision under Head 8 to impose a major sanction on a specified body shall not take effect unless the decision is confirmed by the High Court under Head 8B or Head 8C as the case may be.

Explanatory Note:

Part IX of the Act of 1999 provides for compliance and enforcement functions for the Commission and the purpose of Heads 8A-8E are to provide for confirmation and appeal of major sanctions in the High Court.

HEAD 8B - APPEAL TO HIGH COURT AGAINST DECISION TO IMPOSE MAJOR SANCTION

Provide that:

(1) A specified body, the subject of a decision under Head 8 to impose a major sanction, may, not later than 30 days from the date the specified body received the notice under Head 8, appeal to the High Court against the decision.

(2) The High Court may, on the hearing of an appeal by a specified body under subhead (1), consider any evidence adduced or argument made, whether or not adduced or made to an inspector or the Commission.

(3) Subject to subhead (4), the High Court may, on the hearing of an appeal by a specified body under subsection (1)—

(a) either—

(i) confirm the decision the subject of the appeal, or

(ii) cancel that decision and replace it with such other decision as the Court considers appropriate, which may be a decision—

(I) to do either or both of the following:

(a) impose a different major sanction on the specified body;

(b) impose a minor sanction on the specified body,

or

(II) to impose neither a major sanction nor a minor sanction on the specified body,

and

(b) whether paragraph (a)(i) or (ii) is applicable, make such order as to costs as it thinks fit in respect of the appeal.

(4) The High Court shall, for the purposes of subsection (3)(a)(i) or (ii)(I), take into consideration the matters referred to in Head 8E.]

Explanatory Note:

Part IX of the Act of 1999 provides for compliance and enforcement functions for the Commission and the purpose of Heads 8A-8E are to provide for confirmation and appeal of major sanctions in the High Court.

HEAD 8C - APPLICATION TO HIGH COURT TO CONFIRM DECISION TO IMPOSE MAJOR SANCTION

Provide that:

(1) Where a specified body does not, within the period allowed under Head 8, appeal to the High Court against a decision under Head 8 to impose a major sanction on the specified body, the Commission shall, as soon as is practicable after the expiration of that period by motion on notice to the specified body make an application in a summary manner to the High Court for confirmation of the decision.

(2) The High Court shall, on the hearing of an application under subsection (1), confirm the decision under Head 8 unless the Court considers that there is good reason not to do so.

Explanatory Note:

Part IX of the Act of 1999 provides for compliance and enforcement functions for the Commission and the purpose of Heads 8A-8E are to provide for confirmation and appeal of major sanctions in the High Court.

HEAD 8D - PROVISIONS SUPPLEMENTAL TO DECISIONS OF HIGH COURT

Provide that:

(1) The decision of the High Court on an appeal under Head 8B or an application made under Head 8C is final except that the Commission or the specified body the subject of the decision may, by leave of the Court or the Court of Appeal, appeal against the decision to the Court of Appeal on a specified question of law.

(2) Where the High Court confirms or gives a decision under Head 8B or 8C, the Commission shall, as soon as is practicable after the decision is confirmed or given, as the case may be, give notice in writing of the decision to the specified body the subject of the decision.

(3) Any amount specified in paragraph (a) or (b) of the definition of "major sanction" in section 55 due to the Commission pursuant to a decision confirmed or given under section 62(3) or 63(2), as the case may be, by the High Court shall be paid into or disposed of for the benefit of the Exchequer in such manner as the Minister for Public Expenditure and Reform may direct.

(4) The Commission may recover, as a simple contract debt in any court of competent jurisdiction, from the person by whom it is payable any amount due and owing to the Commission pursuant to a decision confirmed or given under section 62(3) or 63(2), as the case may be, by the High Court.

Explanatory Note:

Part IX of the Act of 1999 provides for compliance and enforcement functions for the Commission and the purpose of Heads 8A-8E are to provide for confirmation and appeal of major sanctions in the High Court.

HEAD 8E - MATTERS TO BE CONSIDERED IN DETERMINING SANCTION TO BE IMPOSED

To provide:

The Commission or the High Court, as appropriate, in considering—

(a) the minor sanction or major sanction to be imposed on a specified body pursuant to Head 8), or

(b) the minor sanction or major sanction (if any) to be imposed on a specified body pursuant to a decision confirmed or given under Head 8B or Head 8C, as the case may be,

shall take into account the circumstances of the improper conduct concerned (including the factors occasioning it) and, without prejudice to the generality of the foregoing, may have regard to—

(i) the need to ensure that any sanction imposed—

(I) is appropriate and proportionate to the improper conduct, and

(II) if applicable, will act as a sufficient incentive to ensure that any like improper conduct will not occur in the future,

(ii) the seriousness of the improper conduct,

(iii) the turnover of the specified body in the financial year of the body ending in the year immediately before the financial year in which the improper conduct last occurred,

(iv) the extent of any failure by the specified body to co-operate with the investigation concerned of the specified body,

(v) any excuse or explanation by the specified body for the improper conduct or failure to co-operate with the investigation concerned,

(vi) any gain (financial or otherwise) made by the specified body or by any person in which the specified body has a financial interest as a consequence of the improper conduct,

(vii) the amount of any loss suffered or costs incurred as a result of the improper conduct,

(viii) the duration of the improper conduct,

(ix) the repeated occurrence of improper conduct by the specified body,

(x) if applicable, the continuation of the improper conduct after the specified body was notified of the investigation concerned,

(xi) if applicable, the absence, ineffectiveness or repeated failure of internal mechanisms or procedures of the specified body intended to prevent improper conduct from occurring,

(xii) if applicable, the extent and timeliness of any steps taken to end the improper conduct and any steps taken for remedying the consequences of the improper conduct,

(xiii) whether a sanction in respect of like improper conduct has already been imposed on the specified body by a court, the Commission or another person, and

(xiv) any precedents set by a court, the Commission or another person in respect of previous improper conduct.

Explanatory Note:

Part IX of the Act of 1999 provides for compliance and enforcement functions for the Commission and the purpose of Heads 8A-8E are to provide for confirmation and appeal of major sanctions in the High Court.

HEAD 9 – DISTRICT HEAT NETWORK DEVELOPMENT PLAN

Provide that:

(1) Upon enactment of this Act, the Heat Network Authority shall begin to prepare a plan (in this Bill referred to as the "District Heat Network Development Plan") for the development of district heat networks in order to support the planning process and deliver carbon reduction in line with Govt targets, which shall relate to a period of 5 calendar years from the date on which the plan is prepared by the Heat Network Authority.

(3) The District Heat Network Development Plan shall set out the strategic objectives of efficient district heating and cooling and include, among other things, heat mapping presented at a regional level, existing and planned Heat Network developments (including Efficient District Heating and Cooling networks, proposed areas for the development of future Efficient District Heating and Cooling networks and forecasts of projected CO2 reductions associated with District Heat Networks).

(4) The Heat Network Authority shall revise the District Heat Network Development Plan within 5 years from the date on which the plan is approved by the Minister, and the revised plan shall relate to a period of 5 calendar years following the date on which the revised District Heat Network Development Plan is approved by the Minister in line with subsection (6).

(5) The District Heat Network Development Plan shall take account of-

(i) existing and planned heat networks and supply,

(ii) interconnections with other heat networks, and

(iii) national and regional Government development objectives.

(6) The District Heat Network Development Plan shall adhere to the requirement to undertake relevant environmental assessments, including SEA, EIA, SFRA and AA, as appropriate.

(7) The District Heat Network Development Plan, and any subsequent revisions, shall be submitted to the Minister for approval prior to publication, and shall not be published without the approval of the Minister.

(8) The Heat Network Authority may, separate to any other statutory requirement to consult with the public,-

(i) engage in a preliminary public consultation process on the Heat Network Development Plan, including any other form of consultation that the Minister may direct, before submitting the District Heat Network Development Plan to the Minister for approval, and

(ii) report in writing to the Minister on the results of the preliminary public consultation process when submitting the District Heat Network Development Plan to the Minister.

(9) The Minister may, from time to time, give directions to the Heat Network Authority in respect of -

(i) matters to be specified in the District Heat Network Development Plan, and

(ii) the review and revision by the Heat Network Authority of the District Heat Network Development Plan.

and the Heat Network Authority shall comply with directions given by the Minister under this subsection.

(10) The Minister may approve, require amendments or refuse to approve the draft District Heat Network Development Plan developed by the Heat Network Authority.

(11) In the event that the Minister does not approve the draft District Heat Network Development Plan, the Minister shall provide his or her reasoning to the Heat Network Authority for consideration in the development of a revised draft District Heat Network Development Plan.

(12) No iteration of this plan will be deemed a delivery plan until such a time as the industry reaches sufficient maturity. This will be reassessed alongside the 5-year cycle of plan development.

Explanatory Note:

This Head introduces the requirement for a Heat Network Development Plan to support national level planning and delivery of heat networks.

As set out in the Head, the plan shall set out the strategic objectives of efficient district heating and cooling and include, among other things, heat mapping presented at a regional level and existing and planned Heat Network developments. The Heat Network Development plan shall set out how efficient district heating can be developed in order

to guarantee and Climate Action Plan (CAP) and EU targets in relation to efficient district heating and cooling.

This Head also provides that Minister would have responsibility for final approval of the District Heat Network Development Plan.

The District Heat Network Development Plan will set out the strategic objectives of efficient district heating and cooling and include, among other things, heat mapping presented at a regional level, existing and planned Heat Network developments and forecasts of projected CO2 reductions associated with District Heat Networks. This will provide non-exhaustive guidance to the development of district heating during an initial period, allow for future plan led development of district heating in Ireland and facilitate the interconnected growth of networks.

HEAD 10 – HEAT NETWORKS LICENCE AND LICENCING AUTHORITY

Provide that:

1. The Commission shall be the licencing authority for the Heat Network licence.
2. The Commission shall implement a licencing regime for the operation of heat networks and the supply of heating and cooling to final customers and final users via heat networks.
3. The Commission shall establish and keep a register of entities intending to develop a heat network.
4. An entity registered as a heat network developer shall be deemed to be authorised to apply for a road opening license in accordance with Head 26.
5. An entity registered as a heat network developer shall comply with all requests for information made to it by the Commission.
6. The Commission shall begin developing proposals in relation to the license criteria and standard conditions of the licensing regime upon enactment of this Act. These shall be issued for public consultation.
7. Submissions received in response to a public consultation under subsection (6) will be considered by the Commission when developing the licencing criteria and standard conditions.
8. Prior to the commencement of the licensing regime, the Commission shall publish the criteria and standard conditions of a Heat Network Licence, noting which criteria and conditions apply to which classes of network, and on what basis the different classes of network are defined
9. These criteria may include, but are not limited to:
    I. setting requirements with respect to the resilience and the security of supply for heat to final customers and final users.
    II. Meeting performance requirements set by the Commission;
    III. A requirement to provide such information to the Commission as the Commission may require;
    IV. A requirement to adhere to technical standards
10. Where the Commission grants such a licence, that licence shall be subject to such terms and conditions as may be specified in the licence.

11. The Commission may grant or refuse an application for a Heat Network Licence, subject to review of compliance with criteria as set out in Head 11.
12. Each heat network license will only apply to a single heat network.
13. The Commission may consult the SEAI / HNA during the process of awarding or reviewing a license where it deems this to be necessary.
14. The Commission may amend a licence with or without the consent of the holder of the licence.
15. The Commission shall inform the licence holder, 28 days in advance, of any amendment being implemented.
16. Once a licensing regime has been established, it shall be deemed an offence for a heat undertaking to operate a Heat Network unless that heat undertaking holds the relevant Heat Network licence issued by the Commission.
17. The Commission shall not be obliged to ensure that Heat Network entities are in possession of any other licences or permits relevant and required in relation to Heat Networks.
18. Sanction for improper conduct shall be in accordance with the provisions established in Head 8.
19. Until such a time as a licensing regime is established, the register established under 10(3) shall be a register of heat network entities.
20. Until such as time as a licensing regime is established, it shall therefore be deemed an offence for a heat undertaking to develop or operate a heat network, unless that heat undertaking is registered upon the register described in 10(17). Heat undertakings already in the process of development, operation or supply upon enactment of this Act will be afforded a reasonable timeframe within which to register.
21. An entity registered upon the register described in 10(17) shall comply with all requests for information made to it by the Commission.
22. Where the Commission deems there to be an overlap between the registers it is directed to keep, the Commission may amalgamate multiple registers.

Explanatory Note:

This Head makes provision for the Commission as the licencing authority for a Heat Network licence. This Head permits the Commission to develop a licencing regime, for the purposes of operation and supply of energy to Heat Networks. It is not intended that any requirements for environmental or other assessments would be avoided in the development of a heat network.

It is envisaged that a single licencing system will be established, with Heat Network Operators & Suppliers each choosing one or more sections for completion in the licence categories, depending on the activity(ies) in which they will engage. Until this licensing system is in place, the Commission will keep a register of heat networks. Being registered on this register will enable continuation of activities subject to compliance with registration requirements. And after the licensing regime is in place, the register will remain in place for heat network developers, who will not require a license in order to begin developing a heat network, but for whom there would be complications in acquiring other necessary permits from other bodies without first appearing on the official register kept by the Commission.

This Head sets out conditions that may attach to a Heat Networks Licence. The licensee must comply with all technical standards for district heating, make adequate provisions for the resilience and the security of supply of heat to customers and guarantee standards of performance.

Sanction for breach of licence conditions is provided for in Head 8.

HEAD 11– APPLICATION FOR A HEAT NETWORKS LICENCE

Provide that:

(1) An application for a Heat Networks licence shall be made in writing to the Commission and contain such information as the Commission may specify.

(2) An application for a licence under this section shall be accompanied by such a fee as the Commission may determine to be appropriate.

(3) A licence granted by the Commission may permit the applicant to:

(ii) operate a Heat Network; or

(iii) supply heat from a Heat Network.

(4) The licensing authority shall grant a Heat Network licence once it is satisfied that the applicant meets the required criteria as set out in sub section (5) and (6) and can perform the activities that would be authorised by the licence.

(5) In assessing an applicant's ability to carry out the functions for which the licence was sought, the Commission shall develop and use an appropriate assessment procedure.

(6) The criteria specified in the assessment procedure provided for in subsection (5) may relate to:

a) the legal nature of the business, partnership, limited company etc.

b) Details of previous undertakings in respect of heat networks, within or outside of Ireland;

c) Financial details for the company/partnership such as annual reports; bank statements for the business etc.

d) the purposes for which the person has made or may make a Heat Licence application;

e) Details of any enforcement actions taken by regulators within or outside Ireland.

Explanatory Note:

This Head outlines application procedure for a Heat Network Licence, in addition to setting out the criteria required to receive a licence. The Head provides for the Commission, as licencing authority, to develop and implement an assessment procedure for the purposes of determining the suitability of a licence applicant to undertake the functions for which a licence is sought. In considering the criteria for the assessment procedure, the provisions of the Maritime Area Planning Act 2021 were examined.

The Commission currently provides a range of licences, consents and authorisations for electricity and gas, and it is intended that licencing for the heat sector would align with those the procedures and processes associated with those already in place in other sectors, where appropriate.

HEAD 12 – DURATION OF A HEAT NETWORKS LICENCE

Provide that:

(1) A Heat Networks Licence shall take effect on the date specified in the licence and will continue to have effect for the duration of the licence, unless the licence is revoked or amended by the licensing authority or surrendered by the person holding the licence.

(2) The licence will be valid for a duration set out in the licence conditions.

(3) The licence holder shall comply with all licence conditions as set out by the Commission.

Explanatory Note:

This Head allows for the duration of a licence to be determined in the conditions of the licence. This is consistent with licencing in other sectors.

While it is important that a Heat Network Developer, Operator and/ or Supplier should have certainty in terms of its licencing timeframe, to allow the planning of investment and customer growth, the reason for which the licence is sought may have a bearing on the duration for which a licence should be provided and this Head provides for the Commission to tailor the duration of a licence accordingly, including allowing for the possibility of the Commission issuing licences of indefinite duration.

HEAD 13 – REVOCATION OF A HEAT NETWORKS LICENCE

Provide that:

(1) The licensing authority may revoke a Heat Network Licence if it determines that the licence holder:

(a) can no longer perform the activities authorised by the licence or

(b) has failed to comply with a condition of the licence.

(2) At any point during the licence period, where the licensing authority determines that the holder of a licence has contravened, is contravening or is likely to contravene a condition or requirement, it shall issue a notice, in writing, to the holder of the licence.

(3) The notice shall specify –

(a) the condition(s) or requirement(s) which the licensing authority considers that the holder of the licence has contravened, is contravening or may be likely to contravene, or

(b) the acts or omissions which in the opinion of the licensing authority has constituted, may constitute or would be likely to constitute one or more contraventions of the condition(s) or requirement(s) concerned,

(c) specify the period (being not less than 28 days from the date of the issuing of the notice) within which representations or objections may be made, by the holder of a licence.

(4) The holder of a licence may, within the time specified, make representations or objections to the Commission in response to the notice issued under section (2).

(5) The Commission shall consider any representations or objections which are made and not withdrawn in relation the revocation of a Heat Network Licence.

(6) Following consideration of any representations or objections or appeal processes, the Commission may

(a) give a direction to the holder of a licence to take such measures as are necessary to cease the contravention or to prevent a future contravention or

(b) revoke the licence or

(c) take no further action.

Explanatory Note:

This Head provides a process where the Commission determines that the holder of a Heat Networks licence cannot perform their duties, leading to the revocation of a Heat Networks Licence.

HEAD 14 – REGISTER OF A HEAT NETWORKS LICENCE

Provide that:

(1) The licensing authority shall maintain a register of all Heat Networks Licences.

(2) This register shall contain information relating to:

(a) The operating name of the Heat Network Operator or Supplier

(b) The geographical area(s) of the Heat Network.

(c) Contact information for the Heat Network Operator or Supplier

(d) The energy source(s) the Heat Network is currently utilising, detail on ancillary heat sources and on thermal storage infrastructure.

(e) Information on the renewability and efficiency of the energy source(s).

(f) Any other information deemed relevant by the Commission for the purposes of the register.

(3) The Commission may add to the information contained in the register as they require.

(4) Heat Network Developers, Operators and Suppliers shall provide any additional information related to the Heat Network in question when requested by the Commission.

(5) The register shall be made publicly available by the Commission;

(6) The register shall be maintained in accordance with GDPR and the Data Protection Act, 2018.

Explanatory Note:

The purpose of this Head to enable the Commission to maintain a register of licenced persons undertaking activity on Heat Networks, in order to facilitate the protection of the interests of the public as customers of heat networks, so that they obtain an acceptable standard of competence within the heat network sector, and to ensure that

access to information in respect of the heat sources and their efficiency is readily available. The register of licenced persons shall comply with GDPR.

HEAD 15 – APPEAL PANEL

Provide that:

(1) The Minister shall establish a panel to be known and, in this Act, referred to as an "Appeal Panel".

(2) An Appeal Selection Panel established under this section shall consist of at least ten persons, drawn from the tender appeals panel,

(3) An Appeal Panel shall consist of three persons drawn from the Appeal Selection Panel; one of whom shall be appointed by the Minister to be the chairperson of the Appeal Panel.

(4) Members of the Appeal Panel shall be appointed on such terms and conditions as are appropriate.

(5) The remuneration and allowances for expenses, if any, of a member of an Appeal Panel shall be such as may be determined by the Minister, with the approval of the Minister for Public Expenditure, NDP Delivery and Reform, and shall form part of the expenses of the Commission.

(6) The costs of an Appeal Panel shall form part of the expenses of the Commission.

(7) An Appeal Panel shall have all the powers and duties of the Commission that are necessary to carry out the functions of the Appeal Panel under this Act.

(8) An Appeal Panel shall be independent in the performance of its functions.

(9) An Appeal Panel shall hear and determine an appeal against-

a. a refusal to grant a licence,

b. a revocation of a licence,

c. an amendment to a licence, or

d. a refusal to amend a licence,

(10) An Appeal Panel shall have the powers, rights and privileges vested in the High Court or a judge thereof on the hearing of an action in respect of—

a. the enforcement of the attendance of witnesses and their examination on oath or otherwise, and

b. the compelling of the production of documents.

(11) A summons signed by the chairperson of the Appeal Panel or by such other member of the Appeal Panel as may be authorised by the Appeal Panel may be substituted for and shall be equivalent to any formal procedure capable of being issued in an action for enforcing the attendance of witnesses and compelling the production of documents.

(12) Where a person—

a. being duly summoned to attend before an Appeal Panel makes a default in attending,

b. being in attendance as a witness before an Appeal Panel refuses to take an oath lawfully required by that Panel to be taken or to produce any document in his or her power or control lawfully required by that Appeal Panel to be produced by him or her or to answer any question to which the Appeal Panel may lawfully require an answer, or

c. being in attendance before an Appeal Panel does anything which, if the Appeal Panel were a court of law having power to commit for contempt, would be contempt of court,

that person shall be guilty of an offence and shall be liable on summary conviction to a class A fine.

(13) A witness before an Appeal Panel shall be entitled to the same immunities and privileges as if he or she were a witness before the High Court.

(14) An Appeal Panel may

a. confirm the refusal to grant a licence or

b. direct the Commission to grant a licence with or without conditions laid down by the Appeal Panel and where such a direction is made, the Commission shall, in accordance with the decision of the Appeal Panel, grant the licence, subject to such conditions as may be specified by the Commission which are not inconsistent with the decision of the Appeal Panel.

(15) In the case of an amendment of a licence, the Appeal Panel may

a. confirm the modification or

b. direct the Commission not to make it.

(16) In the case of a refusal to amend a licence, the Appeal Panel may:

a. confirm the decision of the Commission or

b. direct the Commission to amend the licence.

(17) The Appeal Panel shall notify the persons concerned of its decision in respect of an appeal under this section.

Explanatory Note:

This Head provides for the establishment in advance of an Appeal Panel by the Minister which can be used when and as required. Following receipt of an appeal, the panel required under Head 16 to consider an appeal will be drawn from this wider panel.

An Appeal Selection Panel of at least ten members will be compiled by the Commission. This body will remain in place for an agreed number of years. The reason for establishing a body is to ensure that there are sufficient qualified people to hear an appeal as quickly as possible. Three panellists will be drawn from the body to hear an appeal.

Part IV of the Electricity Regulation Act 1999 provides the basis on which this Head has been drafted.

HEAD 16 - APPEALS

Provide that:

(1) This section applies to the appeals process.

(2) An appeal applicant is: -—

a. a person whose application for a licence is refused,

b. a person whose licence is revoked

c. a person who is a holder of a licence and has had refused a request by them to the Commission to amend a licence or

d. a person who is a holder of a licence and who wishes to appeal against a decision of the Commission to amend the licence concerned.

(3) An appeal applicant who has followed the appeal process and received a decision by the Commission, may subsequently amend their licence application and commence the process afresh. .

(4) Any re-application under this section shall, in accordance with Head 11, be accompanied by such a fee, if any, as the Commission may determine to be appropriate.

(5) In the event of a re-application being refused, the applicant may, within 28 days, appeal that decision to the Appeal Panel provided for under Head 15.

(6) All appeals under this Act shall be determined within two months.

(7) The Commission shall, within a period of no more than 14 days, appoint the Appeal Panel refenced in Head 15.

(8) The Appeal Panel appointed under Head 15 shall specify on notice to the Commission and the appellant the date on which the appeal is to be heard and shall hear and determine the appeal .

(9) Subject to this Act, the procedure at a hearing shall be determined by the Appeal Panel appointed under subsection (7).

(10) The Appeal Panel shall take such measures as are reasonably practicable to ensure that the appellant is given a reasonable opportunity—

a. to present its case, whether at a hearing or otherwise, and

b. to make submissions in relation to the issues arising in the proceedings.

(11) A party to the appeal may—

a. appear without representation, or

b. be represented by an agent.

(12) The Appeal Panel may do all or any of the following:

(a) require evidence or argument to be presented in writing and decide on the matters on which it will hear oral evidence or argument.

(b) require the presentation of the respective cases of the parties before it to be limited to the periods of time that it determines are reasonably necessary for the fair and adequate presentation of the cases,

(c) adjourn proceedings to any time and place, or

(d) at any stage dismiss proceedings if the applicant has withdrawn the application to which the proceedings relate.

(13) The determination of the Appeal Panel shall be made by a majority. In the case of an equal division of votes the chairperson shall have the casting vote.

(14) The Appeal Panel shall notify the parties to the appeal of its determination in relation to the appeal.

(15) The Appeal Panel shall, as soon as practicable thereafter, cause such determination to be published in such manner as may be decided by the Appeal Panel, to include publication of the determination in a newspaper circulating in the State.

(16) The determination shall set out—

(a) any findings on material questions of fact, referring to the evidence or other material on which those findings were based,

(b) the Appeal Panel's understanding of the applicable law, and

(c) the reasoning processes that led the Appeal Panel to the conclusions that it made.

Explanatory Note:

This Head provides for the procedure for appeals using S.I. No. 495/2017 - Electricity Regulation Act 1999 (Establishment of Appeal Panel) Order 2017 as a precedent.

Unlike the 1999 Act, there will be an Appeal Selection Panel established, in advance, under Head 15 that will be drawn from as when and as required. This aims to reduce waiting times for appeals. For this reason, the procedures for the appeals are provided in the Head rather than providing for a power for the Minister to establish those procedures by order.

PART 3 - HEAT NETWORK AUTHORITY

HEAD 17 – ESTABLISHMENT OF THE HEAT NETWORK AUTHORITY

Provide that:

(1) The Minister shall by order appoint a day to be the establishment day for the purposes of this Act.

(2) There shall stand established on the establishment day a body to be known in the Irish language as Údarás Líonra Teasa or in the English language as the Heat Network Authority to perform the functions conferred on it by this Act and in this Act referred to as the "Authority" to perform the functions conferred on it by this Act.

(3) The Authority shall be a body corporate with perpetual succession and a common seal and power to sue and be used in its corporate name and to acquire, hold and dispose of land or an interest in land, and to acquire, hold and dispose of any other property.

(4) The seal of the Authority shall be authenticated by the signature of the chairperson of the Authority, or by the signatures of any other member of the Authority and a member of the staff of the Authority authorised by the Authority to act in that behalf.

(5) Judicial notice shall be taken of the seal of the Authority and every document purporting to be an instrument made by and to be sealed with the seal of the Authority (purporting to be authenticated in accordance with this section) shall be received in evidence and be deemed to be such instrument without proof unless the contrary is shown.

(6) The expenses incurred by the Minister in the administration of this Act shall, to such extent as may be sanctioned by the Minister for Public Expenditure, NDP Delivery and Reform, be paid out of moneys provided by the Oireachtas.

(7) The Minister may, following consultation with the Authority, the Minister for Public Expenditure, NDP Delivery and Reform and any other Minister of the Government who, in the opinion of the Minister, is concerned, by order assign to the Authority such additional functions relating to heat networks as the Minister considers appropriate.

(8) The Board shall consist of 12 members.

(9) The Board shall direct the functions of the Authority in accordance with this Act and shall satisfy itself as to the adequacy of the systems in place for that purpose and shall keep under review the performance of the Authority.

(10) The Minister, with the consent of the Minister for Public Expenditure, NDP Delivery and Reform, shall appoint the members of the Board other than the Chief Executive, and the members appointed by the Minister shall, subject to the other provisions of this section, hold and vacate office as the Minister may determine.

(11) The Minister shall designate one member of the Board (other than the Chief Executive) as chairperson for a period not greater than 5 years.

(12) There shall be a chief executive officer of the Authority who shall be known, and is referred to in this Act, as the "Chief Executive".

(13) The Chief Executive shall be appointed by the Board.

(14) The Chief Executive shall be a member of the Board.

(15) The Chief Executive may be removed or suspended from office by the Board.

(16) The Authority may appoint persons to be members of the staff of the Authority and the grades of the staff of the Authority and the numbers of staff in each grade shall be determined by the Board with the consent of the Minister and the Minister for Public Expenditure, NDP Delivery and Reform.

(17) Members of staff of the Authority shall hold their employment on such terms and conditions (including those relating to remuneration and allowances for expenses) as the Authority may, with the consent of the Minister and the Minister for Public Expenditure, NDP Delivery and Reform, determine from time to time.

(18) The Minister shall from time to time, with the consent of the Minister for Public Expenditure, NDP Delivery and Reform, advance to the Authority out of moneys provided by the Oireachtas, such sums as the Minister may determine for the purposes of expenditure by the Authority in the performance of its functions.

(19) In determining the amount of any such moneys to be paid in any financial year the Minister shall give due consideration to the income and expenditure of the Authority, and for that purpose the Board shall furnish to the Minister as and when requested information regarding such income and expenditure.

(20) The Authority may, for the purpose of providing for current or capital expenditure, from time to time, borrow money (whether on the security of the assets of the Authority or otherwise), including money in a currency other than the currency of the State, subject to the consent of the Minister and the Minister for Public Expenditure, NDP Delivery and Reform and to such conditions as they may specify.

(21) The Authority shall submit, in such form as the Minister may direct, an annual report of its activities after the end of the financial year to which it refers and the Minister shall cause copies of the report to be laid before each House of the Oireachtas not later than six months after the end of that financial year.

(22) The Authority shall keep, in such form as may be approved of by the Minister, with the consent of the Minister for Public Expenditure, NDP Delivery and Reform, all proper and usual accounts of money received and expended by it.

(23) The accounts of the Authority shall be submitted annually to the Comptroller and Auditor General for audit at such times as the Minister, with the consent of the Minister for Public Expenditure, NDP Delivery and Reform, shall direct and when so audited, shall, together with the report of the Comptroller and Auditor General thereon, be presented to the Minister, who shall cause copies thereof to be laid before each House of the Oireachtas.

(24) The Chief Executive shall whenever he or she is required to do so by a Committee of Dáil Éireann established under the Standing Orders of Dáil Éireann to examine and report to Dáil Éireann on the appropriation accounts and the reports of the Comptroller and Auditor General, give evidence to that Committee on all matters pertaining to the expenditure of the Authority.

Explanatory Note:

The Head provides for the establishment of a new body to be known as the Heat Network Authority.

The functions of the HNA include centralising the approach to the strategic development of the district heating sector on a national basis. It will support and oversee the nascent district heating sector and support ongoing balanced and timely delivery of Heat Networks. The Authority will be responsible for the operational maintenance and management of Heat Networks under state ownership alongside the planning and design of those networks. This is in line with the recommendation of the District Heating Steering Group 2023 report, approved by Government and draws on the Sustainable Energy Act, 2022 during drafting.

HEAD 18 – INTERIM HEAT NETWORK AUTHORITY

Provide that:

(1) An Authority established under Head 17 will take over the interim Heat Network Authority functions of the SEAI, and such other functions in Head 19, as necessary.

(2) The Sustainable Energy Act, 2002, is amended in section 6 by insertion after subsection (1)(g):

(h) to perform the following functions as interim Heat Network Authority:

(1) To promote and assist the planned development and expansion of efficient heat networks nationally.

(2) To be responsible for the development of processes of identification of new areas suitable for the deployment and expansion of efficient heat networks.

(3) To be responsible for maintaining, publishing and updating the mapping model for heat networks. This model will present information on all existing heat networks in Ireland, and all areas suitable for the deployment and expansion of efficient heat networks.

(4) To be responsible for:
    (i) the provision of guidance to District Heat Network Developers, Operators, Suppliers and project sponsors on design, development, funding and delivery of Efficient District Heating and Cooling networks;
    (ii) engagement with, and providing support to, the District Heating sector in terms of capacity building including inter alia communities, Local Authorities, Heat Network Developers, and project sponsors.

(5) To be responsible for the development and oversight of a District Heat Network Development Plan, in accordance with the provisions of Head 9 of the Heat (Networks and Miscellaneous Provisions) Act 2026, for which purpose the SEAI may request any data and information in relation to Efficient District Heating and Cooling Networks and Potential Demand for District Heating and Cooling from Heat Network Operators and Suppliers and other

heating fuel network operators and heating fuel suppliers. Heat Network Operators and Suppliers shall comply with any data and information requested by the SEAI in relation to District Heating and Cooling Networks.

(6) To maintain a register of assessors qualified to certify a heat network's adherence to technical standards.

Explanatory Note:

This Head designates SEAI as the Heat Network Authority on an interim basis until such time as a Heat Network Authority is established under Head 17.

The District Heating Steering Group Report recommended that, until the appointment of a central body overseeing the sector, district heating should continue to be delivered through the accelerated delivery of existing and planned projects. Advice and support should be provided centrally, to ensure standardisation and acceleration of projects, through a new National District Heating Centre of

Excellence under the remit of the Sustainable Energy Authority of Ireland in partnership with relevant expert organisations, and with corporate governance oversight provided by the Department of Environment, Climate and Communications (DECC).

The Report also recommended that private sector involvement in the industry should be facilitated where doing so would be in the State's best interest, with the District Heating Centre of Excellence ensuring a coherent and standardised approach to the roll out. This will also support a future move to a single State entity or a utility.

This Head is in keeping with the recommendation of the District Heating Steering Group 2023 report, approved by Government, to provide a centralised support for district heating developers. This approach has been adopted to ensure that, on establishment of the HNA, a managed and organised transfer of activity can be accomplished, thereby minimising its impact on the sector.

HEAD 19 – FUNCTIONS OF THE HEAT NETWORK AUTHORITY

Provide that:

(1) The Heat Network Authority shall promote and assist the planned development and expansion of efficient heat networks, and promote as orderly a development of the sector nationally as possible, particularly with respect to connectivity across networks and maximizing the potential of the sector.

(2) The Heat Network Authority shall be responsible for the development of processes of identification of new areas that are suitable for the deployment and expansion of efficient heat networks.

(3) The Heat Network Authority shall be responsible for maintaining, publishing and updating the mapping model for national heat networks. This model will present information on all existing heat networks in Ireland, and all areas suitable for the deployment and expansion of efficient heat networks.

(4) The Heat Network Authority shall advise the Minister with regard to the locations that would benefit most from the promotion of efficient district heating and the locations of existing networks that the State would benefit from considering for acquisition.

(5) In determining what networks the State should consider for acquisition as referenced in (4), the Heat Network Authority shall consider, but not be limited to;
    a. power capacity of the primary source(s) of production (measured in MWh)
    b. energy consumption associated with the network (measured in MWh)
    c. annualised CO_2 savings (measured in tonnes of CO2) or emissions savings (measured in gCO2/kWh)

(6) The Heat Network Authority shall develop and publish a Schedule outlining the component parts of a generalized heat network and which ones would form the basis of any future State acquisition, differentiating how this generalized list of parts might differ between networks depending on the heat source to which a network is connected.

(7) The Heat Network Authority shall be responsible for:

a. the provision of guidance to District Heat Network Developers, Operators, Suppliers and project sponsors on design, development, funding and delivery of Efficient District Heating and Cooling networks;
b. engagement with, and providing support to, the District Heating sector in terms of capacity building including inter alia communities, Local Authorities, Heat Network Developers, and project sponsors.
c. Administering funding for district heating and cooling on the basis of analysis determining the optimal locations for the deployment of efficient heat networks.

(8) The Heat Network Authority shall be responsible for the development and oversight of a District Heat Network Development Plan, in accordance with the provisions of Head 9.

(9) For the purposes of preparation of a Heat Network Development Plan, the Heat Network Authority may request any data and information in relation to Efficient District Heating and Cooling Networks and Potential Demand for District Heating and Cooling from Heat Network Operators and Suppliers and other heating fuel network operators and heating fuel suppliers. Heat Network Operators and Suppliers shall comply with any data and information requested by the Heat Network Authority in relation to District Heating and Cooling Networks.

Explanatory Note:

This Head sets out the primary functions of the Heat Network Authority, to allow for the orderly development of the sector nationally, the delivery of Efficient District Heating and Cooling Networks, and the preparation of a District Heating Network Development Plan, as provided for under Head 9. The Heat Network Development Plan will directly inform the development of relevant planning policy, at national, regional and development plan level to effectively support the consent process for any relevant application to the planning authority.

The Head provides that the Heat Network Authority shall advise the Minister on the development of efficient district heating and cooling nationally, and on the locations of

networks the State should consider for acquisition from a standpoint of either energy security or customer protection.

PART 4 – OWNERSHIP OF DISTRICT HEAT NETWORK ASSETS

HEAD 20 – POWERS OF ACQUISITION

(1) The State may acquire Strategic Efficient District Heating and Cooling Networks where it considers it to be in the public interest to do so.

(2) The Government may, by Order, designate the Heat Network Authority or another State authority/body as the authority that may acquire a heat network under subsection (1) on behalf of the State.

(3) If and when the State authority referred to in subsection (2) seeks to acquire a Strategic Efficient District Heating and Cooling Network, the acquiring authority shall serve notice in writing of the intention on the owner of the Strategic Efficient District Heating and Cooling Network or the holder of the Heat Networks Licence, if different, and any other affected parties.

(4) The Notice shall specify

(i) the procedure for the valuation and the date for the completion of the valuation of the Strategic Efficient District Heating and Cooling Network,

(ii) the date upon which the authority referred to in intends to acquire the Network,

(iii) the timeframe in which the parties notified may make representations to the acquiring authority

(iv) the Strategic Efficient District Heating and Cooling Network to be acquired.

(5) Subject to the provisions in Head 21, the authority designated under subsection (2) shall not seek to acquire a Strategic Heat Network, or part thereof prior to the expiration of a 30-year period from the granting of the first Heat Network Licence for the Strategic Heat Network.

(6) A Heat Network which is deemed to be a Strategic Efficient District Heating and Cooling Network which was in operation or under development prior to the enactment of this Bill may be acquired under subsection (3).

(7) With respect to subsection (6), the commencement of the 30-year period prior to acquisition shall be determined with reference to the availability of metering data and the initialisation of the transfer of thermal energy within the heat network.

(8) The acquiring authority shall not serve notice of its intention to acquire a Strategic Efficient District Heating and Cooling Network without prior consultation with the Minister and the Minister for Public Expenditure, NDP Delivery and Reform.

(9) The acquisition of any Strategic Efficient District Heating and Cooling Network under subsection (3) shall be based on an independent and fair valuation of the Strategic Efficient District Heating and Cooling Network in question.

(10) A fair valuation methodology of the Strategic Efficient District Heating and Cooling Network shall be determined.

(11) In the case of a dispute on compensation, the value of the Strategic Efficient District Heating and Cooling Network shall be determined by an independent arbitrator.

(12) The decision of the independent arbitrator shall be final subject to an appeal on a point of law to the High Court.

Explanatory Note:

At present, a number of entities – public sector, utilities or private sector entities - may develop Heat Networks. The District Heating Steering Group Report recommends that legislation makes provision for State ownership of district heating infrastructure in the longer term, similar to gas and electricity networks, in order for district heating to develop nationally as a sector under central direction, with a single State entity or a utility overseeing the development and expansion of networks.

The acquiring body/Heat Network Authority should have clear legislative purpose or function which requires the acquisition of the heat networks ("common good") - at present, the intention is that the Heat Network Authority will acquire the Strategic Infrastructure; however, this body must still be established, therefore the Head leaves open the possibility for another State body to acquire the assets should the need arise.

The Head considered the provisions in section 45 of the Electricity (Supply) Act 1927 when drafting (which relates to the compulsory purchase of land).

The Head provides that:

- The Heat Network Authority or another state authority can serve notice of its intent to acquire Strategic Efficient District Heating and Cooling Networks.
- The provisions within this Head shall not be applied prior to the expiration of a 30-year period, the timing of which shall be set out as a condition of the Heat Networks Licence.
- The HNA/acquiring body should ensure the acquisition of Strategic Efficient District Heating and Cooling Networks serves the common good.
- The Strategic Efficient District Heating and Cooling Networks shall be independently valued prior to acquisition, and an appeals process on valuation is provided for.

- Compensation should be based on a fair valuation for the Strategic Efficient District Heating and Cooling Network.

HEAD 21 – POWERS OF ACQUISITION IN THE EVENT OF EARLY EXIT FROM MARKET

Provide that:

(1) The limitations of subsection (5) of Head 20 shall not apply in the event that:

a. a Strategic Efficient District Heating and Cooling Network is being sold by the Heat Network developer prior to the expiration of the 30-year period from the date of granting of the licence.

b. The Heat Network Operator or Heat Network Supplier by whom the Strategic Efficient District Heating and Cooling Network is owned cease to trade.

c. The Heat Network Operator or Heat Network Supplier goes into property receivership, examinership, liquidation, is declared bankrupt, becomes insolvent or is otherwise unable to provide heat.

(3) In the event that an outcome detailed in subsections (1) (a), (b), or (c) arises, the relevant body referred to in Head 20 shall have the right to acquire a Strategic Efficient District Heating and Cooling Network.

(4) In the event that transfer of ownership or the sale of a Strategic Efficient District Heating and Cooling Network to an entity other than a State authority occurs prior to the expiration of the 30-year period, the State shall retain the right to acquire the Strategic Efficient District Heating and Cooling Network following the expiration of the 30 years after the granting of the initial licence for the Heat Network.

Explanatory Note:

This Head provides that the State will have a legal basis to ensure that it has sufficient rights to acquire a Strategic Efficient District Heating and Cooling Network in specific circumstances that might arise prior to the expiration of the 30-year timeframe set out in Head 20.

The Head also provides that the State may acquire a Strategic Efficient District Heating and Cooling Network if it is sold within the 30-year period to another entity that is not a state authority. However, following the amendment proposed above, the State will no-longer have primacy in the right of acquisition in such an event.

HEAD 22 – TRANSFER OF RIGHTS FOLLOWING STATE ACQUISITION

Provides that:

1. Following acquisition of a Strategic Efficient District Heating and Cooling Network under Head 20, any rights in respect of licencing, permitting or access to private lands obtained by a Heat Network Developer, Operator or Supplier for the purposes of operating, maintaining, expanding or otherwise accessing the Strategic Efficient District Heating and Cooling

Network shall, with the acquisition of the Strategic Efficient District Heating and Cooling Network, transfer to the State authority referenced in Head 20.

2. Subsection (1) shall not empower the State authority refenced in Head 20 to acquire any land without the consent and agreement of the landowner.

3. Any debt or incumbrances will remain the liability of the Developer and will not transfer to the State.

Explanatory Note:

This Head provides that any rights of access to land, or other right such as electricity supply contracts, also transfer to the Heat Network Authority. These provisions are necessary to ensure that the Heat Network Authority has ongoing access to the infrastructure for the purposes of operating, maintaining and, where required, expanding the network (subject to acquiring the usual permits and licences).

The Head also provides that the Heat Network Authority shall not be in a position to interfere with the land ownership rights of a property owner unless, where it may be necessary for the Heat Network Authority to purchase property, that the landowner consents and agrees to the acquisition of the land.

It is intended that any debt or incumbrances will remain the liability of the Developer and will not transfer to the State.

PART 5 – CONSTRUCTION AND OPERATION OF HEAT NETWORKS

HEAD 23 –EFFICIENT DISTRICT HEATING AND COOLING

Provide that:

(1) All District Heat Networks entering the Planning process, after the commencement of this Act, shall be required to be Efficient District Heating and Cooling networks.

(2) Heat Networks may, during a planned period of maintenance, upgrading or developing a heat network or heat network assets, or during an unexpected and short-term cessation of heat production, use a non-renewable energy source.

(3) Existing Heat Networks shall, after the commencement of this Act, when undertaking upgrades to a Heat Network, be required to meet the definition of Efficient District Heating and Cooling, where economically and technically feasible.

(4) The Minister may, following consultation with the CRU, the SEAI and other relevant stakeholders, make by Regulations further provisions establishing a system of monitoring or certification, or both, to ensure compliance with the provisions in this Head.

Explanatory Note:

This Head sets out the requirement for all Heat Networks in planning or development to be Efficient District Heating and Cooling. The definition to Efficient District Heating and Cooling in these Heads is linked to the Energy Efficiency Directive. This Head also requires that all existing Heat Networks which, after the enactment of this Bill, are being upgraded shall be required to convert to Efficient District Heating and Cooling, where technically and economically feasible.

The intent of this Head is to prevent the development of fossil fuel heat sources for heat networks which would limit the capacity of the built environment sector to stay within its Sectoral Emissions Ceilings.

The Head is also intended to allow the Minister, following consultation with relevant stakeholders, to make regulations in order to establish a system of monitoring to ensure compliance with the provisions in the Head. For example, compliance would likely

require certifying, by means of data monitoring and calculations, whether a District Heating network meets the definition of Efficient District Heating and Cooling, during development and operation.

HEAD 24 – OBLIGATIONS OF HEAT NETWORK DEVELOPERS

Provide that:

(1) A Heat Network Developer shall obtain any and all necessary licences or permits required in relation to developing a Heat Network~~s~~, including requisite planning permission.

(2) For the purposes of this Bill, a licence obtained under section 254 of the Act of 2000 is not an appropriate licence for the construction of Heat Networks.

Explanatory Note:

Heat Network Developers may undertake independent construction of Heat Networks, once they have registered with the Heat Network Regulator for this purpose and have separately obtained other relevant consents for development. Fulfilling the necessary criteria and licence conditions will ensure that the Developers are deemed fit to undertake this work. This Head provides that network developers will fulfil obligations such as obtaining relevant licences and consents prior to commencing works to build a Heat Network.

For purposes of consistency in applications for planning permission applications for the development of heat networks, this Head clarifies that Section 254 of the Act of 2000 is not considered to be an appropriate licence for the purposes of the development of Heat Network. It is considered that the powers afforded to local authorities in section 182 of the Act of 2000 permit the installation of district heating networks and no amendment is considered necessary to that section.

HEAD 25 – LOCAL AUTHORITY INTERESTS

Provide that:

1. A local authority may:

a. Acquire, or otherwise secure any heat (in any form) for the purposes of district heating;

b. Operate, maintain and improve Heat Networks and/or Heat Network Assets;

c. Distribute, transmit and supply heat;

d. Sell or otherwise dispose of heat to third parties;

e. Charge for any supply or disposal of heat.

2. A local authority may enter into contracts and any such other arrangements as the local authority considers necessary, expedient or desirable either alone or jointly with another local authority or state authority or any other person for the purposes or, or in connection with, subsection (1).

3. A local authority may, in accordance with section 66(4)(i) of the Local Government Act, enter into such contracts and make such other arrangements for the purposes of, or in connection with, subsection (1).

4. A local authority may, with the consent of the Minister Environment, Climate and Communications –

a. Advance from time-to-time moneys by way of loan to a company referred to in subsection (3); and

b. Give assurances, guarantees or other undertakings to a third party in relation to the performance by a company referred to in subsection (3) of obligations being assumed by such company.

5. Any contracts or arrangements for the purposes of this section shall be upon and subject to such terms and conditions as the local authority considers appropriate.

6. Functions conferred on a local authority by this section are in addition to, and not substitution for, any other function of such local authority.

Explanatory Note:

The Head provides the vires required by Local Authorities to meaningfully participate in the district heating sector, where a local authority takes the decision to become active in that sector.

Local authority engagement has identified the need for these Heads of Bill to ensure suitable provisions to facilitate successful implementation of projects. This Head is intended to provide local authorities with the powers to acquire or sell heat, construct, develop, operate maintain and improve heat networks, distribute heat and enter into collaborative agreements with other local authorities.

Consideration will be required during drafting stage as to whether 'grandfathering' provisions are required for the purposes of any contacts signed in advance of the enactment of a Heat Bill.

HEAD 26 – OPENING OF PUBLIC ROAD FOR ESTABLISHMENT OF UNDERGROUND HEAT NETWORK INFRASTRUCTURE

Provide that:

(1) A Heat Network Developer or Heat Network Operator, or other person acting jointly with it or on its behalf, may, for the purpose of providing or assisting in the provision of District Heating, carry Heat Network infrastructure through, across, over, under or along any public road, or place intended for a public road, or under or over any cellar or vault which may be under the pavement or carriageway of any public road, or from time to time repair, alter, remove or replace the same, subject to the consent of the relevant road authority.

(2) Any person authorised by a Heat Network Developer or Heat Network Operator to provide District Heating or any person providing District Heating jointly with or on behalf of that person, may, in respect of the provision of those services, carry Heat Network infrastructure through, across, over, under or along a public road, or place intended for a public road, or under or over any cellar or vault which may be under the pavement or carriageway of any public road, or from time to time repair, alter, remove or replace the same, subject to the consent of the road authority for that road.

(3) Subject to any regulations that the Minister may make under subsection (5), a road authority may attach conditions to the granting of any consent under subsection (1) or (2), which shall be binding on the said Heat Network Developer or Heat Network Operator or authorised provider of District Heating or person providing District Heating jointly with or on behalf of the Heat Network Developer, Heat Network Operator or authorised provider of District Heating as the case may be.

(4) Without prejudice to the generality of subsection (3), conditions attaching to any consent may include—

a. the periods during which and times at which works shall be or shall not be carried out,

b. the period within which works shall be completed,

c. the manner in which works shall be completed,

d. requirements and standards in relation to the temporary or permanent reinstatement of a public road following the carrying out of works,

e. requirements in relation to giving security, including refundable deposits, as the case may be, for the satisfactory reinstatement of a public road following the carrying out of works,

f. requirements in relation to the co-ordination of work with other work being undertaken or proposed by other persons,

g. requirements in relation to the control of traffic in the vicinity of works,

h. requirements in relation to the supervision and inspection of works by the road authority,

i. requirements in relation to the carrying out of additional works,

j. requirements in relation to the provision of information to the public as to the extent or nature of the works or the period within which they shall be completed, and

k. any other measures considered necessary by the road authority for the protection of human health or the environment, and to facilitate sustainable development.

(5) The Minister may, with the consent of the Minister for Transport, make regulations for the purposes of this section.

(6) Without prejudice to the generality of subsection (5), regulations under this head may include provision for—

a. procedures for the administration of the consent process, including in relation to refusal or withdrawal of a consent,

b. charges for administration of the consent process,

c. matters to be taken into consideration by a road authority for the purposes of the consent process,

d. conditions attaching to a consent,

e. waiving or substitution of consent procedures in an emergency for the purposes of protecting human health and the environment,

f. requirements and standards in relation to the reinstatement of roads,

g. notification and public consultation requirements, or

h. procedures when consent is refused or withdrawn, or an applicant for consent wishes to make representations in relation to conditions attaching to a consent.

(7) Regulations under this head may make different provisions for applications for consent for different classes of roads.

(8) A requirement to hold a licence under section 254 of the Act of 2000 in respect of works on, under, over or along a public road shall not apply to a person who has obtained the consent of a road authority under this head, in respect of the works to which the consent relates.

(9) A road authority shall have a right of action for relief by way of injunction or declaration from the High Court against any person to restrain any non-compliance or direct any compliance with a requirement of this section, and the Court may grant such order as it sees fit.

(10) For the purposes of this Act, where a person (other than a road authority) claims an interest in or under any road—

a. it shall be for the person concerned to prove such interest, and

b. the value of such interest shall be taken to be nil unless it is shown to be otherwise by the person.

Explanatory Note:

As heat networks will be installed underground, Heat Network Developers and Operators will require permission to open roads to lay the necessary heat network infrastructure.

This Head makes provision for Heat Network Developers and Operators to open roads for the installation Heat Network infrastructure, with the permission of the relevant road authority. The Head enables road authorities to attach binding conditions to such consents, with a non-exhaustive list of matters which may be made conditions.

The Head provides for Ministerial powers to make regulations concerning the consent process, including procedures, charges, matters for consideration, waiving of consent

in an emergency, the reinstatement of roads, notification requirements and consent withdrawal.

The road authority's interests are also protected by a right of action for relief before the High Court.

Head 26A – Connections

Provide that:

(1) A Heat Network Developer or Heat Network Operator may provide, repair or replace, or contribute to the cost of providing, repairing or replacing a connection to a Heat Network, subject to the consent of the relevant road authority.

(2) Subject to subsection (3), a person who owns or controls a connection to a Heat Network, or in whom it is vested, or who has taken it in charge, shall be responsible for its maintenance and renewal, and shall ensure that it is kept in good order and repair, so as to—

a. prevent a risk to human health or the environment,

b. facilitate effective management of heating services, and

c. observe relevant safety standards.

(3) Where a person cannot be identified for the purposes of subsection (2), responsibility under that subsection shall lie with the owner or owners of any premises using the connection.

(4) A local authority may enter any relevant land and carry out all necessary investigations or works for the purposes of ascertaining the condition of or taking in charge a connection to a Heat Network, or for the purposes of subsection (5).

(5) If, in the opinion of a relevant local authority, a connection to a Heat Network is so defective as to present a risk to human health, the environment or the proper and effective management of heat services, that local authority may, at its absolute discretion—

a. direct by notice the person or persons responsible for maintenance or renewal of the Heat Network to carry out such works as it considers necessary, or

b. carry out in the first instance, or in the event of failure to comply with a notice under paragraph (a), such works as it considers necessary, and recover the cost of such works from the person or persons responsible for maintenance or renewal of the connection.

c. The Minister may make regulations in relation to notices this section, which may include provisions for:

i. the action to be carried out under a notice,

ii. the time limit by which action directed to be carried out under a notice must be completed,

iii. the quality of materials and workmanship to be employed in any remedial action under a notice,

iv. powers of entry and investigation by authorised persons, and

v. such incidental provisions as are necessary to ensure the effective supervision by a local authority of compliance with, or enforcement of, a notice.

(6) If a connection to a Heat Network is found on investigation not to be so defective as to present a risk to human health, the environment or the proper and effective management of heat services, the local authority which carried out the investigation shall cause such connection to be restored and any opening or excavation made in the course of the investigation to be closed or filled up and any damage done to be made good.

(7) A person who –

a. Damages a connection to a Heat Network, or

b. Fails to comply with a notice issued under this Head

commits an offence.

Explanatory note:

This head enables Heat Network Developers and Heat Network Operators to provide, repair or replace, or contribute to the cost of providing, repairing or replacing connections to Heat Networks, with the consent of relevant local authorities. The person who owns or controls the connection is responsible for its maintenance and

renewal and is obliged to keep it in good repair. Where such a person cannot be identified, that responsibility falls to the owner of the premises using the connection.

This head also grants local authorities the power to enter onto land for investigation or maintenance. If they judge a connection to present a risk to health or the environment, they may direct the responsible person to carry out necessary works. If that person fails to comply, the local authority may carry out the necessary works and recover costs from the person responsible for maintenance. If works are carried out to investigate and no such risks are found, the local authority is obliged to restore connections and make good any damage caused.

Head 26B - Obligations under other enactments

Provide that:

No provision in this Act shall be construed as relieving a Heat Network Developer or Heat Network Operator of any obligation under another enactment, including enactments brought into operation after the commencement of this Act, to consult with or obtain the agreement of another public authority with an interest in any premises affected before undertaking works in relation to any of its functions under this Act.

Explanatory note:

This section affirms the obligations of operators under other enactments to consult with other authorities before carrying out works.

Head 26C - Monitoring and inspection

Provide that:

(1) The Minister or other persons prescribed shall –

a. carry out, or cause to be carried out, such monitoring or inspection of heat services operations as it, he or she considers to be necessary for the performance of their functions under this Act, and

b. keep and maintain or cause to be kept and maintained, such records of any monitoring or inspections it, he or she considers reasonable and necessary.

(2) The Minister or other persons prescribed may require any person who is in control of Heat Network assets to keep and to supply such records of said monitoring or inspection as he or she may specify.

(3) Heat Network Developers and Heat Network Operators shall, if so requested by the Minister, supply to the Minister or to any person specified by the Minister, at such intervals and in such manner as the Minister may require, records of any monitoring or inspection carried out under this section that are in its, his or her possession or control.

(4) The Minister may carry out such monitoring or other measures as he or she considers necessary to verify that required monitoring is being carried out or records retained.

(5) The Minister may make regulations requiring the making of payments by any person for the purpose of defraying costs which may be incurred by a Heat Network Developer or Heat Network Operator in carrying out any required monitoring or inspection activities, payable on demand to the person concerned.

Explanatory note:

This section requires the Minister to carry out monitoring or inspection they consider to be necessary to the performance of their functions under the Act, and to keep records of such inspections. Records must be submitted to the Minister on request. The

Minister may carry out measures to verify that monitoring is taking place. The section also enables the Minister to make regulations requiring payments to be made by any person to defray monitoring costs.

Head 26D – Consultation

Provide that the Minister may make regulations requiring Heat Network Developers, Heat Network Operators or other persons prescribed, to consult with such other persons and in such manner in relation to performance of duties under this Act as may be prescribed.

Explanatory note:

This section enables the Minister to make regulations requiring Heat Network Developers and Heat Network Operators to consult with such persons as may be prescribed in relation to the fulfilment of their duties under the Act.

Head 26E - Map of Works

Provide that:

(1) A Heat Network Developer or Heat Network Operator shall provide a record, in the form of a map or other diagrammatic or electronic representation, of the location and extent of Heat Network assets it owns, operates or serves.

(2) A Heat Network Developer or Heat Network Operator shall, within 6 weeks of installing a Heat Network asset, bring the record provided under subsection (1) up to date.

(3) The record provided under subsection (1) shall be available for inspection at the principal office of the Heat Network Developer or Heat Network Operator during normal business hours.

(4) The Minister may make regulations specifying the details to be recorded in records to be kept under subsection (1).

(5) For the purposes of subsection (1) or (2), the Minister may require a person who owns or is otherwise in charge of a service connection or Heat Network asset to which this section refers to keep such records or to provide to it such particulars as he or she may specify in relation to that service connection or Heat Network asset, within such time as may be specified..

(6) A person who contravenes the requirement under subsection (1) to provide information to the Minister, or who fails to comply with a notice under subsection (5), commits an offence.

Explanatory note:

This section requires Heat Network Developers and Heat Network Operators to record the location of all Heat Network assets in their respective areas, and to make such information available to the public. It also requires other persons who own or are in

charge of Heat Network connections or assets to provide this information to the Minister to ensure the completeness of records.

Head 26F – Temporary interruption of services

Provide that:

(1) A Heat Network Developer or Heat Network Operator may temporarily interrupt the provision of heat

a. For the purposes of executing any necessary works

b. In an emergency, including where an immediate risk to human health or the environment exists, or

c. In such other circumstances as may be prescribed.

(2) An interruption of provision, other than in the circumstances described in (1)b. above, may only be effected after final customers have been given due notice.

(3) In the case of an interruption in service, the responsible Heat Network Developer or Heat Network Operator shall ensure the restoration of the service as soon as possible.

(4) Due notice shall be deemed to have been served to final customers if it is

a. advertised in a newspaper circulating in the area in which an interruption of service is scheduled to take place,

b. broadcast on a radio or television channel generally available in the area in which an interruption of service is scheduled to take place, or

c. advertised in such other manner as the Minister may direct.

Explanatory note:

This section gives a Heat Network Developer or Heat Network Operator the authority to interrupt services for works, emergency response or other circumstances. At least seven days' notice required, except in cases of emergency. The Heat Network Developer or Heat Network Operator must restore services as soon as possible and arrange alternatives in cases of outages of more than 24 hours.

HEAD 27 - COST APPORTIONMENT FOR HEAT NETWORKS INFRASTRUCTURE CONSEQUENTIAL TO ROAD IMPROVEMENTS

Provide that:

(1) Where a road authority undertakes work for the purposes of improving a public road, it shall pay to a Heat Network Developer or Heat Network Operator all reasonable costs incurred by the Heat Network Developer or Heat Network Operator in the relocation (except in relation to the relocation of pipes) of its Heat Network Assets and any associated physical infrastructure necessitated by and directly attributable to that work.

(2) Where Heat Network Assets are required to be moved arising from any works undertaken by a road authority to improve the road, then—

a. the authority shall cover the costs of relocating the pipes, necessitated and directly attributable to that work, and

b. the National Road Authority shall provide reasonable notice of the roadworks to the Heat Network Operator concerned.

(3) Where a Heat Network Asset and any associated physical infrastructure is replaced or improved by a Heat Network Developer or Heat Network Operator in the course of relocation due to road improvement, the road authority concerned shall pay only the costs directly attributable to work undertaken to a Heat Network Asset and any associated physical infrastructure as a result of roadworks which would have been incurred if the Heat Network Asset and any associated physical infrastructure existing immediately before the road improvement had been relocated.

(4) A Heat Network Developer or Heat Network Operator shall be responsible to the National Road Authority for any costs incurred by the National Road Authority where the Heat Network Developer or Heat Network Operator fails to carry out the relocation of its Heat Networks Asset in a safe, expeditious and efficient manner.

(5) Where the National Road Authority, on an application to it by a Heat Network Developer or Heat Network Operator to carry out roadworks over, along, on or under a public road, gives the Heat Network Developer or Heat Network Operator notice that the road is due to be improved by the National Road Authority within the period of 2 years of the date from which the Heat Network Developer or Heat Network Operator intends to carry out the works, the National Road Authority shall not be responsible for the cost of relocating Heat Network Asset or anything connected with the works where the road improvement proceeds within that period.

(6) Where a dispute or difference arises between a Heat Network Developer or Heat Network Operator and the National Road Authority in respect of the cost of the relocation of Heat Network Asset, the dispute or difference shall be determined by agreed conciliation procedures between both parties or, in default of such agreement, by arbitration under the Arbitration Acts 1954 to 1998.

Explanatory Note:

This Head provides for circumstances whereby Heat Network infrastructure is affected by road repairs undertaken by or on behalf of the road authority.

This Head has been modelled on as section 55 of the Communications Regulation Act, 2002 and the provisions contained therein which relate to the opening of public roads. Subsections 2(b) and (3) of section 55 of the Communications Regulation Act, 2002 do not appear relevant in the context of heat networks and have been omitted from this Head.

PART 6 – SUPPLIER OF LAST RESORT

HEAD 28 - SUPPLIER OF LAST RESORT

Provide that:

(1) For the purposes of this Head:

"Security of supply incident" means a situation where a Heat Network Operator or Heat Network Supplier ceases to trade or fails to supply heat to those final customers in accordance with its Heat Networks licence where there is an ongoing and unremedied interruption to supply.

"Supplier failure" means where the supplier has failed to maintain the minimum supply level as per the condition of their licence.

(2) A Heat Network Operator or Heat Network Supplier experiencing or likely to experience a security of supply or supplier failure incident shall inform the Commission immediately on becoming aware of the incident or of the likelihood of a security of supply incident.

(3) The Commission shall report all security of supply or supplier failure incidents to the Minister.

(4) Where Heat Network Operator or Heat Network Supplier experiences a security of supply or supplier failure incident, in contravention with its Heat Networks licence, the Commission shall revoke the licence of the Heat Network Operator or Heat Network Supplier.

(5) In the event of a security of supply or supplier failure incident, the Heat Network Operator or Heat Network Supplier shall abide by the conditions set out by the Commission in the Heat Network licence to provide for a step-in Supplier of Last Resort.

(6) In the event of security of supply or supplier failure incident relating to a Heat Network Operator or Heat Network Supplier, the Commission shall appoint the identified Supplier of Last Resort as the alternative Heat Network Operator or Heat Network Supplier to operate and/or supply heat to the Heat Network.

(7) A Supplier of Last Resort shall immediately supply heat to final customers of another licensed Heat Network Operator or Heat Network Supplier when appointed by

the Commission to act as an alternative Heat Network Operator or Heat Network Supplier to supply heat via the Heat Network.

(8) The Commission shall specify in an appointment under subsection (6)—

(a) the terms and conditions under which that supplier of last resort shall supply heat to a final customer, including those in relation to—

i. duration of supply,

ii. termination of supply, and

iii. price,

(b) the method for calculating the charges for the supply of heat to a final customer,

(c) any other matters which the Commission considers necessary for the purpose of the supply of heat to a final customer by that supplier of last resort,

(d) and that the supplier of last resort shall comply with the matters so specified.

(9) Where a final customer is supplied with heat by a Supplier of Last Resort , a contract for the supply of heat shall be deemed to exist between the final customer and the Supplier of Last Resort from the date upon which the supply of heat commenced to the final customer by the Supplier of Last Resort and such contract shall be subject to terms and conditions specified by the Commission in designating that Supplier of Last Resort.

(10) Following consultation with the CRU and other relevant stakeholders, the Minister may by Regulations make further provisions for the purpose of ensuring the continuity of supply of heating, cooling and domestic hot water to final users.

Explanatory Note:

Customers who source their heat through a Heat Network must have certainty that the network will remain operational and capable of supplying heat to them. For this reason, security of supply is an important part of consumer protection.

This Head provides for measures to ensure the continuity of supply for heat and hot water to customers in the event that a Heat Network Operator or Heat Network Supplier ceases to operate or otherwise fails to provide heat on an ongoing and unremedied basis.

In accordance with the mandatory condition of a Heat Networks licence, a Heat Network Operator or Heat Network Supplier must ensure minimum standards relating

to security of supply. A licence condition will require licence holders to have identified a step-in 3rd party, who will operate and/or supply a heat network to final customers in the event of an unexpected and prolonged interruption to supply. The intent for such a third party is to ensure the continued supply of heat to customers on heat networks, so that they are not left in the vulnerable situation of having no option to secure heat for their property in the event that their initial operator or supplier can no longer provide that service.

There is a similar provision in section 19 of the Energy (Miscellaneous Provisions) Act 2006 inserting section 21A of the Gas (Interim) (Regulation) Act 2002, although a key difference is that Act provides for the Commission to invite expressions of interest for suppliers to act as a supplier of last resort.

However, on the basis that heat networks are unlikely, in the short term, be interconnected and the market is not yet developed to a scale to which a wide range of heat suppliers exist, it is not considered feasible to invite expressions of interest for a single licenced supplier to act as Supplier of Last Resort for a number of Heat Networks. This Head, therefore, puts on onus on Heat Network Operators and Suppliers to identify a Supplier of Last Resort for their network.

Given the peculiarities of the Heat Sector, which will be made up of discrete networks as opposed to a national grid, it is necessary that the Bill allows flexibility for the Minister to, following consultation with the Commission and other relevant stakeholders, make Regulations to further address the matter of security of supply and Supplier of last resort.

PART 7 – DEMAND AND SUPPLY HEATING AND COOLING

HEAD 29 - MANDATE ON PUBLIC SECTOR BUILDINGS

Provide that:

(1) Buildings owned by State authorities shall connect to available efficient district heating and cooling networks, where technically possible and economically cost effective, and where the connection will not contravene other requirements, such as an obligation to maintain a building which is a protected structure.

Explanatory Note:

In line with the recommendations of the District Heating Steering Group Report that legislation should mandate that public sector buildings connect to available district heating networks (where technically and economically feasible), this Head has been drafted to put that obligation on such bodies. This mandate will apply to publicly owned buildings only.

This Head will build on the public sector climate action strategy 2023-2025 by obligating the State to connect public sector buildings to efficient district heating and cooling networks and, more broadly will continue towards the requirement under Article 5 of the Energy Efficiency Directive 2023 to ensure the reduction in final energy consumption of public bodies by 1.9% per year when compared to 2021.

A methodology shall be developed through consultation to determine the technical and economic feasibility criteria and process for determination of mandatory connections.

If connecting to a Heat Network, the Head provides that building owners ensure that other requirements are complied with, for instance where a building is a protected structure.

It is not yet possible to capture the guiding principles to be set out by the Heat Network Authority, However, data on existing Heat Networks is being collated and will provide for an informed set of principles to be developed.

PART 8 – AMENDMENT TO THE MULTI-UNIT DEVELOPMENT ACT 2011

HEAD 30 - AMENDMENT TO THE MULTI-UNIT DEVELOPMENT ACT 2011 SECTION 32

Provide that:

(1) The Multi Unit Development Act 2011 is amended by the insertion of the following after section 32:

Restriction on entering into certain contracts related to efficient district heating and cooling

The amendment will be commenced by the Minister for Justice with the agreement of the Minister for the Environment, Climate and Communications and the Minister for Housing, Local Government and Heritage.

32A.

(1) Section 32 shall not apply in the case of a contract between a management company and a supplier/operator of an efficient district heating and cooling network.

(2) An owners' management company may, after commencement of this section, enter into a contract for the supply of district heating which is expressed to run for a period up to 15 years from the date the contract is entered into by the owners' management company.

(3) An owners' management company shall not, after commencement of this section, enter into a contract for the supply of district heating which provides for a penalty to be imposed on or damages to be paid by the owners' management company if the contract is terminated by it after a period of 15 years from the date the contract is entered into by the owners' management company.

Explanatory Note:

This Head will introduce a change to the current MUD Act 2011 which currently specifies that a management company cannot enter a contract for good or services in excess of three years.

Investment in efficient district heating and cooling network infrastructure requires longer contract periods to establish returns on investment and the MUD Act 2011 currently in effect restricts investor appetite for the purposes of installation of heat networks.

This amendment to the MUD Act introduces an extended period (15 years) in which a management company could enter into a contract for the purposes of heat networks.