



**ADE Heat Network Members: COVID19 Response**  
**Response from The Heat Network**  
**25<sup>th</sup> March 2020 (update)**

Direct responses from:

- A2Dominion
- Clarion Housing
- London Borough of Camden
- Metropolitan Thames Valley Housing
- Notting Hill Genesis
- Octavia Housing
- Southern Housing Group
- Vivid Housing

1. **If you are a heat network operator, what measures have you put in place to ensure that consumers continue to have access to heating and hot water? And what measures have you put in place to protect vulnerable customers?**

There is no interruption of supply to customers on credit billing. One member is considering pausing credit bills for those in financial difficulty as a result of COVID19, e.g. lost job, childcare responsibilities: this will be assessed on a case by case basis.

For PAYG customers and where members are the heat supplier, they have chosen to increase the emergency credit facility by amounts ranging from £50-£300. This will be closely monitored as there are also concerns about customers being able to repay this debt once the crisis passes.

One member has offered a zero tariff on the meter to vulnerable customers who are self-isolating and can't top up their meter in the usual way (ie free heat and hot water). Another member is considering switching PAYG customers to credit billing and then recovering the debt at a later stage.

This has been communicated Housing Officers who will be on hand to provide support and assistance where required and where a need is identified.

Members are also liaising with ESCO partners to ensure no residents run the risk of having no heating and/or hot water.

2. **If there is anything that the government should be aware of in terms of resilience of heat networks and being able to ensure a continued supply of heat and hot water to homes more generally?**

Heat networks rely on other utilities to operate, i.e. if the gas, biomass (if no gas backup) or electricity supplies fail, the network cannot operate. It's therefore critical that government focus on ensuring that capacity in the gas and electricity sectors is not affected by Covid19. The same is true for the water supply - if the water supply fails customers will have no hot water.

Where biomass only networks exist (i.e. there is no gas boiler backup), government need to assist biomass suppliers to ensure that there are no blockages in the supply chain, e.g. getting biomass imports through customs etc.

In addition, because parts suppliers are likely to have less staff or be totally closed during the crisis, heat network operators should carry critical spares for their networks to ensure that any failures aren't further delayed by longer than usual delivery times. Operators should also

ensure that their backup boilers are operating - most networks have backup boilers, but they are often in need of repair.

3. Should the government be looking to issue any particular advice, restrictions, or measures for heat networks, in light of changing health & safety advice?

It would be helpful if the Government could offer advice around meter maintenance and estimated billing. Currently meters must be continually maintained, and we can't provide bills based on estimates over 2 months. To ensure compliance with both of these areas we need access to residents' properties to read and fix meters which may not be possible now. Although it is unlikely that BEIS will investigate compliance in the current circumstances, a note of comfort would be welcomed.

Otherwise, provided that the network plant and equipment is operating as detailed above and providing a heat supply, the COVID crisis shouldn't present the need for any special advice, restrictions or measures.

4. Government has said they will release a list of the "key workers" during the coronavirus crisis - whose children can still go to school. Do you have any needs to flag on this announcement specifically?

Contractors and their engineers who we rely on to respond to callouts to repair plant and equipment and restore heat supplies should be considered as key workers.

5. Are you experiencing, or do you expect to experience, any supply chain disruptions?

We are working closely with our O&M contractors to ensure they are able to maintain operations and have business continuity measures in place should these fail. Our maintenance contractor has been advised to follow a H&S protocol in relation to coronavirus when they require access to a property. As the crisis deepens, most if not all 3rd party contractors have suspended face-to-face visits or will only provide emergency cover.

Heat meter retrofits and repairs may need to be put on hold if residents are self-isolating and can't let contractors into their home. One of our main heat metering specialist contractors has just informed us that they are ceasing going into resident's properties until the social isolation measures have been lifted; this will delay repairs

In terms of availability of heat metering equipment: one of our heat metering equipment suppliers has informed us that metering equipment is manufactured across the world, with a worldwide supply system. This was initially impacted in China but has since recovered. There are logistical challenges with the sheer volume that is being moved across the world, which has been exacerbated following flight cancellations which would normally support the movement of freight. In terms of converting supply lines towards the manufacture of other products, this has happened to a small degree in some supply channels but normally towards consumable items and has no real impact on product availability. All the above could change but this supplier has sufficient stock in the UK and has increased stock levels to cover around 4 months of metering supply at current levels and they are aware of European supply bases with further levels of stock, although questions of future accessibility of this supply chain can be raised.

We anticipate delays in biomass pellet deliveries, but our biomass networks have gas backup so this shouldn't present a problem. As more people go into isolation during the crisis, we expect our contractors and equipment suppliers as well as their supply chains to have less staff and therefore, we expect delays in parts delivery. However, as we're coming into summer the need for space heating will reduce, placing less stress on heat networks, but there will still be a demand for hot water. As most heat networks don't have hot water cylinders with electric immersion backup, any supply chain disruptions could leave our customers without hot water.

## 6. Are there any other concerns we should be aware of?

My main concern is that the mobile network may not be robust enough in the current crisis. There have been reports of communication loss with the signal dropping. We rely on a consistent mobile network to send signals to our heat meters to make tariff adjustments to prevent valve shut down and thereby avoiding switching off the heating service.

Our heat metering programme rollout may slow down if we have to alter our job roles to help our employer with its emergency response functions or if people aren't working because they are self-isolating. Government should take this into account when setting deadlines for heat metering implementation and also for deadlines to consultation responses.

We've got a number of initiatives planned for 2020/21 to tackle debt (PAYG install, debt chasing and tariff reviews) all which we're now putting on hold for reputational reasons more than anything which will impact our books significantly.

There is a significant risk that heat suppliers will suffer financial loss during the crisis because many heat customers will have a reduced income, and this may result in them not being able to pay their heat bills. As heat suppliers do not have the financial capacity of large utility companies, they may not be able to sustain losses for long, with the risk that they will not be able to pay their supply chain and some heat networks may have to shut down. We would, therefore, like government to provide suppliers with financial assistance during the crisis to ensure that they are able to pay their supply chain and maintain heat supplies to their customers. If the crisis continues, civil unrest is a possibility that could see a need for increased security in heat network energy centres. Heat suppliers should ensure that their energy centres are safe from unauthorised access and that keys, access codes etc. are protected and strictly managed. There may be a need to review existing security arrangements and consider providing enhanced security at some networks.