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Planning HNTAS Certification provider

Department for Energy Security & Net Zero

UK2: Preliminary market engagement notice - Procurement Act 2023 - view information about notice types Notice identifier: 2025/S 000-022650 Procurement identifier (OCID): ocds-h6vhtk-050059 Published 19 May 2025, 2:09pm

Changes to notice

This notice has been edited. The previous version is still available.

The Invitation to Tender for this contract will not be published in July 2025 as originally planned. We are working to establish new timelines for when this will be available and will update with revised dates as soon as they are clarified and approved.

Scope

Reference

prj_5300

Description

Background

The Department for Energy Security and Net Zero (DESNZ) wishes to establish a contract for a HNTAS Certification Body to provide all aspects of certification for the Heat Network Technical Assurance Scheme (HNTAS).

In 2020, BEIS consulted on developing a regulatory market framework for heat networks to protect consumers, support market growth and develop low carbon networks. Within this consultation views were sought on introducing mandatory minimum technical standards for heat networks. This proposal received strong support from respondents, as did the proposal that heat network suppliers should demonstrate compliance with technical standards through a certification scheme. The full consultation and market response can be found here: https://www.gov.uk/government/consultations/heat-networks-

A further heat networks technical standards consultation is planned for 2025, responses to which will need to be taken into consideration for the implementation of the scheme and the proposed requirements of the HNTAS Certification Body.

The Energy Act (2023) provides for Ofgem to be appointed as regulator of the heat networks sector and grants Ofgem the power to authorise individuals to operate heat networks and undertake supply activity. Ofgem will grant authorisation to a heat network operator, provided that the operator's network meets certain authorisation conditions. The Energy Act provides for compliance with minimum technical standards to be included as one of these conditions. This lays the foundation for technical standards secondary legislation which is expected to come into force in 2026 to introduce mandated minimum technical standards for heat networks (e.g. mandating requirements on water flow temperatures, pipe insulation, etc). The majority of heat networks (existing and new) across a range of different characteristics (large city sized district heating to single block communal networks) will be in scope of this requirement.

To promote compliance with these minimum technical standards, we are developing an assurance scheme: HNTAS. The technical specifications which set out the minimum technical standards that heat network suppliers will need to adhere to, and that will be subject to assurance, is being written and is expected to be completed in 2025. Work is also underway to develop the assurance processes themselves, these being the procedures to assess compliance. Together, the technical specification and assurance processes represent normative documents, a set of documents describing what heat

suppliers must do. Once legislation is in place, we intend to designate these normative documents as a Code, adherence to which will be required in regulation.

Heat networks are comprised of several elements (e.g. energy centre, district distribution network, communal distribution network, thermal substation, consumer connection and consumer heat system). Heat networks also have several stages within their lifespans (e.g. feasibility, design, construction, and operation and maintenance). We expect the Code to set minimum technical standards for each of these elements and stages.

In order for a heat network to be assured as having met the technical requirements in this rulebook, we intend that heat network operators will need to pass assessments conducted by HNTAS licensed assessors to demonstrate that they have met the necessary standards. HNTAS licensed certifiers will then need to certify that a network has met these standards across all relevant elements and stages. Certification is the collation and approval of assessment passes. The Certification Body will coordinate and monitor the activities of Individual Certifiers across Great Britain. Assessor and certifier requirements are currently in development.

The Energy Act also provides for Ofgem to award a licence to a technical standards Code Manager. The Code Manager, as Ofgem's licensee, is the entity that must carry out the requirements of that licence. DESNZ are currently working to establish the form of legal entity that the code manager will take.

The Code Manager may take the form of an incorporated entity, called HNTAS Ltd, which would be limited by guarantee. The primary functions of the Code Manager include overall responsibility for HNTAS, operating the scheme, and maintaining the Code. The Code documents may comprise of technical specifications, assurance procedures and assessor requirements. We expect that the Code Manager will subcontract many of these functions.

We anticipate that DESNZ will procure the contract, with a possibility that the contract is novated or assigned to the technical standards Code Manager at a later date. We anticipate that the contract would last for 2 years beginning in October 2025, with options to extend for 6 months + 6 months at the end of year 2 and midway through year 3 respectively. The commencement of the contract is prior to the introduction of minimum standards, planned for 2026, in order to provide the necessary lead-in and setup time.

Further information can be found at Heat Network Technical Assurance Scheme (HNTAS) - GOV.UK

Objectives

DESNZ are now issuing this market engagement document to suppliers outlining their proposed requirements, for the purpose of gaining understanding of the supplier's appetite to undertake the work.

This market engagement exercise is not a mechanism to shortlist potential bidders; its purpose is simply to gain an understanding of market interest on DESNZ requirements.

Through this market engagement exercise, DESNZ will assess suppliers' appetite to undertake this work and provide any clarification questions that suppliers might have at this stage.

This market assessment is not a commitment by DESNZ to procure the services.

Summary of requirements

We are looking for a supplier, or consortium of suppliers, to provide the following services:

• Develop and maintain a HNTAS certification plan for a certification programme

- Manage the certification process
- o Assess certification applications

o Assess evidence of compliance with the minimum technical standards

o Issue certificates where heat networks have demonstrated compliance

o Issue outcome reports listing the reason(s) why a certificate has not been awarded where heat networks have not demonstrated compliance

o Revoke certificates in cases where applicants are no longer complaint

· Manage the certification rules

• Manage a certification register stored on a HNTAS digital platform, currently in development

- Manage any accreditation of the assurance scheme if required
- Manage Individual Certifiers
- o Set requirements and entry levels for Individual Certifiers

o Discharge Individual Certifiers should they at any point fail to meet their license conditions

o Manage a register of HNTAS licensed certifiers (and disbarred certifiers)

• Develop communications around certification issues and liaise with the Scheme Operator to issue these

Contract value: Likely to be up to \pounds 6m for initial term with plus optional extension up to \pounds 3m

Contract duration: Likely to be 2 years from October 2025 with the option to extend for 6 months + 6 months

Please answer the below question and send your responses to <u>Michael.oneill@energysecurity.gov.uk</u> by 5pm GMT on 9th May 2025

Interest: Are you provisionally interested in bidding for the contract we are looking to procure? If you would like to send any clarification questions, please use the email address above.

Total value (estimated)

- £9,000,000 excluding VAT
- £10,800,000 including VAT

Above the relevant threshold

Contract dates (estimated)

- 31 October 2025 to 30 October 2027
- Possible extension to 30 October 2028
- 3 years

Main procurement category

Services

CPV classifications

- 09323000 District heating
- 09324000 Long-distance heating
- 71730000 Industrial inspection services
- 71631300 Technical building-inspection services
- 71631000 Technical inspection services
- 79132000 Certification services
- 90714500 Environmental quality control services

Contract locations

• UK - United Kingdom

Engagement

Engagement deadline

9 May 2025

Engagement process description

Supplier Engagement Call on 13th May at 3pm UK time - details (1 hour call only):

Microsoft Teams:

Meeting ID: 343 918 367 062

Passcode: zT3TU2Yi

Dial in by phone:

+44 20 3321 5238,,66496184# United Kingdom, City of London

Phone conference ID: 664 961 84#

For any questions please contact: michael.oneill@energysecurity.gov.uk

If you would like to receive more information and receive the EOI (expression of interest) document, please contact <u>michael.oneill@energysecurity.gov.uk</u>

Participation

Particular suitability

- Small and medium-sized enterprises (SME)
- Voluntary, community and social enterprises (VCSE)

Submission

Publication date of tender notice (estimated)

1 July 2025

Contracting authority

Department for Energy Security & Net Zero

• Public Procurement Organisation Number: PDHQ-2163-WYMH

55 Whitehall

London

SW1A 2HP

United Kingdom

Email: commercialexcellence@ics.gov.uk

Region: UKI32 - Westminster

Organisation type: Public authority - central government