

Dear Ofgem Heat Networks Team,

Thank you for the opportunity to respond to the consultation on fair pricing protections for heat networks. Amber welcomes the increased regulatory focus on transparency, fairness, and consumer protection. We have a long-standing role in this sector, supporting a wide range of developers, asset owners, and housing providers in the delivery of procurement strategies, tariff setting, system optimisation and billing services for heat networks.

We strongly support the overarching objectives set out in the consultation. However, based on our operational experience and client base, we would like to raise three key areas of concern where we believe the framework could have unintended consequences or would benefit from further clarity and collaboration.

### **1. Clarity on Landlord Exposure and the Role of Bulk Supply Agreements**

We are concerned that, as drafted, the proposed regulatory model may expose landlords to disproportionate regulatory risk. There is a risk that district heat providers or ESCos retreat behind bulk supply arrangements, passing through costs to landlords who have little or no influence over upstream decisions.

This risks undermining the intent of the regulation by creating a fragmented accountability chain, where the party ultimately setting or influencing the cost base is not the one engaging with the end customer or bearing compliance responsibility.

To ensure the success of the transparency and fairness objectives, the regulatory framework should:

- Clearly define the division of responsibilities between heat network owners, operators, billing agents, and landlords.
- Ensure that regulatory accountability rests with the party that has both *influence over cost* and the *ability to deliver value for money*.
- Prevent contractual arrangements from shielding upstream providers from scrutiny while exposing intermediaries to regulatory enforcement.

### **2. Transparency and the Ability to Challenge Costs**

We agree that price transparency is vital. However, we are concerned that simply disclosing pricing information—without also equipping regulated entities with the tools and access to challenge upstream costs—will fall short of delivering meaningful reform.

Amber provides billing and reporting services to both residents and asset owners, and we see first-hand where inefficiencies in fuel procurement, O&M, or capital cost recovery drive higher-than-expected tariffs. The proposed benchmarking and profitability frameworks are a good start, but we urge Ofgem to:

- Clarify how parties like landlords or agents can challenge excessive costs passed on through bulk supply contracts.
- Ensure transparency obligations apply throughout the supply chain—not only to the last-mile supplier.

- Support better visibility of procurement and technical performance data across the network to promote value-for-money comparisons and interventions.

### **3. Supporting the Sector in Communicating the Changes**

As a billing partner, we are committed to delivering timely, accurate, and accessible information to residents. However, the success of the regulatory regime will also depend on public trust and understanding.

We believe Ofgem should take a more active role in promoting the regulation to consumers, helping them recognise compliant heat networks and understand the reforms underway. This could include:

- A national communications campaign to support regulated entities in managing customer expectations.
- Development of a certification or labelling scheme to recognise compliant networks.
- Clear messaging about the benefits of the regime—not only the risks of non-compliance.

### **In Conclusion**

Amber supports the principles of the proposed regime, but we believe further refinement is needed to ensure:

- Responsibilities are clearly aligned with influence over costs.
- The intent behind transparency is fully realised through actionable oversight.
- The sector is supported—not just policed—during the implementation phase.

We would welcome the opportunity to collaborate further as guidance and conditions are developed, and to help test how these changes land in practice across the diverse landlord, ESCo and billing structures we work within.

**Andrew J Walker**

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