

---

W E L S H   S T A T U T O R Y  
I N S T R U M E N T S

---

**2024 No. 38 (W. 13)**

**RATING AND VALUATION,  
WALES**

**The Non-Domestic Rating (Heat  
Networks Relief) (Wales)  
Regulations 2024**

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations, which apply in relation to Wales only, prescribe conditions to be satisfied to be eligible for heat networks relief from non-domestic rating liability.

Regulation 2 sets out the meaning of “heat network” for eligibility for heat networks relief.

Regulation 3 prescribes the conditions to be met under paragraph 6(1)(b) of Schedule 4ZA to the Local Government Finance Act 1988.

The Welsh Ministers’ Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with these Regulations. A copy can be obtained from Local Government Finance Reform, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.

---

W E L S H   S T A T U T O R Y  
I N S T R U M E N T S

---

**2024 No. 38 (W. 13)**

**RATING AND VALUATION,  
WALES**

**The Non-Domestic Rating (Heat  
Networks Relief) (Wales)  
Regulations 2024**

*Made* 15 January 2024

*Laid before Senedd Cymru* 17 January 2024

*Coming into force* 1 April 2024

The Welsh Ministers make these Regulations in exercise of the powers conferred on them by paragraph 6(1)(b) and (2) of Schedule 4ZA to the Local Government Finance Act 1988<sup>(1)</sup>.

**Title, coming into force and interpretation**

**1.**—(1) The title of these Regulations is the Non-Domestic Rating (Heat Networks Relief) (Wales) Regulations 2024.

(2) These Regulations come into force on 1 April 2024.

(3) In these Regulations, “the Act” means the Local Government Finance Act 1988.

**Meaning of heat network**

**2.** For the purposes of paragraph 6 of Schedule 4ZA to the Act, and for the purposes of regulation 3 of these Regulations, “heat network” means a facility which supplies thermal energy from a central source for the purposes of—

(a) space heating,

---

(1) 1988 c. 41. Schedule 4ZA was inserted by section 1 of the Non-Domestic Rating Act 2023 (c. 53). See paragraph 11 of Schedule 4ZA for the definition of “the appropriate national authority”. See section 146(6) for the definition of “prescribed”.

- (b) space cooling, or
- (c) heating domestic water.

### Conditions for relief

3.—(1) The conditions to be satisfied for the purposes of paragraph 6(1)(b) of Schedule 4ZA to the Act are that, for the period of 12 months beginning with the chargeable day concerned, it appears to the billing authority in whose area the heat network is situated that the thermal energy supplied by the heat network will be generated from a low-carbon source.

(2) The low-carbon source may be located on the hereditament concerned or on a different hereditament.

(3) In this regulation—

“billing authority” (*“awdurdod bilio”*) has the meaning given by section 144(2) of the Act;

“chargeable day” (*“diwrnod y codir swm ynglŷn ag ef”*) has the meaning given by section 43(3) of the Act;

“cogenerated heat” (*“gwres a gydgyhyrchir”*) is thermal energy which is produced in the same process and at the same time as electrical or mechanical energy;

“low-carbon source” (*“ffynhonnell garbon isel”*) is a source which generates thermal energy, of which at least—

- (a) 75% is cogenerated heat,
- (b) 50% is renewable heat,
- (c) 50% is waste heat, or
- (d) 75% is a combination of renewable, waste or cogenerated heat;

“renewable heat” (*“gwres adnewyddadwy”*) is thermal energy generated by excepted renewables plant and machinery, as defined in paragraph (e) in Class 1 of the Schedule to the Valuation for Rating (Plant and Machinery) (Wales) Regulations 2000(1);

“waste heat” (*“gwres gwastraff”*) is thermal energy unavoidably generated as a by-product of another process and which would have no use other than for the purposes of a heat network.

*Rebecca Evans*

Minister for Finance and Local Government, one of the Welsh Ministers

15 January 2024

---

(1) S.I. 2000/1097 (W. 75), amended by S.I. 2023/1229 (W. 217); there are other amending instruments but none is relevant to these Regulations.