

New Homes: the Future Homes Standard and Future Buildings Standards – Energy UK Response

Do the government's proposals for improving the energy efficiency of new homes by 2025 go far enough?

While we are supportive of the government's ambition to require all new build homes to be zero-carbon ready by 2025 insofar as the clear signal this provides to industry, as we have previously vocalised, the timeline for implementation could be cutting it too fine.

It is vital that we address the relatively static Green House Gas emissions from buildings since 1990. The delay of standards for zero carbon homes from 2013 to 2025 is expected to result in up to 3 million new energy inefficient homes being built with fossil fuel heating, which will eventually need further retrofit work (constituting over 10% of the housing stock). Ultimately, we need to be generating new homes that will not need further retrofit to achieve carbon neutral status; and Government has been very vocal that this is its ambition. Therefore, we'd like to see policy match our mutual ambitions; the sooner such new homes are built to the relevant standards, the better for everyone.

Currently, existing tools including EPC ratings for properties do not provide any benefit/recognition for low carbon heating given the solely energy efficiency focus. Installing a low carbon source of heat should be included to recognise carbon benefits and energy efficiency.

Buildings are a key area to decarbonise if we are to reach net zero by 2050. A Future Homes Standard that integrates both energy efficiency and heat ambitions will be fundamental to creating a flourishing market to enable decarbonisation at the best value and best carbon savings. There remain millions of inefficient homes which if overlooked, will place achieving net zero by 2050 further out of reach. As such, there is room for more ambition in government's approach.

The government has acknowledged the need to clarify the role of local planning authorities in setting energy efficiency requirements for new homes that go beyond the minimum standards. What role should LPAs play in determining local energy efficiency standards?

Whilst we are supportive of local and regional decarbonisation delivery based on nuanced local attributes and needs, there ought to be a national framework to ensure consistency in approach and methodology, and to deliver consistent engagement with the right stakeholders. Issues have arisen in the past with regards to the divergence seen across local planning requirements, and more centralised tools for Local Planning Authorities and unified information provision would remove some complexity for industry.

The vital role that Local Authorities have to play in the wider issue of establishing local plans for the decarbonisation of heat - including setting out ambition and priorities for energy efficiency retrofitting, low carbon heat installations and gas decarbonisation, cannot be understated. This includes in the use of all available levers to encourage and mandate measures at a local level. Energy UK supports the work that the Energy Systems Catapult (ESC) has been leading regarding Local Area Energy Planning and would encourage Government to take learnings from the outcomes of ESC data.

Is the government right to anticipate that heat pumps will become the primary heating technology for new homes?

Through the Prime Minister's Ten Point Plan, BEIS announced its aim to support the deployment of 600,000 heat pumps a year by 2028. Whilst as a principle the Government should remain technology

Energy UK

First Floor,
26 Finsbury Square
London EC2A 1DS

T 020 7930 9390
www.energy-uk.org.uk
t @EnergyUKcomms

neutral, by signalling this ambition Government is providing industry with the confidence to invest and scale up supply chains for a technology expected to contribute significantly to UK decarbonisation. This will enable movement towards addressing the key barriers to deployment (broadly; cost, disruption, noise, thermal comfort and product standards/efficacy) while remaining mindful of the portion of housing stock where heat pumps are not the optimal solution.

Individual heat pumps, as well as heat-pump-lead heat networks are likely to be the most widely available technologies in the near future and should be supported. Incentives for all technologies should be assessed holistically. If not, the risk is that inefficiencies emerge in the process of decarbonisation; for example, if individual heat pumps are incentivised in an area where heat networks would be more appropriate.

For immediate CO₂ reductions, electric heat pumps are expected to be the primary technology. It is worth noting that hydrogen is not ready for use in domestic heating and it will take more time for trials to complete and an established stance on hydrogen for heating is widely accepted. Efficient electric heat pumps, when combined with high energy efficiency standards, are capable of meeting the heating needs of residents in new build homes to an acceptable standard.

The implementation of this zero-carbon requirement will help to grow the market for these approaches as developer's demand for low carbon heating in England increases to enable compliance. Government could go further to encourage skills programmes in installation, operation and maintenance of heat pumps to ensure the skills base of the workforce grows with rising demand.

Other low carbon technologies such as hybrid heat pumps, bio-gasses and fuels, and enabling solutions like heat networks, are part of the myriad of solutions currently on offer. This range of wider solutions requires more nuanced approaches to subsidy and market mechanisms to ensure a level playing field across all technologies. As Hydrogen becomes feasible, providers will then be able to enter a robust, competitive market alongside the wide range of established solutions.

Will the proposals address the performance gap between design intent and build quality of new homes?

Without a comprehensive compliance scheme to accompany and fully embed the proposals, the Future Homes Standard can only go so far in addressing the performance gap between design intent and build quality of new homes.

There are currently gaps between buildings' expected level of efficiency and their actual operational performance. A more robust approach to ensuring compliance and enforcement with any improved Building Regulations is critical to its success. Requirements and standards for retrofit are becoming more stringent, which we naturally welcome. What is needed now is consistency across the sector in terms of quality, standards and compliance regimes.

Is the government right to introduce revised transitional arrangements?

The current transitional arrangement proposals penalise multi-phase heat networks and would create obstacles in developing a heat networks market. It is essential that heat networks are enabled to be designed strategically, with expansion potential, as to create economies of scale and maximise the benefits of this technology. The current transitional arrangements are preventing this from happening and they should be revised.

Alternatively, Local Authorities should be allowed to deviate from the national Regulations and define local carbon trajectories for their own heat networks.

I trust you find our comments useful. We would welcome the opportunity to discuss further with the Committee or any other interested stakeholders. If this is of interest, please feel free to contact me on melody.carraro@energy-uk.org.uk.

Kind regards

Melody Carraro
Policy Manager