The voice of the energy industry

Energy UK response to Reforms of the Energy Performance of Buildings regime consultation

February 2025

About Energy UK

Energy UK is the trade association for the energy industry with over 100 members - from established FTSE 100 companies right through to new, growing suppliers, generators and service providers across energy, transport, heat and technology.

Energy UK's members deliver nearly 80% of the UK's power generation and over 95% of the energy supply for 28 million UK homes and businesses. The sector invests £13bn annually and delivers nearly £30bn in gross value - on top of the nearly £100bn in economic activity through its supply chain and interaction with other sectors. The energy industry is key to delivering growth and plans to invest £100bn over the course of this decade in new energy sources. The energy sector supports 700,000 jobs in every corner of the country.

Energy UK plays a key role in ensuring we attract and retain a diverse workforce. In addition to the Young Energy Professionals Forum, which has over 2,000 members representing over 350 organisations, Energy UK is a founding member of TIDE, an industry-wide taskforce to tackle Inclusion and Diversity across energy.

Executive summary

Energy UK strongly welcomes this consultation, as an important step towards improving the quality and impact of Energy Performance Certificates (EPCs). As set out in its Mission Possible report, Energy UK recognises EPCs as vital enablers to the Net Zero transition, but they are currently outdated in the methodology they use and ineffective in driving behaviour change.

Energy UK called for the Government to reform the approach and establish a new framework to improve the accuracy and relevance of EPCs. EPCs should help consumers make informed choices about improving the efficiency, and lowering the running costs, of their homes and properties, while supporting decarbonisation across the building stock.

To this end, Energy UK supports the four headline metrics proposed in this consultation, and which build on the previous proposals from the Climate Change Committee. However, it is not clear how the different metrics will work together to give the consumer a simple, straightforward picture of how that building performs compared to another. It is also not clear how the metrics may interact, for example

whether a building with a high level of smart capacity will correspondingly achieve a better rating for the cost metric.

Further, while Energy UK supports the inclusion of information on the EPC based on a smart readiness metric, the best way forward may be to include information that is light-touch and easy to understand, for example an icon that indicates the presence of a smart meter, or EV charger, and so on.

The energy industry would welcome greater clarity on how the metrics will be used in policy and regulation, particularly with respect to the Government's Warm Homes Plan. This is especially true for fuel poverty schemes, which may be part-way through when the changes are scheduled to be introduced, in late 2026. It is also important that EPC reform aligns with the objectives of Clean Power 2030. Information provided based on a smart metric is welcome in this respect, and consideration should be made for this within the Government's forthcoming Low Carbon Flexibility Roadmap.

While this consultation does not cover the question of how EPCs will be presented, the reference to further consumer research to understand views and inform this question is welcome. The 2022-23 English Housing Survey found that around a third of households that moved into their homes did not remember seeing an EPC when they made the move. 70% said that the EPC had not influenced their decision to move, and just under half knew what the Energy Efficiency Rating (EER) of their property was. This demonstrates that EPCs are not currently fit for purpose, and they need to be better at engaging and informing consumers to enable a step-change in demand for retrofit to meet the Government's goals of upgrading 5 million buildings this Parliament. Government and industry also need to work together to encourage consumers to make use of the data provided by EPCs.

This consultation also does not sufficiently address the issue of accuracy and reliability of EPC assessments. While improving the training of assessors is important, more consideration for the auditing of assessors, and of the audit and enforcement activities of Accreditation Schemes, is needed to drive up standards and improve trust.

Increasing the reliability of EPCs will help unlock other retrofit enablers such as access to finance. Lenders can offer larger interest rate discounts or cashback offers on green mortgages if they can rely on EPCs to demonstrate that households have benefitted from lowering energy bills.

Consultation questions

Question 1. To what extent do you agree or disagree that information using an energy cost metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

Non-domestic buildings

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning, and provide any evidence to support your view.

The energy cost metric helps occupiers compare the energy performance of buildings, and ensures that EPCs can be a tool to help target fuel poverty measures.

Research by Which? Shows that energy costs are a top priority for homeowners on the EPC, and Citizens Advice has also identified cost as a priority metric for consumers.

Energy UK understands that the Government is planning to develop an EPC wrapper for the Home Energy Model (HEM), and that, therefore, the relevant modelling for the energy cost metric will be determined by the final decision on the HEM methodology. In Energy UK's response to the HEM consultation, it supported a half-hour basis for the HEM, a more granular consideration of variations in electricity demand and generation, and aligning the HEM with energy flexibility and smart technologies.

A quick mechanism is needed for updating information on energy costs used in the HEM, as opposed to the statutory consultation process that is currently used to

update the SAP. An enduring solution is needed to keep cost information up to date on the EPC, such as a dynamic digital interface which is updated in response to changes in fuel costs.

Energy UK is calling for the Government to progress its commitment to rebalancing policy costs on energy bills. Rebalancing policy costs is essential to incentivising uptake of low-carbon technologies, supporting the Government's dual objectives of lowering energy bills and achieving Clean Power by 2030. This change would need to be quickly reflected in the HEM.

While cost is likely to be the most important metric for consumers, it is important that reformed EPCs do not maintain the status quo of considering energy cost in isolation. The metrics need to be displayed in such a way so that it is easy for the consumer to consider them together.

This is important because the energy cost metric in isolation will not necessarily drive Net Zero behaviours. For example, if EPCs are solely based on energy cost then they would recommend a new gas boiler for 25% of homes.

For non-domestic customers, while Energy UK supports the carbon metric continuing to be the primary metric for these EPCs, the estimated cost of energy for the building will be of vital importance to this group, supporting investments to improve efficiency and reduce operating costs. Information on the typical costs associated with the fabric of a building and costs of running regulated loads provides useful information.

In its review of business decarbonisation policy, Energy UK said EPCs should include information on typical costs and payback periods to better enable consumers to act on recommendations (the tool developed for Green Deal includes financial information but is not being used). It also supported the assumptions within the EPC methodology being automatically updated at regular intervals to ensure consumers receive the most up to date and reliable information. Cost savings may be particularly useful for SMEs to justify investments without needing to undertake technical or commercial studies on the measures to adopt. However due to the wide variety of energy procurement approaches and the wide variety of tariffs that non-domestic energy customers are served by energy suppliers it should be made clear that any costs estimates are based on average tariffs and actual costs may vary widely in reality.

It is also challenging for non-domestic EPCs to capture the energy usage and therefore predicted cost or saving of unregulated energy loads, such as energy storage, energy for cooking, some industrial processes and electrical equipment. These activities are not regulated by any standard and the energy usage and costs or savings generated by these activities are highly dependent on the behaviour of the

occupant. It should be made clear that the cost savings only refer to regulated loads and total energy usage may vary.

Across domestic and non-domestic EPCs, there needs to be significant awareness raising that the Government has decarbonisation obligations, and reducing emissions from buildings is a critical next step in achieving these targets. Consumers should be aware that the distribution of different heating systems across the building stock is likely to change. In practice, this means that consumers are aware that while purchasing a gas boiler may be the cheapest option for them today, changes to the energy system may mean that other heating systems such as heat pumps or heat networks become cheaper in future. This proposal is supported by Which?, as during its research of EPCs, it found that information about the necessary changes to electrified heat needed to be made more prominent, with supporting information available.

Question 2. To what extent do you agree or disagree that information derived from a fabric performance metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

Non-domestic buildings

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

For domestic customers, improving a building's thermal performance is important for the comfort of its occupants, supporting good health outcomes, and reducing energy demand through energy efficiency.

Improving understanding of the benefits of fabric efficiency through the EPC is important, as research commissioned by Energy UK and One Home found that 28% of people surveyed said their property did not need energy efficiency improvements. With only 3% of homes in England and Wales having an EPC rating of B or better, there is a clear mismatch between people's understanding of their homes and reality.

The EPC should support a simple customer journey to improving the fabric performance of a building by providing links to third party providers of independent information and advice.

When it comes to improving the fabric performance of a building, indoor air quality needs to be part of the conversation. More than 60,000 homes in England are currently affected by damp and mould.

Similarly, for non-domestic customers, occupants and building owners will benefit from greater information about the fabric performance of the building, as this will help improve comfort and support productivity. In its review of business decarbonisation policy, Energy UK supported information being provided on typical costs and payback periods of fabric measures to better support non-domestic customers to action the recommendations.

Question 3. When evaluating the fabric performance of buildings, which methodology do you think should inform the basis of calculating a fabric metric? Please select one option for each building type.

Domestic buildings

No preference

Don't know

FEES

HLP/HTC

Other

Non-domestic buildings

No preference

Don't know

FEES

HLP/HTC

Other

If you wish, please explain your reasoning and provide any evidence to support your view.

For domestic properties, the FEES methodology is helpful in that it aligns with the Building Regulations, and therefore policies such as the Future Homes and Buildings Standard.

EPCs need to be a single quick assessment of a home's performance, and the FEES methodology is best placed to meet this requirement.

While the performance gap between design and in-use performance for both new build and upgraded homes is an important policy challenge to address, in-use calculations should not be mandatory in terms of the methodology used to determine the fabric metric within the EPC. A way forward could be to make it possible for customers on a voluntary basis to request a fabric metric using the HLP/HTC methodology, and they would be appropriately charged for this extra level of detail provided.

However, for non-domestic buildings, the current use of two different models presents a challenge. In its review of business decarbonisation policy, Energy UK supported the combining of the two assessment processes for non-domestic EPCs, using the Simplified Building Energy Model and the dynamic simulation model, to provide a more accurate picture of energy usage.

In addition, the poor correlation between EPC ratings and actual energy usage across the building stock is particularly acute with larger building sizes, where actual energy use depends on numerous complex factors and unregulated loads. Energy UK supports EPCs being combined with the introduction of a mandatory in use performance-based rating so that both theoretical and actual energy usage can be assessed for these buildings. Energy UK is concerned that the proposal to introduce in use performance-based ratings appears to have been dropped.

Question 4. To what extent do you agree or disagree that information based on a heating system metric should be displayed on EPCs ? Please select one option for each building type.

Domestic buildings

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

Non-domestic buildings

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

Domestic EPCs should equip customers with the information they need to invest in more efficient and low-carbon heating systems, and Energy UK supports the inclusion of a heating metric to this end.

It will be vitally important that the relevant product standards and information are kept up to date via an appropriate live database where product manufacturers can easily add detail of different heating systems. It is important to avoid assumptions around the efficiency of heating systems within the EPC modelling, as the efficiency of different products is consistently changing through innovation. There should also be some level of scrutiny over the data provided, to ensure that the efficiency ratings are as close to the actual performance of the heating system as possible. This is important in terms of achieving a level playing field for different technology types, and supporting a technology-neutral approach, as heat networks under the Heat Networks Technical Assurance Scheme (HNTAS) will be required to provide actual efficiency data for the lifetime operation of the network.

It will also be beneficial for non-domestic energy customers to be aware of the cost, efficiency and carbon intensity of the relevant heating system as this will help inform investments to reduce operating costs.

Question 5. What are your views on the design principles and the scope for a Heating System metric? Please provide evidence where possible.

The heating system metric should be a means of raising awareness among consumers of the different low-carbon heating technologies available to them. The consumer should be able to click through from the EPC to a website such as the

Energy Saving Trust, or a retrofit portal on gov.UK, that provides further information about these technologies.

The metric should also include information about the benefits of smart systems, such as potential energy bill savings. The metric should be able to recognise compliance by the smart asset with the Smart and Secure Energy System (SSES) regulation, as the first phase of the smart mandate is being introduced in 2026. The second phase of regulations will be implemented from 2028 onwards. The EPC metrics need to be considered with these timelines in mind and maintain alignment. It is also important to consider regulations around the interoperability of the devices in scope, and this should be rewarded with a higher ranking for that particular product on the EPC. There also needs to be clarity as to whether the heating system will be ranked on a device level, or heating system level.

Energy UK would also note the live workstream on raising product standards for space heating. This work ensures that heating appliances meet minimum efficiency standards, ensuring running costs are kept as low as possible for consumers while also improving overall energy efficiency.

It will also be important for the ranking system to be sensitive enough to capture the differences between different types of heat pump, including air-to-air, hydronic air source and ground source heat pumps. These different technologies have distinct characteristics that need be accurately represented so that the EPC effectively helps the building owner to understand which is the most suitable technology for the property.

Across both domestic and non-domestic EPCs, consideration is needed for how a heat metric will account for a potential connection to a heat network. EPCs need to reflect the real operating conditions for heat networks. Each heat network represents a bespoke combination of factors, such as size, technology and flexible capacity, and the heating metric should capture this nuance as far as practicable. The energy assessor will need a means of checking the heat network potential, such as a postcode database that identifies whether the property is in the connection zone of an existing or potential network. In addition, consideration of the interlock between EPCs and the forthcoming Heat Networks Technial Assurance Scheme is needed.

Question 6. To what extent do you agree or disagree that information based on a smart readiness metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

Non-domestic buildings

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

Question 7. What are your views on the definition, design principles and the scope for a smart readiness metric? Please provide evidence where possible.

Energy UK has consistently been calling for EPCs to include a smart metric.

Demand-side response is critical to delivering Clean Power 2030, and reducing energy system costs. Furthermore, the smart meter rollout is critical infrastructure for decarbonising the energy system. Some indication of the smart capability of a household will help to drive behaviour change and increase flexible capacity. The smart readiness metric should be considered within the Government's forthcoming Low Carbon Flexibility Roadmap.

The role of smart meters should be recognised and incentivised through inclusion in EPCs, as they improve the energy efficiency of a property by helping consumers reduce consumption via a better understanding of their energy use, behaviour change, as well as reducing the costs of their energy use via time of use tariffs. Smart meters should improve EPC ratings if installed and reduce ratings if not installed. Inclusion of smart meters in EPCs would incentivise both homeowners and landlords to take up smart meters, increasing takeup more widely with associated benefits to decarbonising and improving the efficiency of the energy system.

Given the importance of keeping EPCs simple and accessible for consumers, a way forward may be to adopt a light-touch approach to displaying the information derived from the smart metric. For example, using icons to indicate the presence of a smart meter or EV chargepoint may be an intuitive solution.

It is also important to note that inclusion of a smart metric would lead to a divergence in the approach across GB, in light of the Scottish Government's decision to take

forward three headline metrics only: modelled energy cost, fabric efficiency and heating efficiency.

Greater clarity is needed as to what information the assessor will need to collect in determining the smart capacity of the building, as the Impact Assessment states that the proposed metrics will not require additional data to be collected.

In terms of the technologies in scope, Energy UK supports the inclusion of assets that are integrated into the building fabric such as smart meters, solar PV, batteries, EV chargepoints and smart heating systems. The impact of other flexible technologies on reducing carbon is more likely to be dependent on consumer behaviour. A smart metric needs to be adaptable and keep at pace with innovative changes in this space. Consistent with the heating metric, a dynamic mechanism for updating product information is needed to ensure that the HEM is using the latest assumptions.

Similarly, there are numerous workstreams aiming to improve the standards of energy smart appliances (ESAs), namely SSES and the space heating product standards, and many ESAs will all be at different stages of readiness against the proposed requirements. For example, many heat pump manufacturers already comply with the Smart Grid Ready initiative in the EU, but may not meet the latest iterations of smart standards in the UK.

In its business decarbonisation policy review summary, Energy UK supported the smart building rating applying to non-domestic EPCs so that flexibility is rewarded. There needs to be a defined scope of the technologies that would be included in the assessment, including transport, unregulated loads, appliances and so on. There is significant complexity for non-domestic buildings, and the smart metric should seek to capture this as far as is possible.

Question 8. To what extent do you agree or disagree that information from an energy use metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

Non-domestic buildings

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

Energy UK supports the inclusion of an energy use metric on the EPC, however it is right that this metric should not be as prominent on the certificate. This is because the energy cost, fabric, heating and smart metrics provide more relevant information to the customer that put energy usage into context.

Research by Which? highlights the potential benefit of including a graphic that illustrates energy usage, such as an energy in/energy out graphic to help customers understand this principle, and the importance of thermal efficiency in retaining heat.

The CCC noted that providing consumers with a better understanding of energy use will support policies which incentivize customers to improve the fabric efficiency and install more efficient low-carbon heating systems. Furthermore, this metric can be easily compared to actual energy consumption.

Question 9. If an energy use metric is to be displayed on Energy Performance Certificates (EPCs), which type of energy use measurement should be used to calculate this metric? Please select one option for each building type.

Domestic buildings

No preference

Don't know

Delivered energy

Primary energy

Other (please specify)

Non-domestic buildings

No preference

Don't know

Delivered energy

Primary energy

Other (please specify)

If you wish, please explain your reasoning and provide any evidence to support your view.

For domestic EPCs, Energy UK's preference is for the Delivered energy use measurement to be used as this focuses on the metered energy that a building receives, which makes it a straightforward and relevant metric for assessing building performance.

For non-domestic EPCs, Energy UK supports the proposal by the UK Green Building Council to adopt the primary energy use measurement as this more effectively captures the variability in usage within these buildings.

Question 10. To what extent do you agree or disagree that information from a carbon based metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

Non-domestic buildings

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

EPCs are a critical enabler of the decarbonisation of buildings and key planks of the Government's Warm Homes Plan, such as strengthened Minimum Energy Efficiency Standards and fuel poverty schemes such as ECO and the Warm Homes: Social

Fund. It is vitally important that EPCs include a carbon metric. Both domestic and non-domestic EPCs should reflect both current and future CO2 emissions over the lifetime of a property, taking likely future grid decarbonisation into consideration, and linking the fabric and heat metrics to carbon impact as well.

For the reasons set out in the consultation, it is right that the energy cost, fabric, heating and smart metrics are more relevant for customers in understanding the energy usage of a building in context. The cost of energy is also a better incentive for driving decarbonisation behaviours than a carbon metric, and carbon should therefore sit below the four main metrics. This approach is also supported by the Climate Change Committee.

For non-domestic customers, Energy UK supports the carbon metric continuing to be the headline metric for these EPCs. The Government should explore the capacity for the Simplified Building Energy Model to factor in the potential carbon benefits associated with storage projects, flexibility or off-site renewables to ensure that EPCs can encourage these connections in non-domestic buildings. It would be helpful to align the carbon metric with the ESOS to support companies with carbon reporting and identifying opportunities for decarbonisation.

Question 11. To what extent do you agree or disagree with incorporating smart technologies, like SMETERS, into the energy performance assessment framework for buildings? Please select one option for each building type.

Domestic

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

Non-domestic buildings

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

Energy UK supports the objectives of the SMETER methodologies. Given the well-established performance gap issue for both new and retrofitted buildings, there is a clear need to identify the causes and solutions through collecting more data about the in-use performance of buildings. Greater accuracy will help build confidence in EPCs.

However, there is significant complexity in implementing these methodologies, in terms of how it will be incorporated into the HEM, and further work is needed in this space. Resolving these complexities should not hold up EPC reform, as this should be the priority in terms of incentivising and informing decarbonisation activities and investment over this Parliament.

While the consultation references the Government's work in testing the implementation of SMETER methodologies, Energy UK is aware of problems in their application, for example in the ECO scheme. Energy UK set out these challenges in its response to the ECO4 and Great British Insulation Scheme: mid-scheme changes consultation.

A way forward could be to allow but not require the use of SMETER methodologies to produce the EPC. This is important because the purpose of EPCs is to produce a quick assessment of the performance of the building. SMETERs require a long-term assessment of the energy performance, and this is inconsistent with the current usage of EPCs.

As outlined in question 3, actual energy usage in the non-domestic sector varies significantly between buildings as it depends on numerous complex factors and unregulated loads. EPCs should provide information on the underlying quality of the building and regulated loads. Energy UK supports EPCs being combined with the introduction of a mandatory in use performance-based rating so that both theoretical and actual energy usage can be assessed for these buildings.

Question 12. Do you have any views on key transition issues?

As discussed in the consultation, EPCs are the basis for certain regulations such as Minimum Energy Efficiency Standards. If a building owner has demonstrably achieved compliance with the regulations through the existing EPC arrangements, then they should not be penalised if the new metrics do not uniformly reach compliance. A transition period should be available to provide more time for building owners to complete any further outstanding works. Enabling both the old and new metrics to be visible for a property will help ensure fairness in this approach.

The Government should expedite the development of the RdSAP equivalent for the HEM, and it should be developed in parallel to the SAP. Delays to consulting on this methodology risk resulting in delays to the implementation of new policies such as the PRS MEES that are dependent on this.

Question 13. What should be the validity period for Energy Performance Certificate (EPC) ratings?

Don't know

Less than 2 years

2 years

5 years

7 years

10 years

Question 14. To what extent do you agree or disagree with the approach for any changes to validity periods to only apply to new EPCs?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

Question 15. To what extent do you agree or disagree that a new EPC should be required when an existing one expires for private rented buildings?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

The Government has announced plans to strengthen the Minimum Energy Efficiency Standards of privately rented and social homes. EPCs will be the means by which compliance with these new standards is measured, and requiring that EPCs are updated more regularly will increase deterrents to non-compliance and aid enforcement, which is likely to be de facto implemented by lettings agencies. Tenants should be supported to make informed decisions on a rental property through more frequently updated EPCs.

For non-domestic customers, EPCs are required for all non-domestic buildings that have been newly constructed, have undergone significant renovation, or are being sold or leased. It may be helpful to explore the potential for additional trigger points for updating these EPCs.

Across domestic and non-domestic customers, it should be simple and straightforward for landlords or building owners to make updates to an existing EPC if they have made improvements.

Questions 16. To what extent do you agree or disagree that the regulations should be amended so that a property must have a valid EPC before it is marketed for sale or rent?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

Question 17. To what extent do you agree or disagree that houses in multiple occupation (HMOs) which don't already fall under the (Minimum Energy Efficiency Standards) MEES should do so when a room is rented out?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

Energy UK supports raising standards for all energy customers, and therefore agrees that tenants of houses in multiple occupation homes should have access to the same information and support provided by EPCs as other customers.

Question 18. To what extent do you agree or disagree that there should be a transitional period of 24 months to allow HMO landlords to obtain a valid EPC and comply with MEES regulations?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

Question 19. To what extent do you agree or disagree with requiring short-term rental properties to have a valid EPC at the point of being let?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

Question 20. To what extent do you agree or disagree with requiring short-term rental properties to have a valid EPC irrespective of who is responsible for meeting the energy costs?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

Question 21. To what extent do you agree or disagree that we should remove the exemption for landlords from obtaining an EPC for buildings officially protected as part of a designated environment or because of their architectural or historical merit?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

The Climate Change Committee's Sixth Carbon Budget explains that the Government's Net Zero target requires 'eliminating' emissions from buildings by 2050, and this should include, as far as practicable, heritage properties and those protected due to architectural merit. EPCs are an essential tool in driving the decarbonisation of buildings, and these landlords risk missing out on the information and support that EPCs provide if they are not mandated. It is also essential that the tenants of these properties have the same information and support as their counterparts in unprotected buildings.

The energy industry is delivering solutions for the retrofit of heritage and older buildings. This includes innovations in the size of heating systems, such as small heat pumps that can fit inside a cupboard or smart heat batteries that are the same size as a washing machine, both of which help overcome outdoor space constraints. Air-to-air heat pumps can also help to decarbonise properties that do not have existing wet central heating systems.

Question 22. How useful do you find Display Energy Certificates (DECs) for understanding and improving a building's energy performance?

No response.

Question 23. Are there any limitations or challenges with the current DEC approach that reduce its effectiveness?

Please provide evidence where possible.

No response.

Question 24. What alternative approaches, if any, could drive energy performance improvements more effectively than DECs for public sector buildings?

Please provide evidence where possible.

Energy UK welcomes the Government's continued support for the decarbonisation of public sector buildings, through the Public Sector Decarbonisation Scheme. In 2022, 10% of all heating emissions came from public sector buildings such as schools, libraries and hospitals. While the Government has committed to reducing emissions from public sector buildings by 75%, at present natural gas remains the key source of heating for most. When public sector services save money on their energy bills, they can redirect funds into other essential resources to support the people they serve – whether this is hospitals being able to purchase lifesaving equipment or schools funding extra-curriculum activities.

The energy industry is innovating in the way it helps public sector buildings to decarbonise through installing new low-carbon heating systems, double glazing, solar panels and insulation.

DECs are an important mechanism for driving energy efficiency, and support improved energy management.

Question 25. To what extent do you agree or disagree with the proposed changes to the validity periods for DECs and DEC recommendation reports?

No response.

Question 26. What would be an appropriate validity period in years for these DEC and DEC recommendation reports? Please select a validity period for each option.

DEC 1000m² and under

Don't know

No response.

DEC recommendation report 1000m² and under

No response.

DEC recommendation report over 1000m²

No response.

If you wish, please explain your reasoning and provide any evidence to support your view.

No response.

Question 27. There is a proposal to provide an exception in the regulations for certificates that have been marked as cancelled or not for issue to be removed from the Energy Performance of Buildings (EPB) Register after 2 years.

To what extent do you agree or disagree with the proposal?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

Question 28. To what extent do you agree or disagree with the approach to remove the option to opt-out EPCs from the EPB Register public address search?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

Question 29. To what extent do you agree or disagree with retaining the option to opt-out EPC address level content from the Open Data?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

That the data is anonymised and aggregated means the owners should not have the option to opt-out, as there is no risk to any visibility of their personal information. It is essential to have an evidence-led approach to decarbonisation, and these datasets are vital in driving policy and determining where investment is needed in the building stock. Removing data risks skewing the overall picture of building efficiency in the UK.

Question 30. There is a proposal to remove the general prohibition on sharing data gathered under the EPB Regulations and replace it with a Secretary of State discretion about when, how and with whom to share the data.

To what extent do you agree or disagree with the proposal?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

Energy efficiency data is a valuable resource to guide and inform energy efficiency policy. Clarity should be provided around how the discretion of the Secretary of State and the permitted uses will be applied.

Question 31. To what extent do you agree or disagree that data gathered in previous EPC assessments should be available for use in future EPC calculations for a dwelling?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

Question 32. What are your views on the approach to using existing data, while balancing accuracy and practicality?

As described in the consultation, upgrades to the building fabric, combined with the natural evolution of the building stock, raises concerns over the validity of using existing data to create new EPCs or make informed choices or recommendations as to future upgrades.

However, going forward, storing data so that it can be readily accessed is important in terms of updating certificates, especially if EPC validity is reduced to five years, rewarding behaviour change, including small incremental changes, and addressing the challenge of constrained assessing capacity in the supply chain.

The Government could consider only enabling the usage of existing data that has been collected as part of the new Home Energy Model, as this model, combined with renewed investment in training for assessors as proposed in this consultation, will help raise the quality of the information collected.

Another approach could be requiring energy assessors to check or validate measurements that have been logged, and amend anything that is wrong. They would need to submit evidence for making these changes. This would improve the efficiency of creating new EPCs while introducing a cycle of continuous improvement of EPC quality.

Introducing Building Renovation Passports, as proposed by the Coalition for the Energy Efficiency of Buildings, would help to build up an accurate database of measures and outstanding works for individual properties. Sitting alongside EPCs, Building Renovation Passports are a digital logbook of renovations at property-level and provide a long-term renovation roadmap that identifies opportunities for future retrofit. The data from EPCs would represent a single input into the passport, but the logbooks would help to move beyond EPCs through integrating real-time data.

Question 33. To what extent do you agree or disagree that Accreditation Schemes should be given more responsibility for overseeing the training of energy assessors?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

In its business decarbonisation policy review, Energy UK supported better training for energy assessors. The Government should undertake a broader review of whether the training for EPC assessors is sufficient, and understand whether it successfully equips assessors with the information they need to deliver accurate and reliable assessments.

The Government's 2018 call for evidence on EPCs saw the majority of respondents citing assessors incorrectly inputting data as the key cause of variation in EPCs. These respondents said that the errors were a consequence of insufficient levels of assessor expertise.

The consultation proposes allowing only Accreditation Schemes to deliver training. A more controlled environment, and less competition, carries a number of risks. Less competition may increase the cost of courses, as the availability of training is reduced, and an effective monopoly is granted to the Schemes. There is also a potential conflict of interest where Accreditation Schemes have a financial interest in qualifying assessors.

Question 34. Do you have suggestions for other actions which could be taken to improve the accuracy and quality of energy assessments, or to help identify fraud in EPC assessments?

There are additional steps that could be taken to improve the quality of EPCs. This includes a review of the auditing process, to ensure that there is sufficient scrutiny of assessments. Software could also play a bigger role in picking up errors, such as inbuilt validation checks or input parameters to minimise erroneous inputs. Finally, the Accreditation Schemes should signpost clear complaints processes and routes to redress, potentially providing ADR to support this, as this will help improve accountability.

Overall, Energy UK supports the proposals by Citizens Advice to undertake a separate workstream that improves the reliability and accuracy of EPCs.

Question 35. To what extent do you agree or disagree with these proposals to improve compliance?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning or other ways to improve compliance and provide any evidence to support your view.

Compliance should be administered via independent assurance and oversight, with more punitive penalties for non-compliance. Reviewing the number of EPCs that are audited, and the auditing process in itself, would also help to improve the accuracy of EPCs.

Question 36. To what extent do you agree or disagree that penalties should be increased?

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

If you wish, please explain your reasoning and provide any evidence to support your view.

Energy UK supports an increase in penalties, however greater resourcing of the relevant enforcement bodies will be necessary to ensure this policy change has teeth and delivers effective deterrence.

Question 37. If penalties were to increase, how much should current penalties increase by?

Don't know

No increase

Inflation adjusted increase

Doubling

Other

If you wish, please explain your reasoning or other ways to improve compliance and provide any evidence to support your view.

Question 38. When should penalties be imposed for non-compliance with Energy Performance of Buildings Regulations (EPBR) requirements?

If you wish, please explain your reasoning and provide any evidence to support your view.

No response.

Question 39. What are your views on changing the current allocation of responsibilities for enforcing Energy Performance of Buildings Regulations (EPBR)?

Changing the governance of enforcement activities for the EPBR would take time to plan and implement. It would also require a significant shift in resources as new functions are brought into the relevant bodies. Therefore, ensuring that the existing responsibilities are fit for purpose, and that those with responsibility for enforcement have sufficient resource to enact it, should be the priority. This is particularly the case for local authorities, which will have key oversight of delivery of the Government's Warm Homes Plan, but which are already facing 'severe funding pressures'.

Question 40. There is a proposal for a new penalty charge fine amount of £800 for non-compliance with the requirement to have an ACIR for systems with an effective rated output over 12kW.

To what extent do you agree or disagree with the proposal?

No response.

If you wish, please explain your reasoning and provide any evidence to support your view.

Question 41. To what extent do you agree or disagree with the proposal to redesign the structure of ACIRs?

No response.

Question 42. What should be included in a redesigned report?

No response.

Question 43. To what extent do you agree or disagree with the proposal to add a cost metric in the assessment methodology for ACIRs?

No response.

Question 44. If you agree to including a cost metric, what would be the most suitable data on air conditioning system output to use in the calculation and

how could it be obtained? Please comment both on data quality, suitability and likely availability.

No response.

Question 45. If you agree to including a cost metric, what would be the most suitable data on electricity prices to use in the calculation? Please comment both on data quality, suitability and likely availability.

No response.

Question 46. Please let us know if you have any evidence on the rate of voluntary implementation of recommendations made in EPCs.

The EPC is a key tool in raising understanding among consumers of what actions they can take to improve the efficiency of their home, reduce energy bills and decarbonise. Research commissioned by Energy UK and One Home found that 28% of people said that their property did not need energy efficiency improvements, but with only 3% of homes in England and Wales with an EPC rating of B or better there is a clear mismatch between people's understanding of their homes and the reality. Indeed, 10% of respondents said that they didn't know enough about what the options are. This suggests that the rate of voluntary implementation of recommendations made in EPCs is suboptimal.

Consideration for how EPCs are presented to consumers is essential to improving voluntary implementation of recommendations. Which? makes recommendations for a dashboard-style visual display that should be visually engaging, and use everyday language. EPCs should provide links to third-party, independent sources of information, advice and resources such as the Energy Savings Trust, or a retrofit portal on gov.UK.

The reference to the Government undertaking research on the most effective approach to engaging consumers in the EPC is welcome.

Question 47. Please let us know if you have any comments on the regulatory or equalities impact assessments presented alongside this consultation, in particular, are there any impacts on groups with protected characteristics that we have not identified in the equalities impact assessment?

No response.

Question 48. Please let us know if you have any comments on the impact assessment in general, including any evidence you have on the impact of these proposed reforms.

None.

For more information please contact louise.shooter@energy-uk.org.uk.