

Energy Saving Trust's response to the Scottish Government's consultation on domestic EPC reform

Submitted on 8 October 2021

1. Do you agree or disagree with the addition of the proposed Energy Use Rating? Please explain your answer.

Energy Saving Trust agrees that it would be helpful to include a third metric on the EPC to complement the existing information about the energy running costs and carbon emissions associated with their dwelling and help them to make better informed decisions about the energy efficiency improvements they can make to their dwelling. However, **we believe that the addition of an Energy Demand Rating would be more appropriate than an Energy Use Rating.**

The consultation document notes that the proposed Energy Use Rating *“will act as a basis to recommend to dwelling owners **the measures needed to reduce demand for heat, as appropriate to their building type and fabric; and will also show the measures needed to remove poor energy efficiency for fuel-poor households**”*. This implies the aim of the metric is to improve the fabric of the building to reduce the demand for heat from any current/future heating system. If this is the aim of the new metric – and we believe that this is a sensible aim – it will not be fully achieved with the proposed new metric because it could drive reductions in energy use by installing more efficient heating systems but not reductions in ultimate energy demand for the building that is being heated. Given that that the Scottish Government plan to separately consider a metric for zero emissions heating systems we think it is important the new metric for energy efficiency focusses solely on reducing demand as this is an inherently more strategic and permanent approach. The proposed aim could however be achieved by using an energy demand rating instead. This is because energy demand is independent of building services, such as heating systems and electricity generation, while energy use is not. So, for example, if one was to compare two identical properties – one with a heat pump and one with direct electric heating – then the property with the heat pump would have a higher Energy Use Rating because of the efficiency (Seasonal Performance Factor) of the heat pump and the impact this has on overall energy use. In this example, both properties have the same demand for heat but different energy use.

To help illustrate this point further, take a property with an energy demand of 15,000 kWh, of which 10,000 kWh is required for space heating. To compare the energy use between a gas boiler and a heat pump you would divide the space heating demand by the efficiency of the system. Assuming a boiler efficiency of 80% and a heat pump efficiency of 300%, this results in an energy use of 12,500 kWh for the boiler and 3,333 kWh for the heat pump, as the heat pump's supply of more heat energy than electrical input means that the fixed energy demand is satisfied by less energy use. In this scenario, the energy **demand** is the same however there is nearly a four-fold difference in the energy **use** for space heating due to a difference in heating systems.

- 2. Do you agree or disagree with the name changes of the current EPC Energy Efficiency Rating & Environmental Impact Rating to Energy Cost Rating and Carbon Emissions Rating respectively? Please explain the reasons for your answer.**

Energy Saving Trust agrees with the name changes of the current EPC Energy Efficiency Rating and Environmental Impact Rating to Energy Cost Rating and Carbon Emissions Rating respectively. This is because the name changes more accurately reflect the actual meaning of the ratings, and if adopted, should make the information available on an EPC easier for people to understand.

- 3. Do you agree or disagree that the proposed EPC format will better equip building owners and/or occupiers to make informed decisions about improvements and/or changes to the energy efficiency and heating systems of their building? Please explain the reasons for your answer.**

Yes, Energy Saving Trust agrees that the proposed EPC format, containing the 3 metrics, energy use rating (although as per our response to question 1 we think an "energy demand" metric would be more appropriate), carbon emissions rating and energy cost rating will better equip dwelling owners and/or occupiers to make informed decisions about improvement and/or changes to the energy efficiency and heating systems of their dwelling.

It is important to note that for flats, the information provided will help owners and/or occupiers to make informed decisions in relation to their dwelling but not necessarily in relation to their building. So, for example, – for a non-top floor flat the EPC will simply note in the following information about the roof and floor in the summary of energy performance related features: roof (another dwelling above), floor (another dwelling below), and provide no building level recommendations in relation to these elements. As noted in responses to previous consultation responses we support the development of building level EPCs for flats and note that these are common in many other parts of Europe.

4. Do you agree or disagree with retaining the information outlined in section 5? Please explain the reasons for your answer.

Yes, Energy Saving Trust agrees with the proposal to retain the information outlined in section 5 of the consultation document. This is because, as the consultation notes, it provides people with a greater amount of information than that provided by the three metrics and therefore will help them to make more informed decisions about measures to improve the energy performance of their homes.

It is important to note however that the ultimate aim of EPCs is to deliver action – i.e., action to improve the energy performance of homes. While lack of information is as one of the key barriers to the uptake of energy efficiency simply having access to information will not necessarily lead to people investing in energy efficiency and low and zero carbon heating systems. We would therefore like to highlight the importance of EPCs continuing to include information about the Scottish Government’s Home Energy Scotland service – providing information about how to get in touch with the service and a brief summary of what it offers.

Section 5.1 of the consultation notes that *“In early 2022, we will consult on developing a wider assessment process which will sit in parallel to the EPC assessment. This will provide a clear and actionable set of steps for homeowners to comply with regulatory standards...”*. We have some concerns that having two sets of recommendations (one from an EPC and another from the proposed separate assessment) could lead to considerable confusion and potentially undermine the information contained in one or other of the assessments. We would welcome greater clarity about how the two assessments (i.e., the EPC and the proposed separate assessment) will work together.

5. Do you think any additional information should be added to the EPC format? Please explain the reasons for your answer.

It will be important that the additional information is updated in line with both the introduction of the new metric and the change in the names of the existing two metrics. So, for example section 5.1 shows two tables the second of which lists recommended measures and includes a note of the “Energy” and “Environment” ratings after improvement – these will need to be replaced with Energy Use (or Energy Demand), Carbon Emissions and Energy Cost.

As noted above we believe it is important the EPCs continue to include information about the Scottish Government’s Home Energy Scotland service. This information is provided on existing EPCs but is not listed in the consultation document in the section on other information on the EPC.

As we have noted in previous consultation responses, we support the idea of Building Renovation Passports that would provide a medium-long term roadmap that for homes to reach net zero (and relevant interim targets) allowing homeowners to plan and track renovations, collect all relevant building information in one place, together with information about comfort levels (air quality etc). We would ultimately like to see the EPC evolve into or be incorporated into Building Renovation Passports.

6. How do you think the metrics should be presented on the EPC? (More than one answer can be selected)

- a. Graph (current EPC ratings)
- b. Diagram
- c. Sliding scale
- d. Text only
- e. Other format

Please explain your choice(s).

Our initial view is that the metrics should be presented in the same way as the existing metrics are currently provided on EPCs. This would ensure consistency. It is also in line with the energy label on appliances which consumers are already familiar with. We do however believe that this is a question that would benefit from consumer research, and we recommend that the Scottish Government undertakes research with consumers to inform how the metrics are understood and used – this would help to ensure that they are presented in such a way as to ensure maximum consumer understanding.

7. Are there any other comments on the proposed EPC format you would like to add?

We have no other comments on the proposed EPC format that we would like to add.