# **Consultation briefing: Energy Performance Certificate reform**



### Introduction

The Scottish Government is consulting on changes to Energy Performance Certificates (EPCs). EPCs give an indication of the energy efficiency of our homes and must be provided to private and social sector tenants at the start of a new tenancy, and to prospective home buyers as part of the home report.

While EPCs are widely recognised by the public, there is strong support for reforming them to ensure that they provide holistic information to help people better understand the performance of buildings and make decisions about how to improve energy efficiency and reduce emissions. Through the proposed changes to EPCs, the Scottish Government aims to increase awareness of the energy efficiency of homes, options for retrofit measures, and support the move to net-zero emissions by 2045.

The consultation, which relates to domestic and non-domestic EPCs will remain <u>open until 16 October</u>. This briefing will focus on implications for domestic buildings.

## Statutory targets and timescales

The Scottish Government has committed to reach net-zero by 2045 which will require significant improvement to the fabric of our buildings as well as a move away from direct emissions heating systems, like oil and gas boilers, to zero emission heating systems, like heat pumps and heat networks.

The <u>Heat in Buildings Strategy</u> sets out the Scottish Government's plan to reach net-zero emissions by 2045, including an interim target to decarbonise one million homes by 2030. We expect a consultation later this year on a Heat in Buildings Bill which would seek to introduce regulations requiring domestic buildings to meet a minimum energy efficiency standard equivalent to EPC C by 2033 and prohibit the use of direct emissions heating systems by 2045.

This review of EPCs follows an initial consultation, commissioned research, working groups, and recommendations from the UK Climate Change Committee (CCC).

Following this consultation, the Scottish Government intends to introduce revised Energy Performance of Buildings (Scotland) Regulations in winter 2023/24 bringing revised EPCs into force shortly afterwards. This would ensure that reformed EPCs are in place ahead of wider Heat in Buildings regulations and align with the UK Government's introduction of SAP 11 (the system for assessing energy rating) expected in 2025.



### Summary of proposed changes

The proposed changes for domestic EPCs aim to:

- Introduce a set of domestic EPC metrics to provide holistic reflection of a dwelling's performance
- Mange additional changes to the EPC system to ensure that EPCs provide clear and useful basic information about a building's energy efficiency for current and prospective building owners and tenants, and other stakeholders.

The proposals include revising the information displayed on EPCs, expanding current metrics, renaming, and including other relevant information as follows:

- **Fabric rating** setting out the current modelled fabric performance of the building in terms of its heat loss in standard conditions, in kWh/m2/year, calculated through the SAP assessment.
- **Cost rating** setting out the current modelled annual costs of running the building, based on the SAP assessment, and how these costs could change as a result of measures recommended. This is the same as the Energy Efficiency Rating (EER) currently displayed on EPCs but renamed.
- Heating system type clearly identifying the heating system installed in the dwelling and whether or not it meets the proposed Zero Direct Emissions Heating standard.

A separate section would also include:

- **Emissions rating** setting out the current modelled total emissions from the building in kgCO2e/m2/ year. This is the same as the Environmental Impact Rating (EIR) currently displayed on EPCs.
- Energy indicator reporting the modelled energy use of the dwelling in kWh/ m2/year.

Other proposed changes include:

- Clarifying the purpose of EPCs.
- Reducing the validity period from 10 to five years.
- Modernising the format by moving to a webpage, adding interactive links to further advice and information.
- Expanding the sharing of non-personal EPC data to allow better use of data.
- Improving EPC assurance by updating the auditing requirements and operating requirements for approved organisations and their members.

The consultation document also states that while the Scottish Government will continue to consider the potential role of actual energy use data and Green Building Passports, these aspects will not be taken forward at this time.

## The CIH View

We welcome the proposed aim of reviewing EPCs to provide more useful and accurate information for residents and potential residents.

Improving the energy efficiency of our homes and meeting net-zero targets will require significant intervention from the Scottish Government and a holistic approach including regulation, clear communication, access to advice and information, financial support and other practical assistance for private owners to arrange work, particularly for those living in tenements and mixed ownership buildings which require coordination of complex works.

We will be developing a response to this consultation and would value input from CIH Scotland members. If you would like to send us your comments or share your organisation's response, please get in touch: <a href="mailto:scotland@cih.org">scotland@cih.org</a>.