

# **Recast of the Energy Performance of Buildings Directive – EEPH Annual Conference, Wednesday 8 July 2009**

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## Energy efficiency in buildings – the wider context

- Climate change potentially greatest long term environmental challenge facing the world;
- In the UK, we have a target to achieve a 80% reduction by the year 2050;
- Reducing emissions to help combat climate change is one element of our energy policy
- Almost half of the UK's carbon emissions comes from buildings so important that we make our buildings – both new and existing – more energy efficient

## Energy efficiency in buildings – the wider context (cont)

- Need to see EPBD in the context of wider Government action, particularly the Heat & Energy Savings Strategy (HESS);
- HESS is a very ambitious package which has been designed to reduce emissions from existing buildings to virtually zero by 2050;
- As well as, drastically reducing carbon emissions, HESS also involves decarbonising the generation and supply of heat.

## Energy Performance of Buildings Directive – the current requirements

- The Energy Performance of Buildings Directive is designed to tackle climate change by reducing the amount of carbon produced by our buildings;
- Under the terms of the Directive:
  - an Energy Performance Certificate (EPC) must be produced whenever a building is sold, constructed or rented out;
  - a Display Energy Certificate (DEC) must be produced every year for large public buildings;
  - air conditioning installations above a certain size must be inspected every 5 years;
  - Boiler installations above a certain size must either be inspected regularly or advice must be provided to users

## Energy Performance of Buildings Directive – the current requirements (cont)

- An EPC details the energy performance of a building using an A – G rating scale;
- It shows the energy efficiency rating (running costs) and Environmental Impact rating (CO<sub>2</sub> emissions) of the dwelling;
- EPC includes recommendations to improve the building's energy performance;
- No requirement to carry out any of the recommendations;
- EPCs prepared by accredited and suitably qualified energy assessors and valid for 10 years (3 years for marketed sales of dwellings).

## Energy Performance of Buildings Directive – lodgements

- Over 3m domestic EPCs have now been lodged – average rating D;
- Over 94,000 commercial EPCs have been lodged – average rating C;
- Over 26,000 DECAs lodged – average rating D;
- Figures suggest a high level of compliance with the Directive as they are consistent with the number of transactions that have taken place.

## Recast of the Energy Performance of Buildings Directive – key proposals

- European Commission have now published their proposals for a recast of EPBD. Purpose of the recast is to:
  - extend the scope of the original Directive;
  - strengthen certain provisions;
  - clarify other aspects; and
  - give public sector a leading role in promoting energy efficiency.

## Recast of the Energy Performance of Buildings Directive – key proposals (cont)

- DEC to be displayed in buildings larger than 250m<sup>2</sup> that are occupied by a public authority;
- EPC to be displayed in commercial buildings larger than 250m<sup>2</sup> that (a) are frequently visited by public and (b) where an EPC has previously been produced on the sale, rent or construction of that building;
- Energy performance of existing buildings of any size that undergo major renovations to be upgraded in order to meet minimum energy performance requirements. Currently, there is a threshold of 1,000m<sup>2</sup>;

## Recast of the Energy Performance of Buildings Directive – key proposals (cont)

- Minimum energy performance requirements to be set in respect of technical building systems, eg boilers, air conditioning units etc;
- Commission to establish common principles for definition of low and zero carbon (LZC) buildings. The definition of LZC to be determined by Member States but it must be in accordance with the principles set by the Commission;
- Requirement to set targets for increase in LZC buildings with separate targets for:
  - New and refurbished dwellings;
  - New and refurbished commercial buildings;
  - Buildings occupied by public authorities.

## Recast of the Energy Performance of Buildings Directive - key proposals (cont)

- A single methodology, developed by the Commission, to calculate cost optimal levels of the energy performance of buildings;
- Format and content of EPCs to be improved by:
  - Ensuring that recommendations in the EPC are technically feasible for the specific building;
  - Providing transparent information on their cost-effectiveness.
- Very challenging timescale. Implementation by 31 December 2010 proposed where proposals affect public sector and 31 January 2012 for other buildings.

## UK position on the recast

- UK welcomes the recast and fully supports majority of proposals;
- To large extent they reflect existing policy, for example, already set minimum performance standards for building components – air conditioning systems, boilers etc;
- Some areas where we do have concerns. Mainly because we believe they raise issues of subsidiarity or costs may outweigh benefits. Key areas of concern are:

- Proposals for a single methodology, developed by the Commission, to calculate cost optimal levels of energy efficiency in buildings;
- Definition of low and zero carbon properties based on common principles determined by the Commission and accompanied by targets for an increase in the number of such properties;
- Extending the requirement for a DEC for public buildings larger than 250m<sup>2</sup>

- The recast was considered by the European Parliament at its 1<sup>st</sup> reading in April;
- EP proposed over 90 amendments to the recast;
- The amendments go further than the proposals put forward by the Commission;
- Commission is currently considering the amendments and will adopt a position in due course.

- Planning to hold a public consultation exercise shortly which will run for 12 weeks;
- In parallel to that, will be engaging with European Commission, MEPs and other key stakeholders;
- The outcome of that engagement, and of the consultation exercise, will help shape the UK's position on the recast;
- Commission, under the Swedish Presidency, aiming for adoption of the Directive by end of the year. Ambitious timescale. Remains to be seen whether it can be achieved

- EPBD is an important tool. Its successful implementation in the UK provides us with a baseline to help identify current levels of carbon emissions and the ability to take action to reduce them
- But important not to focus too much on the process for producing EPCs, or the underlying infrastructure;
- What matters is the extent to which we can use EPBD to help us tackle climate change and reduce carbon emissions;
- Look forward to working with you and listening to your views as we take forward the implementation of EPBD2.