

Environment Audit Select Committee Call for Evidence on the Energy Efficiency of Existing Homes

PEPA Response:

By way of introduction, the Property Energy Professionals Association (PEPA) represents the six Government appointed Accreditation Schemes that regulate Energy Assessors who produce Energy Performance Certificates (EPCs), Display Energy Certificates (DECs) and Air Conditioning Reports.

In the UK we already have an internationally respected system that has produced over 20 million assessed properties, science based methodologies for the assessment of buildings and innovative ways to measure actual energy efficiency, what we need now is to bring all the parts together. Our core message is that we need:

- A clear plan with milestones to achieve the Clean Growth Strategy targets
- Focus on the 98% of homes that are not 'new build'
- Launch a national home retrofit programme which includes focus the owner occupied sector
- A reduction in the validity period for EPCs to three years, increase the number of triggers to require every home owner to have a valid EPC on their home
- Using the established concepts of PAS 2035 provide a government funded Retrofit Plan, as identified from the EPC which will now be on every home.
- Provision of energy efficiency information on both the home and how it is occupied
- Investment in the methodologies to make them as close to the truth as possible.
- Close the loopholes in regulation, such as extended transition periods, that perpetuate the 'performance gap'
- Assure the quality of energy assessments undertaken for planning and building regulations compliance

Questions and Answers

1. What evidence can you provide of low carbon heat technologies being taken up without government support?

No strong opinion

2. Are the Government's targets on residential energy efficiency still appropriate to achieve its ambition to reach net zero emissions by 2050?

The Government targets are probably set about right, but progress is too slow and there does not appear to be a solution that is suitable for owner-occupied properties.

The vast majority of our homes do not receive an EPC as they are not being sold or let, and therefore they are completely off the radar in terms of energy efficiency. We must start to implement solutions that focus on these homes if we are serious about getting to 2050 and any targets that are set.

3. What are the potential risks and opportunities of bringing forward the Government's energy efficiency target?

PEPA believes that you need to incentivise those who are prepared to go early and penalise those that do not. The stop start policies and lack of belief that “government intentions” will ever be implemented, means that people are confused and therefore consider it acceptable to do nothing. MEES has shown that regulations can work to drive behaviour, but it must ensure that effective enforcement is in place. We would fully support legislating the implementation of targets and then incentivise the people that engage.

4. Should Government targets for energy efficiency be legislated for, and if so, what difference would this make?

Yes, for too long there have been many words about ambition and intent and, to be frank, people don't believe it. What we need is targets committed in legislation that takes us all the way to 2050.

The energy efficiency sector is more than ready to back government with these messages, but it needs leadership.

The current process of enforcement is via local trading standards and we have found that enforcement has been better when many other professional bodies actually check for energy calculations, for example, banks, lenders and solicitors checking for EPCs during the lending and conveyancing stages. Devising legislation that involves professionals to confirm compliance works well.

5. How effective is the EPC rating at measuring energy efficiency? Are there any alternative methodologies that could be used? What are the challenges for rural areas?

Yes, the approved national calculation methodology which is RdSAP for existing dwellings is the correct tool to calculate the energy efficiency of our existing homes. It was delivered over 10 years ago specifically for UK homes and indeed has had many improvements and updates to it, following research and evidence.

There are many misconceptions around this and a lack of genuine knowledge of the methodology itself, this is likely down to the fact that many people only see one of the physical outputs of the calculations, the EPC, and sometimes only the A-G rating.

We need to improve the look and information displayed on the EPC and make sure that it is focused on the consumer and becomes a catalyst for improvement.

We also need to urgently update SAP and RdSAP to ensure that it gives as close to the truth answers as possible. This next update (SAP10) is long overdue and is currently held up in new building regulations. This effectively means that the carbon emissions and cost associated to different fuels are out of date and misleading on EPCs.

6. How will lack of progress on residential energy efficiency impact the decarbonisation of heat and the associated costs of this?

The owners of many millions of homes do not know what opportunities there are to improve their home because the home has not been put on the market for sale or rent in the last 10 years. Frequently these will be older citizens who may be “asset rich and cash poor”. Without that basic knowledge, we have no understanding on the energy efficiency of a vast majority of our homes, so why will people want to change any habits to move to a low carbon future?

7. How can the Government frame a Covid-19 stimulus strategy around improved energy efficiency of homes?

PEPA welcomes the debate on energy efficiency in homes, but we must not fall into the old trap that all we need to do is to install 'stuff' in people's homes. PEPA suggest that we have to accept the findings in the Each Home Counts review. We have to firstly understand the asset, understand the occupants, and find out what is right for them in that building. The whole home approach is essential, and it must be done in a way that is independent of the solution provider, the installer.

8. Is the £5 million Green Home Finance Innovation Fund enough to stimulate the market for and drive action from the banks to encourage owner occupiers to improve the energy efficiency of their homes?

No, but we are seeing early signs through lenders of a raised understanding and using energy efficiency ratings as part of the lending decisions; this is more so in rental properties, lending to homes with better ratings and/or making extra funds available to drive energy saving measures. The message is already working with lenders, not lending on Buy-To-Lets that are 'F' or 'G' rated on the EPC, helping drive MEES regulations.

9. What policy and/or regulation could supplement it?

All government policy for existing homes retrofit must point towards the PAS2035 framework.

The triggers for EPCs need to widen from just sale and let, as this means that millions of homes are not measured and are off the radar. This is why we need to approach energy efficiency in a new way and make sure that all homes have an up-to-date EPC, and from this point, Government can support those that need help and encourage and regulate everyone else.

10. Which models in other countries have been successful at stimulating demand for energy efficiency within this market?

No strong opinion

11. What additional policy interventions are needed for social housing, leaseholders, landlords and tenants?

MEES and HHSRS are really starting to work. We suggest that we ratchet up the standards over time and help drive any funding into those that are in most need.

12. How should the proposed Home Upgrade Grant Scheme be delivered to help the fuel poor? Should the new grant scheme supplement ECO in its current form, or should ECO be redesigned?

ECO must be fundamentally redesigned to follow 'Each Home Counts' 27 recommendations.

At the present time it is still measure led and that will always result in single measures and, even worse, the wrong measures being installed in the wrong homes. Deemed scores favours the smallest homes with the most bedrooms (4 or 5 bedroomed homes) and it ignores the occupant, the building and its condition. It doesn't work for the sort of properties that most people in fuel poverty occupy.

The Each Home Counts report was clear that it must be about a whole building assessment and the occupiers within it.

The utility supplier's influence in the process should also be removed, as they may have a motivation to reduce the effectiveness of any efficiency programme to bolster profits.

The funding of ECO has to start at the beginning, to ensure that advice, assessment and whole house improvements are generated in an independent way, before it gets to the installers. Installers should be left to do what they are good at i.e., installing good quality materials and technology into homes.

Success in the future should not be solely measured by the number of installs. It has to be measured by the results for the occupants, e.g. lower fuel bills, less carbon, less energy use, etc. The PAS2035 'whole building' approach must be supported and enforced.

13. Are there examples of where energy efficiency policy has fallen between Government Departments? How could cross-departmental coordination be improved?

Energy efficiency in buildings has sat between MHCLG and BEIS (and previous names of the departments) for over 25 years. It is not helpful when it comes to decision making and, at times, their aims have been misaligned.

Government must issue new updated versions of the methodologies regularly and often – the last SAP change was SAP2012 now over 8 years old – and we as an industry delivering EPCs are getting criticised on fuel prices and carbon emissions, through no fault of our own, due to a serious hold up on new building regulations.

We would suggest that "energy efficiency" sits with one department to ensure a clear focus so that it can be managed more effectively moving forward.