

Rt Hon Don Foster MP
Parliamentary Under-Secretary of State
Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU

OPEN LETTER

14th December 2012

Dear Minister

I understand that very shortly, CLG will be putting in place the regulations for implementing the Energy Performance of Buildings Directive (Recast) and I'm writing to express deep concern about the nature of that implementation. Through a combination of media reports and draft documents which I have had sight of, I am particularly worried about the following issues:

Display of EPCs

Despite concerns being raised repeatedly by the industry, I understand that in commercial buildings visited by the public over 500m² you are to enforce the display of Energy Performance Certificates, as opposed to the Display Energy Certificates required in public buildings.

EPCs were designed for use in property transactions and show only theoretical energy consumption, whereas DEC's were designed for displaying actual energy performance information to building visitors. Unfortunately, to the public - and even to some in the investment community - they look like the same thing. Fundamentally though, they cannot be compared. If they are compared, those displaying EPCs will *appear* to be performing better than those displaying DEC's, as Graph 1 on the annexed page illustrates.

The non-domestic EPC is seriously lacking in credibility in the property industry for being inaccurate and at times misleading. Again, this is starkly illustrated by Graph 2, which shows almost no correlation between energy use and EPC rating in a sample of commercial buildings. Once commercial buildings display an EPC it will become much harder to convince companies that they should display a DEC, whether through a mandatory ruling or through voluntary action. They will argue that if the DEC is a poorer rating (as was the case with Eland House for example) it will look to their customers and shareholders as if their energy efficiency has become worse overnight.

At the very least, I urge you to ensure the regulations *allow* the display of a DEC where one exists, which would enable organisations like ours to encourage voluntary action. Your immediate clarification of this point would be very welcome.

Validity of DEC's

I also understand that DEC's and Advisory Reports that will now be required for public buildings between 500m²-999m² are to have a ten year validity period. This is quite absurd - the DEC rating and report will go out of date well before the end of that ten year period so as to be practically useless. DEC's in the public sector are driving performance improvements in large part because of their annual nature. I strongly urge you to reconsider.

In summary, while it is understandable that Government wants to minimise perceived burdens on business, the whole regime of EPC's and DEC's is being implemented in such a way that the market, including the incredibly influential investment community, are left hugely frustrated. EPC's, despite their importance in providing a basis for Green Deal for commercial buildings and the minimum performance standards legislated for through the Energy Bill, are very discredited, while we are not much closer to getting real operational performance ratings that are so vital in the commercial sector.

The current set up will neither minimise the burden on business, nor drive energy efficiency improvements. This whole policy area is crying out for a serious shake-up, so that we achieve carbon and energy reductions in a way that provides benefits for business.

Yours sincerely

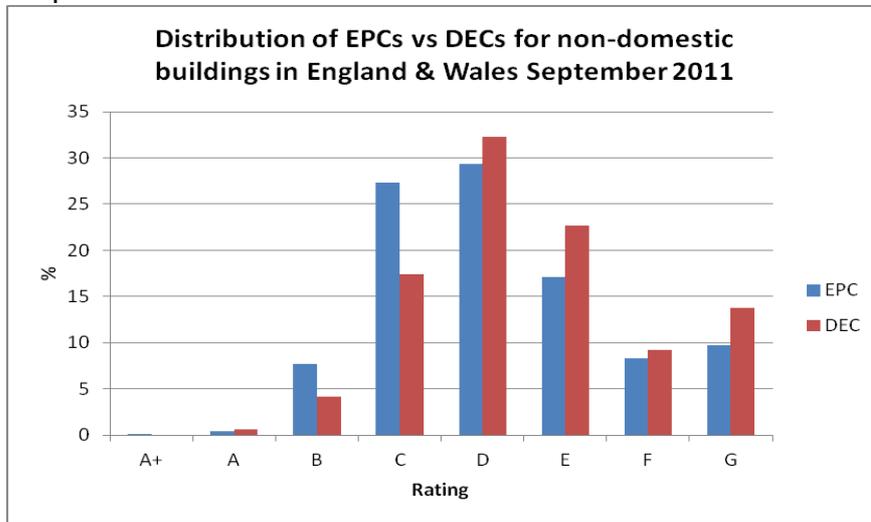
A handwritten signature in black ink, appearing to read 'Paul King', with a stylized flourish at the end.

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Graph 1:



Graph 2 (courtesy of the Better Buildings Partnership):

