

# Why the proposed reform of the Energy Performance of Buildings (EPB) framework is long overdue

Submitted by: Team Energy

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For over 16 years the Energy Performance of Buildings (EPB) framework has been a cornerstone in the UK's efforts to improve building energy efficiency and reduce carbon emissions.

However, with the increasing focus on energy costs and the evolving landscape around climate change, notably the Government's target of reaching net zero by 2050, necessitated a comprehensive reform of this framework.

Head of Consultancy at TEAM Energy, Timothy Holman, considers the proposed changes contained in the Government's new consultation "Reforms to the Energy Performance of Buildings regime", and how they aim to enhance the effectiveness of Energy Performance Certificates (EPCs), Display Energy Certificates (DECs), and TM44 certificates, making them more relevant and impactful in today's context.

## Energy Performance Certificates (EPCs)

EPCs have been instrumental in assessing the energy performance of buildings. They provide a rating that reflects the energy efficiency of a property, influencing decisions in the real estate market and guiding energy improvement measures. However, the current EPC system has limitations for domestic properties, and it often fails to capture the full spectrum of a building's energy performance, focusing primarily on theoretical energy use.

With the focus on Domestic EPCs, the proposed reforms aim to update the metrics used, incorporating additional factors such as energy cost, carbon emissions, and smart readiness. For Commercial EPCs (<https://www.teamenergy.com/consultancy/energy-certificates/energy-performance-certificates-epc/>), which already have a single headline carbon metric, there is no change expected, but new metrics could be added in the future.

There is still a question mark over the Minimum Energy Efficiency Standards (MEES). Under the previous Government, proposals were made to raise the minimum standards required to lease or sell a building from an E rating to a C, or even a B by 2030. The new Government has committed to reviewing and updating MEES as part of the Warm Homes Plan, with a change to a C by 2030, which is expected to include commercial buildings. We expect a consultation on this transition will happen very soon and hope to see updated legislation passed as soon as possible to provide clarity to building owners so the required investments in energy efficiency can be planned.

## Display Energy Certificates (DECs)

DECs are required for public buildings and display the actual energy usage of a building, promoting transparency and accountability in the public sector. The proposed reforms seek to strengthen the role of DECs (<https://www.teamenergy.com/consultancy/energy-certificates/display-energy-certificate-dec/>) by

shortening the validity period for smaller buildings under 1000m squared from 10 years currently. This is important to ensure information is more current and reflective of the building's recent energy patterns, improving data accuracy. A shorter validity period, proposed also for all accompanying Recommendation Reports, will benefit building owners to make more informed energy management decisions, supporting the public sector's accelerated pathway to net zero. These measures are important to ensure that more public buildings lead by example in energy efficiency, setting a benchmark for the private sector.

With only a short time to go for the UK to meet net zero emissions, there needs to be dramatic action to reduce building emissions. As it stands, the 10-year validity period is too long and doesn't facilitate the annual reporting of carbon reduction needed to support progress.

#### Air Conditioning Certificates (TM44)

TM44 air conditioning certificates are required to verify the inspection of air conditioning systems (<https://www.teamenergy.com/consultancy/energy-certificates/tm44-air-conditioning-inspection/>), ensuring they operate efficiently and safely. Regular inspections can identify opportunities for energy savings and reduce the risk of system failures. By implementing air conditioning report recommendations, system operators can achieve 30-40% in energy savings. Even the lowest cost recommendations, such as changing the setting schedule of the system, can save 10-20% of energy. Changes proposed to the format and information contained in the certificates and the accompanying recommendations reports to make them more relevant and useful for end users would be welcome.

However, compliance with TM44 regulations has been inconsistent and many organisations are failing to take advantage of the recommendations made and embrace the potential efficiency measures that can lead to meaningful carbon reduction. The proposed EPB reforms are set to increase fines for failing to undertake air conditioning inspections, but still based on a very low fixed value. While this may be appropriate for very small systems, the increase proposed is woefully inadequate for larger systems and does not provide any real incentive to comply where the cost of obtaining certificates can be significantly more.

#### Need for change

The urgency for reforming the EPB framework is underscored by the pressing need to reduce carbon emissions. Buildings account for approximately 20% of the UK's total greenhouse gas emissions so to meet the Government's legally binding net zero commitments, significant improvements in building energy efficiency are essential. The current EPB framework, while foundational, needs updating to help drive the necessary changes.

Encouraging more businesses to reduce their carbon footprint is a critical aspect of these reforms. By providing more accurate and comprehensive energy performance data, organisations can make informed decisions about energy efficiency investments. Additionally, the proposed changes to fines for non-compliance and additional help to support enforcement is well overdue.

## Energy efficiency back on the agenda

With the introduction of compliance that supports organisations to make sustainability gains, such as the Energy Savings Opportunity Scheme (ESOS) in 2014 and the Streamlined Energy and Carbon Reporting (SECR) in 2018, it's a shame that the EPB framework has been overlooked before. Its reform is timely and hints at energy efficiency being put back into sharp focus. By updating the requirements for EPCs, DEC's, and TM44 certificates, the reforms, if adopted, can enhance the accuracy, relevance of energy performance assessments. This will not only help the UK achieve its climate targets but also foster a culture of energy efficiency and sustainability across all sectors.

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Notes to Editors

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### About TEAM

TEAM is an energy and sustainability consultancy. It helps organisations with large energy estates reduce consumption and carbon emissions to save money and meet commercial and compliance targets on their journey to net zero.

Founded in 1985, it has a long history of helping customers navigate changing definitions and certification standards. TEAM Energy is an Employee Ownership Trust (EOT), with employees having a direct stake in its customers' success.