



Department for
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Our ref: TOB2022/02220

8 February 2022

Dear Mr Patrick,

Thank you for your letter of the 24th of January, regarding the Energy Performance Certificate (EPC) rating system for buildings. The Secretary of State is grateful to you for having taken the time to write. I have been asked to respond on his behalf.

Energy Performance Certificates (EPCs) use an Energy Efficiency Rating (EER), to score the energy performance of buildings based on their estimated running costs and generate recommendations to improve this rating. EPCs also produce an Environmental Impact Rating (EIR) based on the estimated CO₂e emissions of the building, but the EER is used to determine the overall EPC rating. Since energy costs can be a significant outlay it is importance that homeowners and occupiers are aware of the running costs of their building. Using the EER ensures that any recommendations generated by the EPC lead to a reduction in energy cost.

Using the EER also encourages measures that reduce energy demand, such as insulation, leading to reduction in both running costs and CO₂e emissions. However, as you have noted, given the higher cost of electricity relative to gas, the presence of electrical heating components such as an air source heat pump, may result on a low EER without additional measures to reduce energy demand.

We continue to keep the metrics on the EPC under review as we develop policy to simultaneously tackle fuel poverty and decarbonise the country's building stock. Recent consultations on policies that use EPCs, such as Minimum Energy Efficiency Standards (MEES) in the private rented sector, have sought views on alternative metric options, such as using a cost-based and carbon-based metric, to encourage property owners to pursue cost-effective measures. The responses to these consultations are currently being analysed and their respective Government responses will be published in due course.

Thank you for taking the time to write, I hope the action we have outlined in this response is of assistance.

Yours sincerely,

Kirsty Wallace
BEIS CORRESPONDENCE UNIT