



Department for
Energy Security
& Net Zero

Lord Callanan
Parliamentary Under Secretary of
State for Energy Efficiency and
Green Finance

**Department for Energy, Security
& Net Zero**

www.gov.uk

Andrew Percy MP
House of Commons
London
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27 April 2023

Dear Andrew,

Thank you for your email dated 4 April enclosing correspondence from your constituent Mr Derek Marsh regarding Energy Performance Certificate (EPC) assessments. I am responding as this matter falls under my Ministerial portfolio.

The Department for Energy Security and Net Zero manage the Standard Assessment Procedure (SAP) methodology which provides the underlying calculation methodology used to produce the EPC. SAP is the national methodology used to assess the energy performance of a home. A SAP assessment results in an annual estimate of a dwelling's energy consumption, running cost and carbon emissions. As Mr Marsh may be aware, a simplified version of SAP called Reduced Data SAP (RdSAP) is used to assess the energy performance of existing buildings, as an EPC assessor will not have access to all the information on building material and approach used at the time of construction.

Energy Performance Certificates (EPCs) provide information on the energy performance of a building. EPCs produce an energy efficiency rating (EER) based on the estimated running costs of the property, and recommendations to improve this rating. EPCs also produce an estimate of the carbon emissions of the property to determine its environmental impact, but the EER cost metric is used to determine the EPC rating. Since energy costs can be a significant outlay, it is important that homeowners and occupiers are aware of the running costs of their home.

Using the EER also encourages measures, such as insulation, that reduce energy demand, therefore reducing both energy bills for occupants, and the CO₂e emissions of the building. However, given the cost of electricity, the installation of electrical heating components such as an Air Source Heat Pump (ASHP) may result in a poor EPC rating, compared to gas heating components, without added measures such as insulation to reduce energy demand and running costs.

We would like to thank Mr Marsh for his valid concerns relating to the way that EPCs work and agree with the assessment that improvements can be made. Work is underway also to improve the metrics and information provided on EPCs to encourage better fabric efficiency and the deployment of low carbon heating systems including providing better information about the associated costs and benefits. The Government is currently working on proposals for improving EPC metrics, and

intends to consult on these this year, taking account also of recently published proposals from the Climate Change Committee.

The Boiler Upgrade Scheme is designed to kickstart the mass rollout of heat pumps across the country. All installers who apply to the scheme must be MCS accredited and members of a consumer code which sets out rules for installers regarding cost inflation which members must adhere to.

Installers must agree a quote with the property owner and submit this to Ofgem as part of the application process. We encourage customers to seek out multiple quotes ahead of contracting, to ensure they are content with the cost of the work to be undertaken. The Department for Energy Security and Net Zero and MCS monitor for any indication of price inflation.

Industry has reacted positively to the Boiler Upgrade Scheme during its first year, with suppliers developing new lower cost offers alongside the grant. The current grant levels mean that some consumers will pay as little as £2,500 when installing an ASHP, once the grant has been taken into account. This is comparable to the cost of a new fossil fuel boiler.

Thank you for writing to highlight Mr Marsh's concerns. I trust this information will be useful.

A handwritten signature in blue ink, appearing to read 'Martin Callanan', with a long horizontal flourish extending to the right.

Lord Callanan