



SUSTAINABLE TRADITIONAL  
BUILDINGS ALLIANCE

## Proposal

to change the domestic **EPC** headline rating (“A” .. “F”) from  
the **Energy Efficiency Rating** (EER)  
to the **Environmental Impact Rating** (EIR)

### What is the issue?

The headline rating on the front page of the EPC is the Energy Efficiency Rating (EER). This rating is based on an estimate of the **cost of energy** needed to heat and operate a dwelling over the course of a year. The headline EPC rating is referred to in the Clean Growth Strategy, the MEES Private Rented Sector (PRS) legislation and many other policy documents.

The main driver for these policies is to reduce carbon dioxide emissions from buildings. The rating on the EPC which estimates the **CO<sub>2</sub> emissions** is the Environmental Impact Rating (EIR), which is to be found on the last page of the EPC. Many members states in the EU, where the EPC originated, use the EIR as their headline rating.

At present we have a mismatch between the main policy aim (decarbonisation) and the headline metric (estimated cost of energy) in the domestic sector. Through fuel switching, it is quite possible to improve the EER while making the EIR worse - reducing the cost of energy while increasing carbon emissions - which is the opposite of the main policy driver.

### Advantages of the proposed change

- Aligns the metric with the main policy driver (decarbonisation).
- Brings domestic EPCs into line with non-domestic EPCs, which already use the EIR for the headline rating.
- Makes our system consistent with most of the rest of Europe.
- Makes achieving the aspirational EPC ratings set out in (UK, Wales and Scotland) government policy more achievable<sup>1</sup>.
- Reduces risks for traditional buildings as EPC score improvement can be effectively achieved through heat pumps, biomass, or bio LPG.

The fuel poverty agenda (using the EER cost metric) is still of course important but we don't need 90% reductions in fuel costs to achieve this aim (whereas we do need a high % reduction to achieve the decarbonisation aim) so a more realistic target and a bespoke policy agenda should apply to fuel poverty.

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<sup>1</sup> This was very clear in the Impact Assessment for the non-domestic MEES consultation - where fuel switching was used in all cases to achieve the requisite EPC scores.