

# Commercial – Energy Performance Certificates

## General Information

Energy Performance Certificates (EPC's) are being introduced in phases for all buildings, starting in April 2008 with large commercial buildings followed by all remaining commercial buildings whenever built, rented or sold from October 2008.

The Certificate is important because nearly 50 per cent of the UK's energy consumption and carbon emissions arise from the way our buildings are lit, heated and used. Even comparatively minor changes in energy performance and the way we use each building can have a significant effect in reducing energy consumption.

An EPC will provide an energy rating for a building which is based on the potential of the fabric of the building and its services. The energy rating given on the certificate reflects the intrinsic energy performance standard of the building relative to a benchmark which can then be used to make comparisons with comparable buildings and properties of a similar type. The document is always accompanied by a Recommendations Report, which provides suggestions on how the energy performance of the building can be enhanced, together with an indication of the payback period.

The energy rating of a building is a complex calculation, based on a combination of factors that is generated by a specially developed software calculation methodology known as the Simplified Building Energy Model (SBEM). The key factors are:

- The type of construction of the building (fabric) including walls, roofs, floors and glazing
- Geometry, orientation and location
- Whether parts (zones) of the building are used for different purposes e.g. office, factory etc, and the occupancy profile for each zone
- Heating, cooling, ventilation and hot water systems used
- Lighting

The energy performance for non-dwellings is expressed as a CO<sub>2</sub> based index. The CO<sub>2</sub> based rating the building receives depends on the energy used, less any energy generation technology installed in the building (such as solar water heating). The rating is based on a scale of 0 to 150+, the lower the rating the better the CO<sub>2</sub> emissions. The rating is adjusted for the useful floor area of the building so it is independent of size for a given type of building. The calculation process compares the carbon emission of the building being evaluated (its 'Building Emission Rate' or BER) with those of a 'notional' building. The notional building is an equivalent building (i.e. a building of the same, size shape and use as the actual building), constructed to 2002 Building Regulation standards, it being the target value ('Target Emission Rate' or TER) derived from similar calculations.

The recommendations report that is included with the EPC will help you improve the energy efficiency of the building (or part of the building). The recommendations only include those improvements that are appropriate for the building assessed. For each recommendation indicative paybacks are outlined. The recommendations are provided in four categories i.e. those

- With a short term payback – less than three years
- With a medium term payback – between three and seven years
- With a long term payback – greater than seven years
- Other recommendations (based on the Assessor's knowledge).

There is no obligation to act on the recommendations for energy improvements to the building. However, it has been shown taking action on the recommendations is likely to improve the energy efficiency of your building, reduce your fuel bills, cut carbon emissions and could make it more attractive to potential buyers or tenants in the future.

Your EPC will be valid for 10 years, or until a newer EPC is produced. When available we suggest you carefully file the document for safe keeping and, if you have not already done so, recommend that you maintain a log book for your building thus retaining a full record for future reference.

You should also know that the document will be lodged and stored in a national database register. This register is the official place for the storage of all EPC's and is the single source of EPC information for a building. Those in possession of an EPC can therefore verify the documents authenticity and that of the Energy Assessor who lodged it. In normal circumstances you should have no requirement to access the certificate for the building in the database, however, should there be a subsequent need to do so the EPC can be accessed via the central register.

## **Responsibilities for providing EPC's when selling or letting a non-dwelling**

As soon as a building is in the process of being offered for sale/let it is the responsibility of the seller/prospective landlord to make available an EPC to the prospective buyer/tenant free of charge.

The seller or the landlord is responsible for ensuring there is an EPC for the building, or part of the building, being sold or let, even if an agent or another service organisation is acting on their behalf for providing an EPC. The seller or landlord should therefore ensure any agents acting on their behalf are complying with the regulations.

Whilst regulations state that an EPC should be provided free of charge to prospective buyers or tenants, a landlord may organise an EPC for the whole building and may be able to recover the cost of producing a certificate via the service charge. However, this will depend on how the lease is drafted. The Code of Practice on Service Charges provides guidance on best practice: [www.servicechargecode.co.uk](http://www.servicechargecode.co.uk)

The penalty for failing to make an EPC available is a fixed fine of 12.5% of the rateable value of the building enforceable by Trading Standards. The range of penalties under this formula are set with a minimum of £500 and capped at a maximum of £5,000. For the avoidance of doubt having paid the fine it will still be a requirement for an EPC to be made available.

