

Energy Efficient Scotland Consultation  
Energy Efficient Scotland Programme  
Management Office  
Scottish Government  
1H South  
Victoria Quay  
Edinburgh EH6 6QQ

27<sup>th</sup> July 2018

**Response: Consultation on the Energy Efficiency Standard for Social Housing post-2020 (EESH2)**

Dear Sir/Madam,

Scottish Renewables is the representative body for the renewable energy industry in Scotland, working to deliver secure supplies of low-carbon, clean energy for heat, power and transport at the lowest possible cost. We represent around 270 organisations ranging from large suppliers, operators and manufacturers to small developers, installers and community groups, and companies right across the supply chain.

We set out our answers to the consultation below.

Yours Sincerely,



Fabrice Leveque  
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## SCOTTISH RENEWABLES CONSULTATION RESPONSE

### CONSULTATION ON THE ENERGY EFFICIENCY STANDARD FOR SOCIAL HOUSING POST-2020 (ESSH2)

#### 1. What are your views on the proposed target to maximise the proportion of social housing meeting EPC B by 2032?

We support the proposal to set a long-term standard for homes, as improving the fabric efficiency of homes will help reduce fuel poverty and carbon emissions. It will also help prepare some existing buildings for the installation of low-carbon heating systems, for example by making poorly insulated homes more suited to electric heat pumps.

#### 2. What are your views on the proposal for a lower target of EPC C for detached houses and houses reliant on specific fuel types (e.g. oil, LPG and solid fuel)?

We are concerned that the proposal to set a lower target for detached houses and those using high-carbon heating systems (oil, LPG and solid fuel) will reduce the number of these heating systems that are replaced. This is not aligned with Scottish Government targets as set out in the Climate Change Plan, that imply that most or all high-carbon heating systems will need to be replaced during the 2020s, and it will create missed opportunities. It also reflects a key gap in the current Energy Efficient Scotland around the deployment of low-carbon heat in rural areas.

To meet Scotland's climate change targets, the Climate Change Plan sets a target for reducing emissions from homes by 23% by 2032. The use of low-carbon heat will need to increase from 15% today (including electric heat) to 25% by 2032. To achieve this, the plan states that district heat networks and low-carbon technologies in off-gas grid areas 'to the mid-2020s [...] establish solutions for switching heating supplies from high to lower carbon or renewable sources for properties off the mains gas grid'<sup>1</sup>. This is supported by modelling by the Committee on Climate Change which recommends the installation of electric heat pumps in 280,000 existing homes in Scotland by 2030<sup>2</sup>. There are approximately 170,000 homes off the gas grid in Scotland heated by oil and LPG, and 316,000 heated with traditional electric heaters (resistive storage heaters)<sup>3</sup>.

Lowering the standard for buildings that are currently heated by high-carbon fuels (solid fuel, oil and LPG) will reduce the likelihood that high-carbon heating systems are replaced. The new standard will drive further interventions to retrofit measures to the existing housing stock, and it will be a missed opportunity, and inconsistent with the Scottish Government's stated policy intentions, if these interventions fail to consider the replacement of high-carbon (solid fuel, oil and LPG) heating systems.

We recognise that EPC ratings are not best suited to driving emissions reduction, as they reflect the energy efficiency and cost of overall building energy use. We believe that the best way to accelerate the replacement of high-carbon heating systems across the housing stock is to phase out these technologies using Section Six of the Scottish building regulations. In order to give consumers and

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<sup>1</sup> Scottish Government, 2018, Climate Change Plan

<sup>2</sup> CCC, 2016, Scottish Emissions Targets 2028 - 2032

<sup>3</sup> Ofgem, 2015, Insights paper on households with electric and other non-gas heating

supply chains time to adapt, we recommend setting phasing out such installations from 2025 – after this date no new installations of coal, oil and LPG boilers should be permitted. This would apply across all housing tenures, and would work in tandem with the new energy efficiency standards being set by Scottish Government for private and socially rented homes. As well as delivering carbon emissions reduction, this would help drive uptake of mature low-carbon heating technologies like biomass, electric heat pumps and solar thermal as the sector heads towards a period of uncertainty with the closure of the Renewable Heat Incentive, in its current form, in April 2021. We have set out more detail on this proposal in a dedicated briefing<sup>4</sup> and would welcome the opportunity to discuss this.

### **3. What are your views on the proposed content of the review:**

#### **(a) to assess progress towards meeting the new standard?**

Not answered.

#### **(b) to consider the 2032 milestone in the context of technological developments?**

Not answered.

#### **(c) to consider any additional requirements of the 2032 milestone regarding air quality and environmental impact?**

Not answered.

### **4. In terms of the timing of the review, what are your views on:**

#### **(a) the proposal to review the new standard in 2025?**

We are concerned that neither the proposed standard nor other Scottish Government policy creates a strong driver for social housing providers to replace high-carbon heating systems during the 2020s (as set out in our answer to question 2). If this is not addressed until a review in 2025, upgrades to social housing in off-gas grid areas (that will be using high-carbon heating) will have already taken place, and it will likely be too late to improve all of these homes by 2032, which will likely be needed if Scotland is to hit its 2032 climate change targets<sup>5</sup>.

#### **(b) the proposal to review the standard earlier if UKG has made announcements on hydrogen and the re-provisioning of the gas network**

We support this intention, although we consider the issue raised in answer 4 (a) to be of greater near-term importance.

### **5. Do you have any other comments on the further requirements proposed for the EESSH 2032 target?**

Not answered.

### **6. What are your views on the proposed minimum standard that no social housing should have an energy efficiency rating of less than EPC D?**

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<sup>4</sup> <https://www.scottishrenewables.com/publications/download/384/>

<sup>5</sup> Scottish Government, 2018, Climate Change Plan

We support this proposal although we flag that again that the Scottish Government intention should be to ensure that homes with oil heating have these systems replaced during the 2020s.

**7. It is proposed that this minimum standard of EPC D applies to social housing from April 2025, in line with the standard for the private rented sector. What are your views on this timescale for social housing?**

Not answered.

**8. What are your views on the proposal that landlords would need to provide a short narrative explanation of their performance in their annual returns to the SHR?**

Not answered.

**9. What are your views on the proposal that limited exemptions should apply to the 2025 minimum standard for new lets?**

Not answered.

**10. What are your views about the proposed approach to recognising new technology in EESSH2?**

We support the continuation of the process to allow for innovative approaches. This will be particularly critical for solar PV, especially as the combination with home batteries allows for full self-consumption (therefore increasing the energy bill savings realised by households).

**11. Do you have any comments on the EESSH 2040 Vision for**

**(a) poor energy efficiency to be removed as a driver for fuel poverty and for**

We support this objective.

**(b) social housing to be carbon neutral**

We support this objective, although caution that at present not enough thought appears to have been given to the deployment of near-term technologies.

**12. Do you have any views on the assessment of (a) costs (b) benefits and (c) funding implications of EESSH2?**

We support the inclusion of solar PV as a measure, although we would highlight that in some cases rather than being an additional measure, some social housing providers have come to rely on the technology to reach the current EESSH standard, as installations cause minimum disruption with the works taking place primarily on the exterior of a house.