The voice of our sustainable built environment



Briefing on Scotland's Heat in Buildings Bill consultation

The Scottish Government has published a consultation on energy efficiency and heating regulations to be included in the Heat in Buildings Bill, marking a key moment in Scotland's developing policy for net zero. UKGBC Scotland will be submitting a response to the consultation and invites member views to help guide our advocacy.

The consultation can be found <u>here</u>.

KEY MESSAGES

- UKGBC Scotland welcomes the consultation as the first step to providing the necessary clarity on the pathway to net zero for Scotland's buildings. We call on Ministers to move quickly to bring the Bill to Parliament with robust provisions for requiring and supporting decarbonisation of Scotland's built environment, to allow industry to plan and deliver the necessary work.
- It is critical that Scotland's buildings have the lowest possible energy wastage, consistently low energy bills for their occupants, connect people to clean and efficient heat and power sources, and enable the clean energy networks that will power our future built environment.
- Regulation of energy efficiency and decarbonisation is critial because of the pace of change now required to meet our legally-binding climate commitments and respond to the climate and costof-living challengse that are facing our economy and communities.
- The most forward-thinking parts of industry are already prepared to deliver against modern green building standards. By setting out the pathway for decarbonisation, Scottish Government will allow this work to accelerate while signalling to the entire sector that now is the time to act to prepare our skills base, supply chains, and delivery mechanisms for a net zero future.

WHY THE BILL IS NECESSARY

Scotland has set a legally binding target to be net zero by 2045. The built environment is directly responsible for a quarter of our emissions, so there is no way to meet our targets without changing the way we heat and power our buildings.

In this Bill, the Scottish Government is introducing proposals to prohibit the use of polluting heating systems after 2045, and to set out a pathway from now for how that goal is met through decarbonisation and energy efficiency improvements.

From the perspective of industry, the Bill is long-awaited and provides a measure of the clarity and direction that have long been called for.

THE PROPOSALS

UKGBC will be responding in full to this consultation as a key piece of the legislative pathway to net zero in Scotland. We encourage members to feed back on any elements of the proposals that are of interest. Set out here are key elements that will impact much of the built environment sector:

Proposal: prohibit the use of polluting heating systems in all buildings after 2045

This is a necessary prohibition, and unavoidable if Scotland is to meet its climate commitments. However, a backstop date is the simplest piece of a puzzle that must include sufficient incentives to spur action well in advance of that date.

Proposal: a minimum energy efficiency standard to be met by private sector landlords by the end of 2028 (even if they are already using clean heating), and to be met in owner occupied homes (which still have a polluting heating system) by the end of 2033

Energy efficiency improvements must be a core part of the effort to decarbonise Scotland's homes, particularly when viewed in parallel with the challenges of the cost of living and fuel poverty. Interim targets on energy efficiency en route to 2045 are therefore an important part of the pathway, but must be backed up by alignment of incentives to act, including clear communication of the benefits, sufficient skills and supply chain support, and financial support to encourage early action.

An earlier date for the private rented sector is appropriate as a tool to help address fuel poverty, and has been flagged before now in the Heat in Buildings Strategy. The necessity for energy efficiency works alongside clean heating means that tenants will not be excluded from the financial benefits of retrofit works.

Proposal: a minimum energy efficiency standard that can be met by either installing a straightforward list of measures, or showing a good level of energy efficiency based on a reformed EPC fabric efficiency metric

Feedback encouraged here. A 'list of measures' approach gives more flexibility for homeowners, but potentially less accuracy than a metric-based approach, and could result in homes not being ready for a zerp-carbon heat source.

The proposed list will require deeper explanation of what measures should be required for which classes of property, as there is a risk that exclusions will result in certain properties benefiting from minimal or no improvements. It also notably does not include measures such as double glazing or solid wall insulation:

- 270 mm loft insulation
- Cavity wall insulation
- Draught-proofing
- Heating controls
- 80 mm hot water cylinder insulation
- Suspended floor insulation

There are also many questions left to be answered on how feasibility is determined, how those measures deemed feasible for a given property should be verified, the alignment of a measures-based approach with an alternative EPC-based compliance, and also how the energy efficiency standard should be applied to propoerties within a heat network zone.

Do you think that an alternative approach to setting the minimum energy efficiency standard is required?

If you disagree with the proposed approach, please outline your reasons, and suggest what alternative would be preferred, e.g. compliance with a heat demand metric.

Note that for non-domestic buildings, the Scottish Government is proposing no mandatory action to improve energy efficiency, instead relying on market drivers to incentivise action alongside the clean heat requirement:

We are not proposing to set a minimum energy efficiency standard for non-domestic buildings. This is due to the extreme variety of size, construction, operating hours, business activity etc. in Scotland's non-domestic premises. However, the move to clean heating systems will also, we believe, drive energy efficiency investment

Do you agree with this approach, or do you think more effort should be put into finding an appropriate way to require energy efficiency improvements in non-domestic buildings as an end in itself?

Proposal: provide local authorities (and Scottish Ministers) with powers to require buildings within a Heat Network Zone to end their use of polluting heating systems by a given date, and to require developers to connect new buildings within Heat Network Zones to a heat network

Do you agree with the principle that heat network zoning take precendence over an energy efficiency standard as the default method of decarbonising properties within the area, and that within those areas requirements be set to join the network or decarbonise by another method in advance of the Scotlandwide backstop?

Which people, businesses, or types of buildings, if any, should be eligible for a modified standard or exemptions, and who should be given extra time to meet the Heat in Buildings Standard?

Please provide evidence for any exclusions or changes you think will be required that have not been included in the consultation.

ADDITIONAL PROPOSALS

The Social Housing Net Zero Standard

The Scottish Government has also published a consultation on a new standard for energy efficiency and decarbonisation of social housing, which will replace the second Energy Efficiency Standard for Social Housing (EESSH2).

The consultation can be found <u>here</u>, and if you are specifically interested in responding to particular elements of this consultation, please get in touch.

ACTION POINT

We encourage you to read the consultation document, identify areas of particular interest to your business, and let us know your views and experiences that will help us respond to the consultation in a way that reflects our full membership.

Feedback can be sent to david.steen@ukgbc.org