Display Energy Certificates

Making the most of the opportunity they offer to drive down energy waste in the public sector and beyond

Proficiency

Professionals in efficiency

Proficiency is the national professional body for energy assessors in the UK

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1) Engagement with DECs

Display Energy Certificates (DECs) are probably the most undervalued and poorly utilised element of the UK Energy Performance of Buildings (EPB) regulations. The biggest single limitation on the effectiveness of DECs the almost total lack of positive engagement in making them work by the department responsible for them. The software and methodology are out of date, the format has changed making them far less impactful, enforcement is virtually non-existent, and the legislation itself largely misses the point.

Non-domestic Energy Performance Certificates (EPCs) can and frequently do make assumptions and recommendations entirely inappropriate for the way a building is used by a current or incoming occupier. This is simply because the purpose of the EPC is to enable the direct comparison of the intrinsic energy efficiency of different buildings. The only way to do that is to base the assessment on “typical” occupancy assumptions. However, the way a specific occupier then uses a non-domestic building is often far from typical.

DECs on the other hand reflect the reality of the efficiency of the building as used by the current occupier. They also allow the assessor to identify recommendations appropriate to use by the current occupier, however untypical that use is. In essence, DECs provide real information and recommendations appropriate for both building and occupier. EPCs only provide theoretical information and recommendations that disregard how any specific occupier will use the building. Because of this, DECs are actually one of the most effective key performance indicators (KPIs) sources of recommendations available to a building occupier.

The original DEC format had a really striking histogram that clearly showed if your energy use was going up or down. Replacing that with a row of letters and numbers was a major retrograde step.

There was a very good reason why during the Covid pandemic, the briefings were primarily based on showing charts. There is a need to get back to a large eye-catching chart on the DEC clearly showing the direction of travel and how steep it is.

2) There is a need for a MEES equivalent DECs.

Currently there is a responsibility to obtain and display a DEC, but no responsibility to improve the rating. The minimum energy efficiency standard (MEES) applied to EPCs in the private rented sector has had a massive impact of raising the energy efficiency of a significant proportion of buildings.

Public buildings have largely been missed by the MEES as there is no property transaction to trigger it. That urgently needs to be addressed, and DECs (which already are a requirement for public buildings) are the ideal tool for doing so.

We submit that due to differences in the way public buildings (and non-domestic buildings in general) are used, it is not as simple as setting a minimum rating to be achieved. It is however as simple as requiring a year-on-year improvement in DEC rating or requiring other remedial actions.

Linking the above offers further scope for effective non-domestic MEES in the private rented sector. There is the potential to set a minimum standard for buildings of a certain type. (It should not be the same across all building types as the software does not treat all building types equally). Where a building can be upgraded to reach compliance in a cost-effective

manner it should be. Where it cannot be, then instead of an exemption a DEC must be obtained, and the DEC must improve year-on-year, or other steps be taken to compensate.

The most logical approaches to consider would be:

a) To require the occupier to document the reasons for a deterioration in their DEC rating and what they are doing to address it, in addition to displaying the DEC, and/or

b) To require the occupier to obtain a new recommendation report if their rating deteriorates in two consecutive years.

An approach such as the above would force an occupier to take an interest in what the DEC rating is and not to simply obtain a DEC to tick a box. This is necessary to change the DEC from being a simple tick box compliance item to becoming a driver for positive change.

3) The carbon factors used in DECs urgently need to be updated

The carbon factors used in EPCs were updated in June 2022 to reflect that fact that the carbon intensity of grid supplied electricity has approximately halved. Grid supplied electricity is now more environmentally friendly than mains gas, and yet the DEC still treats electricity as far worse than mains gas.

A crucial and long overdue step for DECs is to update the (18 years out of date) carbon intensities to match those used in the non-domestic EPC. Until that is done, the DEC penalises occupiers for doing what the EPC encourages them to do. This is an unconscionable defect in the legislation at the core of supporting the path to net-zero.

It is worth noting that doing this should not have anywhere near the impact that updating the carbon factors on EPCs had, even though the DEC shows 3 consecutive rating periods.

It should be simple enough in the DEC calculation to use the data held in the previous DEC XMLs, to display a DEC history based on what the rating would have been using current carbon factors. This maintains a realistic period on period Indicator rather than making the DEC history worthless until there have been two further subsequent renewals.

4) The benchmarks used in DECs urgently need to be updated

Similarly to the carbon factor issue, the DEC benchmarks are also currently around 18 years out of date. There have been massive changes in typical energy use profiles across most building types in this period which are not reflected in the current benchmarks.

There is no need to create a new set of theoretical benchmarks to replace the existing CIBSE ones as there is a far better data source available now that was not available 18 years ago. The simple, and far more sensible approach, is to generate and periodically update the building type benchmarks based on a (we would suggest 3 year) rolling average of the energy use from lodged DECs for each benchmark category.

5) The ability to create a stand-alone Recommendation Report needs to be reinstated

There are two parts to the regulations requiring DECs. The first is that the occupier must display a DEC. The second is that they must be in possession of a valid Recommendation Report (RR). Until the most recent (but several years ago now) update to the software, an

assessor was able to produce and lodge a RR without a DEC. No reason has ever been given for the change, but it was essentially a significant error.

Firstly, there are (far more frequently than energy companies would like to admit) situations where the energy consumption is unknown and unobtainable. Most commonly this is the result of either a defective meter or the loss of data feed on a working meter for which there are no back up meter readings.

Previously, the assessor was able to produce and lodge a RR, even though a DEC could not be produced. This meant the occupier was able to comply with one half of the regulation, even though they could not comply with the other half. It also gave the occupier the benefit of high value set of recommendations to start working with.

The withdrawal of the ability to lodge a stand-alone RR has created unnecessary non-compliance with a significant part of the regulations, and more importantly deprived the occupier of advice that will save them money and reduce their carbon footprint. That is completely counterintuitive.

Furthermore, there is no reason why an occupier (whether having a mandatory need for a DEC or not) should be prevented from commissioning a RR at any point they want an expert opinion on what improvements they should be thinking of making to their building. A RR is a valuable document and does not need to be limited to only being done when a DEC is required.

6) There is a need for multiple building DECs in some situations

Multiple building DECs are essential for some specific scenarios when building specific metering is not in place.

This is essentially the calculation that was used in the initial introduction period for site based DECs, so the software and methodology are already able to support it. The feature just needs to be turned back on and appropriate limitations placed on it use.

To be entirely clear, we are certainly not proposing the re-introduction of site based DECs. However, there are many situations where allocating energy between buildings that are not specifically metered (or sub-metered) based on floor area simply does not work. The two main scenarios that do not work in the current methodology are:

a) Where energy is shared between buildings, but not all buildings use the same energy types (most typically a main building with fossil fuel heating shares electricity supply with other buildings having electric heating).

In this scenario, the current methodology causes distorted results with provision to compensate for buildings using electricity for heat and power. In the early days when DECs we're only required for buildings over 1,000 square metres, this was largely hidden as the impact on them would be limited. However, with DECs required on buildings over 250 square metres, many of these electrically heated buildings sharing supplies with a larger building having fossil fuel heating also need DECs.

Under the current methodology there are arguably 2 approaches. You either allocate the electric on floor area and not the fossil fuel, which generally inflates the rating of the smaller building, or you allocate both fuels on floor area, which entirely misrepresents (and misstates on the DEC) the heating fuel in the smaller building.

b) Where energy is shared between buildings that should have different benchmarks.

In this scenario, the current methodology causes distorted results with too little allocated to high energy use buildings and too much allocated to low energy use buildings if different benchmarks are used. Alternatively, it forces the assessor to use the same benchmark for all even though it will be inappropriate for one or more of the buildings.

In the two scenarios above, it would be entirely possible to provide an accurate and much more useful DEC and recommendation report by combining the buildings and if appropriate composite benchmarking them. Is a simple fix that would massively improve the value of DECs on sites with multiple building that lack building specific metering.

7) DECs for all buildings requiring DECs need to be renewed annually.

The greatest value of DECs is as a KPI for the building which shows whether energy efficiency is improving, static or getting worse. To only revisit that KPI once every 10 years is frankly ridiculous. Every building occupier needs to know if they're doing better this year than they did last year.

In larger buildings there will probably be a facilities manager or team who will know how they are doing compared to last year. In smaller buildings it is far less likely that anyone will actually know what their energy consumption is and whether it's improving. The only people with some indications are likely to be those who pay the bills, and their only interest is how much they have to pay. Variations in cost per unit and standing charges disguise whether the underlying consumption is increasing or decreasing.

In many of these smaller buildings, the only indication they will have of whether their energy efficiency is improving is the DEC. They need to see one every year.

8) Conclusion

DECs are having an impact, but far less than they should be. The cost of the improvements needed for them to have massively more impact is negligible. This is an inexcusable wasted opportunity that must not be allowed to continue.

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