

**EXPLANATORY MEMORANDUM TO  
THE ENERGY EFFICIENCY (BUILDING RENOVATION AND REPORTING)  
REGULATIONS 2014**

**2014 No. 952**

**1.** This explanatory memorandum has been prepared by the Department of Energy and Climate Change (“DECC”) and is laid before Parliament by Command of Her Majesty.

**2. Purpose of the instrument**

2.1 The instrument places an obligation on the Secretary of State, after consultation with the Scottish Ministers, the Welsh Ministers and the Northern Ireland departments, to:

- Establish a long-term strategy for stimulating investment in the renovation of residential and commercial buildings in the United Kingdom and to publish and submit this strategy to the European Commission by 30 April 2014. The strategy must be updated and submitted to the Commission by 30 April in every third year thereafter.
- Submit written annual reports, by 30 April each year, to the European Commission on the UK’s progress towards meeting its national energy efficiency targets, with statistics on co-generation, and district heating and cooling.
- Submit to the European Commission by 30 April 2014 a National Energy Efficiency Action Plan (“NEEAP”). The plan must be updated and submitted to the Commission by 30 April in every third year thereafter.

**3. Matters of special interest to the Joint Committee on Statutory Instruments**

3.1 None

**4. Legislative Context**

4.1 This instrument transposes the requirements of Articles 4 and 24 of the Energy Efficiency Directive (“the Directive”)<sup>1</sup>.

4.2 Article 4 requires Member States to establish a long-term strategy for mobilising investment in the renovation of the national building stock. The strategy must include:

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<sup>1</sup> Directive 2012/27/EU. OJ No L 315, 14.11.2012, p1.

- an overview of the national building stock based, as appropriate, on statistical sampling;
- identification of cost-effective approaches to renovations relevant to the building type and climatic zone;
- policies and measures to stimulate cost-effective deep renovations of buildings, including staged deep renovations;
- a forward-looking perspective to guide investment decisions of individuals, the construction industry and financial institutions;
- an evidence-based estimate of expected energy savings and wider benefits.

4.3 Article 24 of the Directive imposes three new requirements on Member States. Article 24(1) dictates that Member States must submit annual reports to the Commission by 30 April each year. The content of these reports is specified in Part 1 of Annex XIV of the Directive.

4.4 Article 24(2) requires Member States to publish and submit a NEEAP to the Commission by 30 April 2014 and update it every three years thereafter. The NEEAP must include the information specified at Part 2 of Annex XIV and set out the measures which demonstrate compliance with the Directive.

4.5 Article 24(6) requires Member States to submit statistics on cogeneration and district heating and cooling to the Commission by the 30 April each year. The first statistics must be submitted by 30 April 2015.

4.6 A Transposition Note is attached at Annex A.

## **5. Territorial Extent and Application**

This instrument applies to the United Kingdom.

## **6. European Convention on Human Rights**

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

## **7. Policy background**

7.1 The aim of the Directive is to drive improvements in energy efficiency across the EU. It is intended to put the EU on track to reduce energy use by 20% by 2020.

7.2 The national building renovation strategy, to be published pursuant to Article 4 of the Directive, is intended to stimulate investment in energy efficient renovation. It seeks to achieve this by providing information on the current state of the national building stock; identifying the most cost-effective approaches to renovation; describing existing policies and measures; and providing long-term investment guidance. The UK has a wide range of policies in place which encourage energy efficient building renovation and the first building renovation strategy will present a narrative summary of these existing policies. The UK will not need to develop new policies in order to comply with Article 4.

7.3 The reporting requirements contained in Article 24 largely represent an extension of requirements previously introduced under the Energy End-use Efficiency and Energy Services Directive<sup>2</sup> and the Cogeneration Directive<sup>3</sup> which are repealed by the Energy Efficiency Directive. The United Kingdom has previously submitted two Energy Efficiency Action Plans under the Energy End-use Efficiency and Energy Services Directive.

## **8. Consultation outcome**

There has been no public consultation on the requirements implemented by this instrument since only central government is affected. Other government departments and the devolved administrations were consulted and were supportive of the approach to transposing the requirements of Article 4 and 24 of the Directive.

## **9. Guidance**

There is no intention to publish guidance.

## **10. Impact**

An impact assessment has not been prepared for this instrument as there is no impact on business, charities or voluntary bodies. A small resource burden will be imposed upon central government but this will be met within existing budgets.

## **11. Regulating small business**

The instrument does not apply to small business.

## **12. Monitoring & review**

The Secretary of State is required to carry out a review of the operation and effect of the instrument and publish an assessment. The first report must be published by 29 April 2019.

## **13. Contact**

Elizabeth Stevens at the Department of Energy and Climate Change (Tel: 0300 068 5916 or email: [elizabeth.stevens@decc.gsi.gov.uk](mailto:elizabeth.stevens@decc.gsi.gov.uk)) can answer any queries regarding the instrument.

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<sup>2</sup> Directive 2006/32/EC. OJ No L 114, 27.4.2006, p.64.

<sup>3</sup> Directive 2004/8/EC. OJ No L 52, 31.2.2004, p.50.