

<p><b>Title:</b> The Energy Efficiency (Building Renovation and Reporting) Regulations 2014 Post Implementation Review</p> <p><b>PIR No:</b> BEIS012(PIR)-20-EECC</p> <p><b>Original IA/RPC No:</b> N/A</p> <p><b>Lead department or agency:</b> BEIS</p> <p><b>Other departments or agencies:</b> N/A</p> <p><b>Contact for enquiries:</b> Tim Schein</p>	<b>Post Implementation Review</b>
	<b>Date:</b> 08/06/2020
	<b>Type of regulation:</b> Domestic
	<b>Type of review:</b> Statutory
	<b>Date measure came into force:</b> 05/06/2014
	<b>Recommendation:</b> Amend
<b>RPC Opinion:</b> N/A Choose an item.	

**1. What were the policy objectives of the measure?** (Maximum 5 lines)

The Regulations transpose the reporting requirements of Articles 4 and 24 of the Energy Efficiency Directive 2012 (EED). Member States must submit to the European Commission annual energy efficiency reports and statistics on cogeneration and district heating and cooling, as well as a National Energy Efficiency Action Plan (NEAAP) by 30 April 2014 and every three years thereafter. Member States must also establish a building renovation strategy (BRS) for renovation of the national building stock and submit this via the NEAAP.

**2. What evidence has informed the PIR?** (Maximum 5 lines)

BEIS has used two main publications to assess progress & gather evidence against the objectives of this regulation: the UK's [2019 EED annual report](#) and the UK's [2017 NEEAP](#). Both publications report on the progress of the UK's obligations under the EED. The NEEAP also details the further action that will be taken to realise our energy efficiency goals.

**3. To what extent have the policy objectives been achieved?** (Maximum 5 lines)

The UK has to date complied with its energy efficiency reporting requirements. The EED remains in force during the Transition Period, however, in December 2018 the EU adopted a new Governance Regulation removing the requirement to submit a NEEAP and a BRS, as well as (from 1 January 2021) the annual report requirement. The Government therefore intends to amend these Regulations and remove the obsolete reporting requirements.

***I have read the PIR and I am satisfied that it represents a fair and proportionate assessment of the impact of the measure.***

Signed: ***Kwasi Kwarteng***

Date: 15/07/2020

## **Further information sheet**

Please provide additional evidence in subsequent sheets, as required.

### **4. What were the original assumptions?** (Maximum 5 lines)

The original assumption was that the Regulations would have no direct impact on business, charities or voluntary bodies, with the main impacts coming from the action required by the public sector to promote energy efficiency and a government buildings energy savings target. If action was required to meet the targets, over and above what would be required by existing policy, then separate action would be brought forward.

### **5. Were there any unintended consequences?** (Maximum 5 lines)

As the Regulations implement EU law reporting requirements on the UK Government, unintended consequences were not expected or observed. The evidence within this Post Implementation Review concurs with the original projections in that no unintended consequences were observed.

### **6. Has the evidence identified any opportunities for reducing the burden on business?** (Maximum 5 lines)

The Regulations place an obligation on the UK Government to publish plans and report progress towards EU energy efficiency targets rather than on business, charities or voluntary bodies. As a result, no burden had been forecasted for business. The evidence in this Post Implementation Review maintains this finding.

### **7. For EU measures, how does the UK's implementation compare with that in other EU member states in terms of costs to business?** (Maximum 5 lines)

Articles 4 and 24 of the EED require the central governments of all EU Member States to publish plans and reports on energy efficiency on the [Commission's website](#). In the UK, implementation has not resulted in any costs to business. There is unlikely to be any difference across Member States with regards to the costs to business of implementing these Articles.

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## 1) Introduction

This document is a Post Implementation Review of The Energy Efficiency (Building Renovation and Reporting) Regulations 2014 ('the Regulations'). Regulation 6 imposes a legal duty to carry out this Post Implementation Review. It provides an overview and assessment of how the UK has performed since the inception of the Regulations.

The Regulations<sup>1</sup> transpose the requirements of Article 4 and 24 of the EED 2012<sup>2</sup>:

- a. Article 4 requires Member States to establish a BRS for mobilising investment in the renovation of the national building stock by 30 April 2014, and update it every three years thereafter.
  
- b. Article 24 of the EED imposes three reporting requirements on Member States, subject to guidance provided within Annex XIV of the Directive:
  - i. Member States must submit annual reports to the European Commission each year,
  - ii. Member States must publish and submit a National Energy Efficiency Action Plan to the Commission by 30 April 2014 and update it every three years thereafter; and
  - iii. Member States must submit statistics on cogeneration and district heating and cooling to the Commission each year.

## 2) Scope of this PIR

This Post Implementation Review will:

- i) Set out the objectives intended to be achieved by regulation
- ii) Assess the extent to which those objectives have been achieved
- iii) Assess whether those objectives remain appropriate and, if so, the extent to which they could be more effectively achieved, such as by a system that imposes less regulation.

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<sup>1</sup> Available at: <http://www.legislation.gov.uk/ukxi/2014/952/introduction>

<sup>2</sup> Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32012L0027>

### 3) Energy Efficiency (Building Renovation and Reporting) Regulations 2014 Objectives

The central objective of the Regulations is to put in place a reporting framework to ensure the UK fulfils its legal obligations to transpose the requirements in Articles 4 and 24 of the EED. The plans and reports required under Articles 4 and 24 are used by the Commission to monitor and assess progress by all Member States towards the energy efficiency objectives established in the EED.

Article 4 outlines the following mandatory components in relation to the BRS: an overview of the national building stock, identification of cost effect approaches to renovations, policies and measures to stimulate deep renovations, a forward-looking perspective to guide investment and an evidence-based estimate of expected savings and benefits.

Article 24 provides detail on the publication of a NEEAP to the Commission by 30 April 2014, which must be updated every three years thereafter, as well as the submission of annual progress reports to the European Commission. The UK's obligations under Articles 4 and 24 of the EED have been transposed by the Regulations through the provisions laid out within (see table 1):

**Table 1: Summary of provisions within Energy Efficiency (Building Renovation and Reporting) Regulations 2014**

Component of The Energy Efficiency (Building Renovation and Reporting) Regulations 2014	Objective / Remit	Reporting Requirement
Preamble and regulation 1	Citation, commencement and in force date.	No
Regulation 2	Interpretation of the regulation, containing definitions and explanations of the terminology used within the regulation.	No
Regulation 3	The Secretary of State must establish and publish a BRS for stimulating investment in the renovation of residential and commercial buildings by 30th April 2014. The BRS must contain the information specified in Article 4 of the EED 2012.	Yes

	A copy of the BRS must be included in the NEEAP submitted to the Commission by 30 <sup>th</sup> April 2014. The Secretary of State must update the BRS in the triennially published NEEAP.	
Regulation 4	The Secretary of State must submit a written report to the EU Commission containing the information specified in Annex XIV; and the statistics referred to in Article 24 in accordance with Annexes I and II of the EED 2012 by 30 April each year.	Yes
Regulation 5	The Secretary of State must submit to the Commission a NEEAP by 30 <sup>th</sup> April 2014 and by 30 <sup>th</sup> April in every third year thereafter.	Yes
Regulation 6	Places duty on the Secretary of State to carry out a review of the operation and effect of these Regulations, set out the conclusions of the review in a report and publish the report.	Yes

#### 4) Impact Assessments related to The Energy Efficiency (Building Renovation and Reporting) Regulations 2014.

When the legislation was laid, no impact assessment was produced because there was no direct impact to business, charities or voluntary bodies. The Regulations impose a small resource burden upon central government in order to compile the required reports using available information. This has been met within existing departmental budgets and as such, no costs / benefits are presented in this review. Publication of the required reports has imposed no additional costs or benefits on the public sector.

## 5) Progress made through The Energy Efficiency (Building Renovation and Reporting) Regulations 2014

Progress towards the obligations under Article 4 and 24 of the EED 2012 through the Energy Efficiency (Building Renovation and Reporting) Regulations 2014 has been actioned via the publication of annual energy efficiency progress reports and publication of a NEEAP in 2014 and 2017. The UK's final annual progress report was submitted to the European Commission in April 2020. These annual reports can be found on the Official European Commission website<sup>3</sup>, tracing back to 2014. Similarly, the NEEAPs can also be found on the Official European Commission website.

**Table 2: Summary of actions and impacts as a result of The Energy Efficiency (Building Renovation and Reporting) Regulations 2014**

Component of The Energy Efficiency (Building Renovation and Reporting) Regulations 2013	Progress made
Regulations 1 & 2	Not applicable
Regulations 3 and 5	The UK as at 30 <sup>th</sup> April 2014, has achieved the requirement to publish and update triennially, the UK's BRS within the NEEAPs. The strategy contains the relevant information required by Article 4 and contains a comprehensive analysis on the UK's forward-looking measures on building renovation. The most recent <a href="#">NEEAP</a> was published in 2017 which included an update on the strategy (p. 27).
Regulation 4	The UK has continually published annual energy efficiency progress reports since 2014, containing the relevant information required by Part 1 of Annex XIV And the statistics referred to in Article 24(6), in accordance with Annexes I and II regarding the EED 2012. The <a href="#">2020</a> annual report is the latest publication containing this information.

<sup>3</sup> Available at: <https://ec.europa.eu/energy/en/topics/energy-efficiency/energy-efficiency-directive/national-energy-efficiency-action-plans>



## 6) Next steps for The Energy Efficiency (Building Renovation and Reporting) Regulations 2014

In December 2018, the EU adopted a Regulation on the Governance of the Energy Union and Climate Action (Regulation (EU) 2018/1999) (“Governance Regulation”). The Governance Regulation establishes a new integrated framework for planning and reporting across EU energy and climate objectives, including those in the EED, with a requirement for all Member States to submit a ten-year National Energy and Climate Plan (NECP) for the period 2021-2030. As this framework is intended to replace individual reporting requirements under the EED, Article 54 of the Governance Regulation removes the requirement in the EED to submit to the Commission an updated NEEAP and updated BRS, and removes the annual report submission requirement from 1 January 2021.

The Government therefore intends to amend these Regulations in order to align with the removal of the obsolete reporting requirements at EU level following the UK’s departure from the EU in January 2020. This will be done via statutory instrument as part of the Government’s legislative programme after the Transition Period. The new NECP framework established in the Governance Regulation is directly applicable EU law and does not require transposition in the UK.

In order to comply with Article 2a of the Energy Performance of Buildings Directive (EPBD), Regulation 3 has been amended within the Transition Period via the statutory instrument ‘Energy Efficiency (Building Renovation and Reporting) (Amendment) Regulations 2020’ laid on 3 June 2020. This replaces the requirement to produce a building renovation strategy (BRS) with a Long-Term Renovation Strategy (LTRS) in order to support the delivery of a highly energy efficient and decarbonised UK building stock by 2050.

The actions and measures outlined in Part 5 of this Post Implementation Review demonstrate the ways in which the Regulations have achieved their objectives. There have been no unintended consequences as a result of the Regulations.