

Annex B: Response Proforma

DEFINITION OF ZERO CARBON HOMES AND NON-DOMESTIC BUILDINGS

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Is your response confidential?

No. I am representing the views of an organisation.

Organisation Type:

Trade Body or Association

RESPONSES

BCSC is only responding to those questions referencing non-domestic buildings.

Question: 28: Do you agree with the Government's policy objectives for carbon reductions from non-domestic buildings set out in paragraphs 8.1 –8.17?

Yes.

BCSC supports the Government's general objectives for carbon reductions from non-domestic buildings. *BCSC's Sustainability Charter* encourages our members to reduce their carbon emissions as much as possible. We believe, as the Government does, that design, energy efficiency, and low carbon technologies must be incorporated into non-domestic buildings.

We are mindful, however, that there are many differences between homes and non-domestic buildings in terms of energy use. Indeed, there are many differences in energy use between various types of non-domestic buildings. As the consultation acknowledges, "there is a huge range in the level of energy consumption in terms of both the total emissions and the proportion attributable to different elements (i.e. heating, lighting, cooling, and appliances)." While we agree with the objectives of carbon reduction, we would suggest that a different set of expectations and policies may be needed for non-domestic buildings – one that appreciates flexibility and recognises the extra difficulties that non-domestic buildings will face compared with homes.

The Government has already expanded its thinking on carbon reductions for homes by allowing more flexibility in how those reductions may occur. We support this idea of viewing

low and zero carbon objectives more comprehensively and that some schemes – not individual buildings – are best capable of achieving.

The notion of treating carbon reductions comprehensively – as a series of pooled decisions to lower carbon output – is far more attractive for non-domestic buildings. This is the kind of thinking that is employed in the Carbon Reduction Commitment (CRC), wherein businesses are evaluated on their entire performance rather than the result of a single property. With this approach, the range of solutions expands, the economics of carbon reduction are more favourable, and the possibility of zero carbon developments or localities is much more certain.

We support the intention to make individual buildings zero carbon, but are aware that this may not be feasible in all instances. While endorsing the goal of low-carbon non-domestic buildings, we would like to see the definition expanded beyond requiring each individual asset to achieve zero carbon status.

Questions 29: Do you agree that the Government should consider the same policy mechanisms for non-domestic buildings and for domestic buildings?

Yes.

In principle, BCSC agrees with the expanded policy approach adopted by Government in increasing the range of zero carbon solutions. We also applaud the intention of harmonising zero carbon regulation with existing regulation (Building Regulations, Energy Performance Certificates, etc).

We would reiterate, however, that there are many differences between domestic and non-domestic buildings that must be appreciated by any policy objectives. While domestic buildings are fairly standard and predictable, non-domestic buildings vary in use, emissions, and other criteria and, as such, policy mechanisms will need to reflect these differences.

Finally, we would note that industry is already subject to a variety of carbon regulation that does not impact domestic buildings, including the CRC, Climate Change Levy (CCL) and the European Union Emission Trading Scheme (EU ETS). It is imperative that any approach to zero-carbon buildings reflect that businesses are already subject to regulations and constraints that do not affect domestic buildings.

Question 30: Do you think Government should work on the presumption that zero carbon regulation for non-domestic buildings should cover both regulated and unregulated emissions, as for domestic buildings?

No.

BCSC is in agreement with Government that unregulated emissions from non-domestic buildings are important and ought to be reduced. Reducing these emissions is an important aim of our organisation and a central tenet of *BCSC's Sustainability Charter*.

While domestic regulations would include regulated and non-regulated emissions, we have serious reservations about such a policy extending to *all* non-domestic buildings. The Government recognises that some industries will be unfairly impacted by including all emissions and we emphatically agree. The burden of this presumption would fall unequally across certain types of industries leading to the adverse consequences anticipated in the consultation document.

We believe that existing policy – the CCL, the CRC and the EU ETS are best able to handle unregulated emissions in a way that is most equitable for non-domestic buildings. We would argue that these policies are better mechanisms to capture unregulated emissions as they represent cost-effective, flexible solutions to buildings that have varied, changing, and unpredictable needs and uses.

If unregulated emissions were to be considered for non-domestic buildings, we would urge the consideration of different emission rates to take into account the energy uses that differ significantly between building types and uses.

Question 31: Do you think that Government should exclude some elements for energy use for non-domestic buildings from the definition of the zero carbon standard, such as energy for industrial processes?

BCSC believes that Government must consider very carefully what non-domestic energy use is included in the standard. For it to be effective, regulation must acknowledge the differences that occur between building types and uses. Homes are not the same as businesses – and all businesses are not the same. The burden of uniform legislation could fall unfairly on certain types of businesses depending upon how it is structured. The Government recognises this with its implicit understanding that regulation might need to anticipate and accommodate the different energy uses of buildings.

BCSC notes that some industries, including shopping centres, are already affected by low carbon regulation. In addition to believing that non-domestic zero carbon regulation should only consider emissions covered by Building Regulations, we maintain that other policy regulations (CCL, CRC) best handle some elements of energy use for non-domestic buildings.

Question 32: As the Government considers policy for zero carbon in new non-domestic buildings, do you agree that we should follow the same hierarchy as for homes, recognising that the timing and level of different thresholds may need to be adapted to reflect the different types of non-domestic buildings?

We agree that a step approach is best suited for different types of buildings. It reflects both their different needs and the different solutions available to them depending upon use. Some non-domestic buildings will be able to achieve zero carbon goals more quickly and easily than others and therefore a graduated approach has BCSC's endorsement.

We would also argue that the solutions allowable ought to reflect the different energy demands and functions of buildings. Shopping centres use more energy than some other types of non-domestic buildings and therefore will face more difficulty in achieving zero carbon *as individual assets*. However, shopping centres are often the hub of low carbon energy communities in current mixed-use schemes. Changing the planning system to encourage the development of low carbon communities would allow shopping centres to play a larger role. Expanding the definition to include more allowable solutions beyond the individual building is critical for shopping centres to meet zero carbon compliance. More importantly, combining shopping centres with residential units allows both non-domestic and domestic buildings to attain low carbon goals in a way that would not be possible if both assets were acting as (and treated as) separate entities.

Question 33: We would welcome further evidence on the practicality and costs of meeting particular thresholds for energy efficiency or carbon compliance for different types of non-domestic buildings.

Shopping centres are best able to achieve energy efficiency and low carbon compliance in two distinct scenarios: 1. when they are out of town centres with much open space, and 2. when they are part of mixed-use schemes and can use these arrangements to their advantages (e.g., by using Combined Heat Power [CHP] with residential applications).

In the first instance, design, passive solutions (daylighting) and technologies (renewables) can all be maximised. This, however, can lead to building on green space and potentially increasing transport CO₂ emissions. So while lower carbon buildings are possible, the gains may be negated by other environmental factors.

Low carbon compliance is practical and cost effective when shopping centres are part of mixed-use schemes. In this instance, CHP can be used and waste heat passed to domestic units (which in turn helps domestic buildings attain low carbon requirements). For this reason, BCSC supports zero carbon regulation that considers a more holistic interpretation of zero carbon beyond the individual asset.

Question 34: Notwithstanding a future decision on the regulatory aim for zero carbon for non-domestic buildings and the outcome of the forthcoming Part L consultation, would you see advantages in setting milestone towards that goal after 2013?

Yes.

We believe that milestones should be set but that they must consider the range of non-domestic buildings under consideration. A single standard for non-domestic buildings that does not take into account different building uses will impact some industries unfairly.

A graduated approach to setting and meeting milestones based on type of building would be most productive. The Government would have the advantage of selecting certain non-energy intensive buildings types to meet low carbon goals. As success was achieved in certain types of buildings, these lessons could then be applied to more difficult cases.

This graduated approach to zero carbon is the current thinking of the Government, as certain kinds of buildings - schools, for example - must achieve zero carbon status before other types of non-domestic buildings. BCSC endorses this approach.

Questions 35: Do you agree that the Government should base any support for sustainability tools on the criteria set out in paragraph 8:51?

Yes.

BCSC supports the criteria outlined in paragraph 8.51.

Question 46: Are there any areas, apart from those listed in paragraph 8.52, that Government should encourage a sustainability tool for non-domestic buildings to cover?

BCSC's Sustainability Charter considers four areas: energy, water, waste, and community.

We would urge a sustainability tool to consider each of these categories and one that recognises that non-domestic buildings – unlike domestic buildings – could play a larger role in promoting sustainability in the locality or community. This includes helping low-carbon goals for entire developments (not just single buildings) and that certain non-domestic buildings have the ability to pool sustainability resources (energy, waste management) in a way that individual buildings cannot do.