

The Prime Minister  
10 Downing Street  
London  
SW1A 2AA

10<sup>th</sup> May 2011

## Open Letter

### Letters also sent to:

Secretary of State for Energy and Climate Change  
Deputy Prime Minister

Dear Prime Minister

### Cost Effective Carbon Savings and Better Regulation

We were delighted when the Government's 'Carbon Plan' in March of this year, which had the endorsement of the Prime Minister, Deputy Prime Minister and Secretary of State for Energy & Climate Change, committed to "*Extend Display Energy Certificates to commercial buildings*" by October 2012.

The UK's non-domestic buildings – from schools to shopping centres, hospitals to offices - must play a central role in helping meet our legally binding national carbon targets. Responsible for up to 17% of the UK's carbon emissions, we believe there are cost-effective measures that can be taken in these buildings, which not only reduce carbon emissions, but also reduce energy bills and create business opportunities.

However, there is an anomaly between public buildings and private sector buildings. Display Energy Certificates (DECs) provide an A-G rating for actual energy use and are currently mandatory for public buildings over 1000m<sup>2</sup>, but are not mandatory for private sector buildings.

DECs provide essential data which is needed to implement energy reduction strategies – put simply, one needs to know how a building is performing before being able to take steps to reduce its energy use. DECs also provide a strong reputational incentive by providing easy-to-understand A-G comparisons.

Unfortunately, a voluntary approach to take up in the private sector will not work, because without that level playing field there is a reputational risk for those businesses that voluntarily adopt certification and achieve poor ratings. Therefore, as representatives of the commercial property sector, we believe it is vital that Government extends mandatory DECs to private sector buildings. We do not believe this will provide an undue burden on businesses of any size, as evidence demonstrates that savings resulting from the application of this scheme significantly outweigh any costs, from year one. Indeed, DECs for small businesses could be automated and even provided free of charge, based on existing energy bills.

We believe that primary legislation is likely to be necessary to roll-out Display Energy Certificates to the private sector. Therefore, we urge you and your co-signatories to the Carbon Plan to lend your support to the use of the Energy Bill, currently before the House of Commons, as the vehicle for the necessary enabling legislation. We are concerned that if this opportunity is not taken, the deadline set out in the Carbon Plan is unlikely to be met.

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Yours sincerely

**Elizabeth Peace**  
Chief Executive, British Property Federation

**Paul King**  
Chief Executive, UK Green Building Council

**Dan Labbad**  
Chief Executive Officer EMEA, Lend Lease

**Francis Salway**  
Chief Executive, Land Securities

**James Cameron**  
Executive Director and Vice-Chairman,  
Climate Change Capital

**Bill Hughes**  
Managing Director, Legal & General Property

**John Frankiewicz**  
CEO Willmott Dixon Capital Works

**Peter Rogers**  
Director, Stanhope

**John Hughes**, Director, Ask Property  
Development Ltd

**David Atkins**  
CEO, Hammerson plc

**Martin Moore**  
Managing Director, PRUPIM

**Clem Constantine**  
Director of Property & Store Development,  
Marks and Spencer

**Peter Young**  
Chairman, Aldersgate Group

**Cal Bailey**  
Sustainability Director, NG Bailey and Head  
of the 'DECs Proposition' Campaign

**Adrian Wyatt**  
CEO, Quintain Estates and Development Plc

**Chris Taylor**  
CEO, Hermes Real Estate

**Juergen Maier**  
Managing Director, Siemens Industry UK

**Chris Grigg**  
Chief Executive, British Land

**Mike Sales**  
MD and CIO, Global Property, Henderson  
Global Investors