

ESOS BREIFING NOTE

What is ESOS?

The Energy Savings Opportunity Scheme (ESOS) is an energy assessment and energy saving scheme and is established by the Energy Savings Opportunity Scheme Regulations 2014 (ESOS Regulations).

Do you qualify?

You must take part in ESOS if your organisation qualifies as a *'large undertaking'* on the qualification date. The qualification date for the first compliance period is 31 December 2014.

An *'undertaking'* is

- a body corporate or partnership, or
- an unincorporated association carrying on a trade or business, with or without a view to profit.

A *'large undertaking'* is:

Any UK undertaking that meets either one or both of the conditions below:

- it employs 250 or more people
- it has an annual turnover in excess of 50 million euro (£38,937,777), and an annual balance sheet total in excess of 43 million euro (£33,486,489)

The definition of an undertaking includes an overseas company with a UK registered establishment which has 250 or more UK employees (paying income tax in the UK). You also must take part in ESOS if your undertaking is part of a corporate group which includes another UK undertaking that meets either of these conditions.

The type of work that your organisation carries out and the amount of energy your organisation uses are irrelevant to whether you qualify for the scheme. If your organisation is an undertaking and the qualification criteria above are met then you will need to participate in ESOS.

Compliance periods and compliance dates

Qualification is based on the status of your organisation on 31 December 2014, and every four years after that for each subsequent compliance period.

If your organisation qualifies, you must participate in ESOS and notify compliance to the Environment Agency by the last date of each compliance period ('the compliance date'). The first qualification date is the 31st December 2014 and the first compliance date is the 5th of December 2015.

How to comply with ESOS?

Route 1 - ISO 50001 certification covering all your energy use

If you have an ISO 50001 energy management system that's certified by an approved certification body and covers all your energy use (for the whole corporate group in the UK), this counts as your ESOS assessment.

To be compliant:

- the certification must remain valid at the compliance date.
- the Energy Management System must cover all of the assets held and activities carried on by your organisation as at the qualification date.

If you are compliant via this route you would not need to calculate your total energy consumption and would not require a lead assessor to comply with ESOS. However you will still need to:

- get a board level director to confirm that they have reviewed findings of your ISO 50001 certification, the organisation is compliant and the information which is going to be entered in the notification is correct.
- make a notification to the Environment Agency to specify that this is how you are compliant with ESOS.

Route 2 – ESOS Assessment

If you don't have an ISO 50001 energy management system which covers **all** your energy use, you must carry out an ESOS assessment.

To do this you will need to do all of the following;

- measure your total energy consumption
- identify areas of significant energy consumption
- consider available routes to compliance
- ensure areas of significant energy consumption are covered by a route to compliance
- appoint a lead assessor
- get one or more board level directors to review the findings of the assessment
- make a notification of ESOS compliance online.

Route 3 - Display Energy Certificates (DECs)

Display Energy Certificates (DECs) promote the improvement of the energy performance of buildings and form part of the implementation in England and Wales of the European Directives 2002/91/EC and 2010/31/EU on the energy performance of buildings.

A DEC can be part of an ESOS compliant energy assessment for the types of energy consumption it covers, if:

- the assessment was made and the certificate issued (and accompanying recommendation report provided) within the compliance period (for the first compliance period, the assessment can have been made any time after 6 December 2011)
- it is still valid on the compliance date of a compliance period

Only buildings holding a valid DEC with accompanying recommendation report can be deemed to be compliant with ESOS via this route. Where no valid DEC is held an alternative method of ESOS compliance would need to cover the building's energy, for instance an audit meeting the minimum criteria for ESOS.

Route 4 - Green Deal assessments

Green Deal Assessments (GDAs) are provided under the government's Green Deal scheme for domestic and non-domestic buildings.

They can be part of an ESOS compliant energy assessment for the types of energy consumption they cover, if they qualify as per regulation 7 of the Green Deal Framework (Disclosure, Acknowledgement, Redress etc.) Regulations 2012). GDAs must have been carried out within the compliance period and they must still be valid at the compliance date. For the first compliance period, the assessment can have been made any time on or after 6 December 2011.

Penalty Notices

Failure to notify the Environment Agency will incur in a fixed penalty of up to £5,000

An additional £500 for each working day starting on the day after service of the penalty notice until the notification is completed, subject to a maximum of 80 days

A fixed penalty of up to £50,000 would apply if there is a failure to undertake an energy audit by the compliance date. An additional £500 for each working day starting on the day after service of the compliance notice, until the breach is remedied, subject to a maximum of 80 days

Certify your management system to the ISO50001:2011 standard

WISER Environment can help you achieving the certification to the ISO50001:2011 standard and incorporate its requirements within your existing management systems.

Find a Lead Assessor to undertake an ESOS Assessment

Your lead assessor must be a member of an approved ESOS lead assessor register.

You can find a lead assessor using the hyperlinks to the approved registers on the ESOS page on .GOV.UK. <https://www.gov.uk/energy-savings-opportunity-scheme-esos>

Source of information:

Environment Agency, 2015. Complying with the Energy Savings Opportunity Scheme.