

ESOS

The Energy Savings Opportunity Scheme (ESOS) is a mandatory energy assessment scheme introduced by the UK Government to ensure that large organisations are energy efficient. The scheme is currently in its third phase.

Eligibility

To qualify for ESOS Phase 3, an organisation (including businesses, charities, school academy chains etc.) needs to meet at least one of the following criteria:



≥250 employees

OR



Annual turnover in excess of £44 million



Annual balance sheet total in excess of £38 million

Overseas companies with at least 250 employees in the UK and a company which is part of a larger organisation and meets the above criteria will also be eligible to comply.



Compliance Periods and Dates

If your organisation qualifies, you must participate in ESOS and notify compliance to the Environment Agency by the last date of each compliance period.

Phase	Qualification Date	Compliance Period	Compliance Date
3	31 st December 2022	6 th December 2019 to 5 th December 2023	5 th June 2024
4	31 st December 2026	6 th December 2023 to 5 th December 2027	5 th December 2027

How to Comply with ESOS Phase 3

- Quantify the energy consumption from your buildings, fleet and processes for a 12-month period which includes the date of 31st December 2022.
- Conduct an energy efficiency audit on a sample of your buildings. If your fleet and processes account for more than 5% of your energy consumption each, you will also need to have fleet and process audits.
- During the audit, a number of energy efficiency recommendations will be made with the aim to save you energy and money with the shortest payback possible.
- When audit/s are complete, a Director or Board Member must sign off your ESOS. If you have not utilised a registered Lead ESOS Assessor to conduct your audit, you will need to verify these before submission. You can then make your submission to the Environment Agency no later than 5th June 2024.

Penalties for Non-Compliance

Imposed by Environment Agency for ESOS non-compliance:

- Regulation 43 failure to notify, a fixed penalty of up to £5,000.
- Regulation 44 failure to maintain records, a fixed penalty of up to £5,000.
- Regulation 45 failure to undertake an energy audit, is a fixed penalty of up to £50,000.
- Regulation 46 failure to comply with compliance notice, an enforcement notice or a penalty notice results in fixed penalty of up to £5,000.
- Regulation 47 false or misleading statement, a fixed penalty of up to £50,000.
- Unrealised energy and cost savings.
- Public disclosure resulting in potential reputational damage.

Routes to Compliance for Phase 3

The main route to compliance is by conducting an energy efficiency audit on your organisation's buildings, fleet and processes.

If 95% or more of your energy consumption is covered by a UKAS registered body ISO 50001 Energy Management System or a Display Energy Certificate (DEC) (which was issued after 6th December 2019), you will not need to undertake energy efficiency audits BUT you will still have to confirm your compliance with the Environment Agency by the 5th June 2024 deadline.

If your ISO 50001 Energy Management system or DEC does not cover at least 95% of your energy consumption, you must conduct an energy efficiency audit on the energy that is not covered and this needs to be verified by a registered Lead ESOS Assessor.

What's new for ESOS Phase 3

- Turnover and balance qualification criteria now in GBP;
- De-minimis exemption reduced from 10% to 5%;
- Inclusion of an energy intensity metric e.g. kWh/m² for buildings;
- A requirement to share your ESOS report with subsidiaries;
- Inclusion of a standardised compliance template within the ESOS report; and
- Requirement to set energy efficiency targets and implement an energy reduction action plan after Phase 3 with a requirement to report against this for Phase 4.



01444 221 555

sales@CEn-Calc.co.uk

CEn-Calc.co.uk