

ESOS
energy
savings
opportunity
scheme

Energy Savings Opportunity Update

Phase 1 of the Energy Savings Opportunity Scheme (ESOS) ended in December 2015. Even so, many companies are still yet to comply. So, with Phase 2 now in operation from 2016-19, it is important for large businesses to be prepared otherwise face heavy fines.

What is ESOS

ESOS is a mandatory energy assessment and energy savings identification scheme for large undertakings in the UK. Assessments are carried out every four years and are essentially audits of the energy used by buildings, industrial processes and transport to identify cost-effective energy saving measures.

The [Environment Agency \(EA\)](#) administers the scheme and has defined the next qualification date as **31/12/2018**.

Do you qualify?

Your organisation qualifies for a compliance period if it meets the ESOS definition of a large undertaking. This is any UK company that either:

- employs 250 or more people, or
- 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)
- an overseas company with a UK registered establishment which has 250 or more UK employees (paying income tax in the UK)

**"balance sheet total" means the aggregate of the amounts shown as assets in the company's balance sheet (that is before deducting both current and long-term liabilities).

Public sector organisations do not usually need to comply with ESOS.

Additional information on how to assess if you qualify can be found at;

<https://www.gov.uk/guidance/energy-savings-opportunity-scheme-esos>

What do you need to do?

At this point, many companies need to consider both Phase 1 and Phase 2 of ESOS compliance.

PHASE 1 – COMPLY.

If you qualified for ESOS Phase 1 and haven't yet taken action, the Environment Agency (EA) will have been in touch with you. It's likely you've received a compliance note or enforcement action notice from them. Non-compliant companies face up to a £90,000 fine, injunctions, civil actions or prosecution.

[Contact us](#) today so that we can help you to comply and minimise any penalties.

PHASE 2 – PREPARE.

Participants that expect to qualify for Phase 2 should consider starting their **Energy Audit Program** as early as possible to take full advantage of the time provided by the regulations.

- Spreads the cost of compliance over 2 years of budgets.
- Avoids potential increases in cost for compliance nearer to the deadline date. Costs jumped from average of £9k in Dec 2014 to £16k in Dec 2015*
- Obtains early commitment and smooth management for all 3 stages
- Secures access to ESOS assessors before the surge in demand in 2019
- Savings opportunity's discovered earlier

*BEIS Interim process and early impact evaluation report Oct 2017)



How we can help...

Brownlow Utilities engineers were amongst the first wave of accredited Lead Assessors in the country and involved in the initial 100 compliances in 2015. We have since helped many companies comply with ESOS, identifying over £2m annual savings.

We provide an ESOS Management product to cover the three main stages of the ESOS process;

THE ESOS JOURNEY



STAGE 1: Data collation and survey strategy

You need to identify areas of significant energy consumption within your organisation. This is the energy used by assets held, or activities carried out, by your organisation that account for at least 90% of your total energy consumption. This includes the energy consumed by buildings, industrial processes and transport.

Brownlow will collate all the energy data required for assessment and create a comprehensive Evidence Pack. We can then identify that most cost-effective way of conducting your energy surveys and requirements.

STAGE 2: Energy efficiency assessments

Audits must be carried out to identify cost-effective energy efficiency opportunities.

These surveys are required to be of an ESOS standard, so you will need to appoint a lead assessor to carry out and oversee or review your energy audits and overall ESOS assessments.

Brownlow's ESOS accredited engineers are available now to carry out energy efficiency surveys. We do these on a regular basis and have achieved significant savings for our clients.

STAGE 3: Submission and compliance

You need to submit your ESOS notification of compliance to the Environment Agency when you have undertaken an ESOS assessment and are compliant with your obligations.

The end sign-off must be undertaken by the accredited ESOS assessor who signed off the Evidence Pack and survey work undertaken.

Brownlow can help you with an individual stage of ESOS or support you through the entire process. We have a range of payment schedules to suit your budget and timescales meaning that you manage the cost and management of compliance over time.

Start to realise your savings and avoiding non-compliance.
Give Bradley and the Carbon Services team a call today
on 01744 778530 or email bradley@brownlowutilities.co.uk

