

UK GOVERNMENT ENERGY SAVINGS OPPORTUNITY SCHEME



*With
thanks to
details on the
UK Gov. DECC
website
for definitions
and wording*

UK Government Energy Savings Opportunity Scheme (ESOS)

- Are you affected by ESOS? If so, read on for details of the Scheme
- BUT If you are either a:
 - Supplier of Energy Efficiency or Sustainability Solutions?
 - A Cleantech or IT Supplier?
- First check out these blogs about the ESOS market:
 - [Why ESOS Is only the start of a wealth of opportunities for suppliers](#)
 - [4 Questions you should ask yourself today about the ESOS market](#)
 - [How to improve lead generation in the ESOS market?](#)
- We are Cambium: – [find out more about us here](#)

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UK Government Energy Savings Opportunity Scheme (ESOS)

- Energy assessment scheme mandatory for 7,500 organisations in UK
- The Environment Agency is the UK scheme administrator.
- Organisations must carry out ESOS assessments every 4 years.
- Audits of the energy used by their buildings, industrial processes and transport to identify cost-effective energy saving measures.
- Must notify the Environment Agency by a deadline that they comply with ESOS

Deadlines For ESOS

- 5 December 2015, organisations must carry out their ESOS assessment and notify the Environment Agency
- Participants must then carry out an ESOS assessment in each 4-year compliance period, ending on 5 December 2019, 2023 etc.
- End of 2014, the Environment Agency will provide information about the online notification system and when this will be available

What is a “Large Undertaking”

- A large undertaking is an organisation that carries out a trade or business which:
 - employs at least 250 persons; or
 - employs fewer than 250 persons but has an annual turnover in excess of 50 million euro and an annual balance sheet in excess of 43 million euro
- for the financial year ending on the qualification date of 31 December 2014; or in the 12 months immediately preceding the qualification date of 31 December 2014
- A person is ‘employed’ by an undertaking if they are:
 - an employee
 - an owner manager
 - a partner
- An ‘employee’ is a person employed under contracts of service. Their contracted hours and status (full time/part time) are irrelevant to their classification as an employee.
- The number of employees means the average number of persons employed by the undertaking in the year.

How to comply: completing an ESOS assessment

- If you qualify for ESOS and your organisation is fully covered by ISO 50001 you don't need to carry out an ESOS assessment. You just need to notify the Environment Agency that this is the case and you are compliant with ESOS
- If you qualify for ESOS, but your organisation is not fully covered by ISO 50001 you will need to carry out an ESOS assessment. The assessment will help you work out what your organisation needs to do to comply with the ESOS regulations
- The assessment will take into account energy partly covered by ISO 50001, Display Energy Certificates (DECs) or Green Deal assessments (GDAs)

Calculate your total energy consumption

- This is the energy used by assets held or activities carried out by your organisation or group.
- This includes the energy consumed by buildings, industrial processes and transport.
- For full details on how to calculate your total energy consumption, please read the full [ESOS guidance](#). Link in most recent blog

Identify your areas of significant energy consumption

- This means the energy used by assets held, or activities carried out by your organisation that account for at least 90% of your total energy consumption. You then need to:
 - Find out whether ISO 50001, DECs or GDAs cover any of your areas of significant energy consumption
 - Identify whether ESOS compliant energy audits have been or need to be carried out for the areas of significant energy consumption not covered by ISO 50001, DECs or GDAs
- As long as 90% of your total energy consumption is covered, you can use a mix of approaches with some of your energy consumption covered by ISO 50001, some by DECS or GDAs and some by ESOS energy audits.

Appoint a lead assessor

- You need to appoint a lead assessor to carry out, oversee or review your energy audits and overall ESOS assessment
- Lead assessors can be employees or external contractors as long as they are members of an approved professional body register
- [Professional bodies can submit registers](#) of their members for approval to act as ESOS lead assessors.
- The Environment Agency is implementing an application and approval process. Contact details for approved registers will be published on this webpage (we expect the first bodies to be approved late summer 2014).

What You do After Your Assessment

Notify the Environment Agency

You need to notify the Environment Agency that you have undertaken an ESOS assessment and are compliant with your obligations under the scheme.

You must do this by the compliance date of 5 December 2015, and if applicable, every four years thereafter.

Keep records

Keep records of how you have complied with ESOS in an evidence pack. There is no set format for this.

What is an ESOS Compliant Energy Audit?

ESOS compliant energy audits

An ESOS compliant energy audit needs to meet these criteria:

Be based on 12 month's verifiable data

The data must:

- be for a continuous period
- begin no earlier than 6 December 2010 for the first compliance period (and no more than 12 months before the start of future compliance periods)
- begin no more than 24 months before the start of the energy audit
- not have been used as the basis for an energy audit in a previous compliance period

Analysing Energy Consumption & Potential Savings Opportunities

Analyse the participant's energy consumption and energy efficiency

This must be done using energy consumption profiling. Energy consumption profiling involves breaking down the different ways in which energy is used by a participant's activities and assets and analysing any variations in that energy use to identify inefficiencies.

Identify energy saving opportunities

Energy saving opportunities should be reasonably practicable and cost effective to implement. Recommendations should include the estimated costs and benefits of implementation.

You should assess cost effectiveness by comparing the reduction in units of energy or energy spend with the cost of implementing the measure.

Calculating the cost of implementing a measure should be based on an analysis of whether the investment will be economical over its entire life. This would include, for example, taking into account the cost of purchase, installation, maintenance and depreciation.

There is no regulatory requirement for participants to implement the energy saving opportunities identified.

Site visits during an audit

- Organisations are expected to carry out site visits as part of the ESOS audits, but there is no requirement to visit every site
- Organisations with multiple sites or assets that are identical or very similar can take a proportionate approach and apply the energy saving opportunities identified to their wider portfolio
- The lead assessor and participant organisation must agree a suitable auditing approach to reflect the energy consumption patterns of their assets and activities

What are Non compliant energy audits?

Less than 12 months' data available

Where less than 12 months' data has been used for your audit(s) justification for this must be provided in your ESOS notification and recorded in your ESOS evidence pack.

Not based on energy consumption profiles

- Where your audit(s) are not based on energy consumption profiles you must document the following in your evidence pack:
 - details of the alternative method of analysis used
 - the extent to which the audit is not based on energy consumption profiling
 - the reasons why the audit is not based on energy consumption profiling
- This information must also be referenced in your notification.
- In all instances you need to keep evidence of how you've complied with your ESOS obligations in the ESOS evidence pack. This can be in any format that you choose.

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