

## Overview of Energy Savings Opportunity Scheme ("ESOS") - Phase 2

### ESOS - Phase 2 is here

It is official –the compliance period for Phase 2 of the UK government's Energy Savings Opportunity Scheme ("ESOS") is underway and qualifying organisations are now able to begin the compliance process. The ultimate aim of ESOS is to encourage Organisations to save energy and money. It does this by requiring Organisations to undertake regular assessments to identify cost-effective energy savings measures on supplies to buildings, industrial processes and transport. ESOS is the UK Government's response to Article 8 of the EU Energy Efficiency Directive calling for **mandatory** energy audits of large UK Organisations.

### Have you started preparing for ESOS Phase 2?

With the deadline qualification date now less than 12 months away the Environment Agency recommends that businesses start ESOS Phase 2 now. Over 10,000 companies will need to comply. You can contact us to secure your Lead Assessor before resources begin to shorten. Nearly 3000 organisations were late in reporting compliance during Phase 1. Being late in reporting compliance can lead to a fine of up to £50,000. The sooner you start the compliance process the sooner and the greater your business will benefit from energy saving.

### Who ESOS applies to

Organisations must take part in ESOS if they, or at least one of their UK group members, are a 'large undertaking'. A 'large undertaking' is an organisation engaged in trade or business in the UK which:

Employs 250 or more people; or

Employs fewer than 250 people but has an annual turnover greater than €50 million **and** an annual balance sheet above €43 million; or

Is a part of a group that includes at least one entity in the UK that meets either of the criteria above.

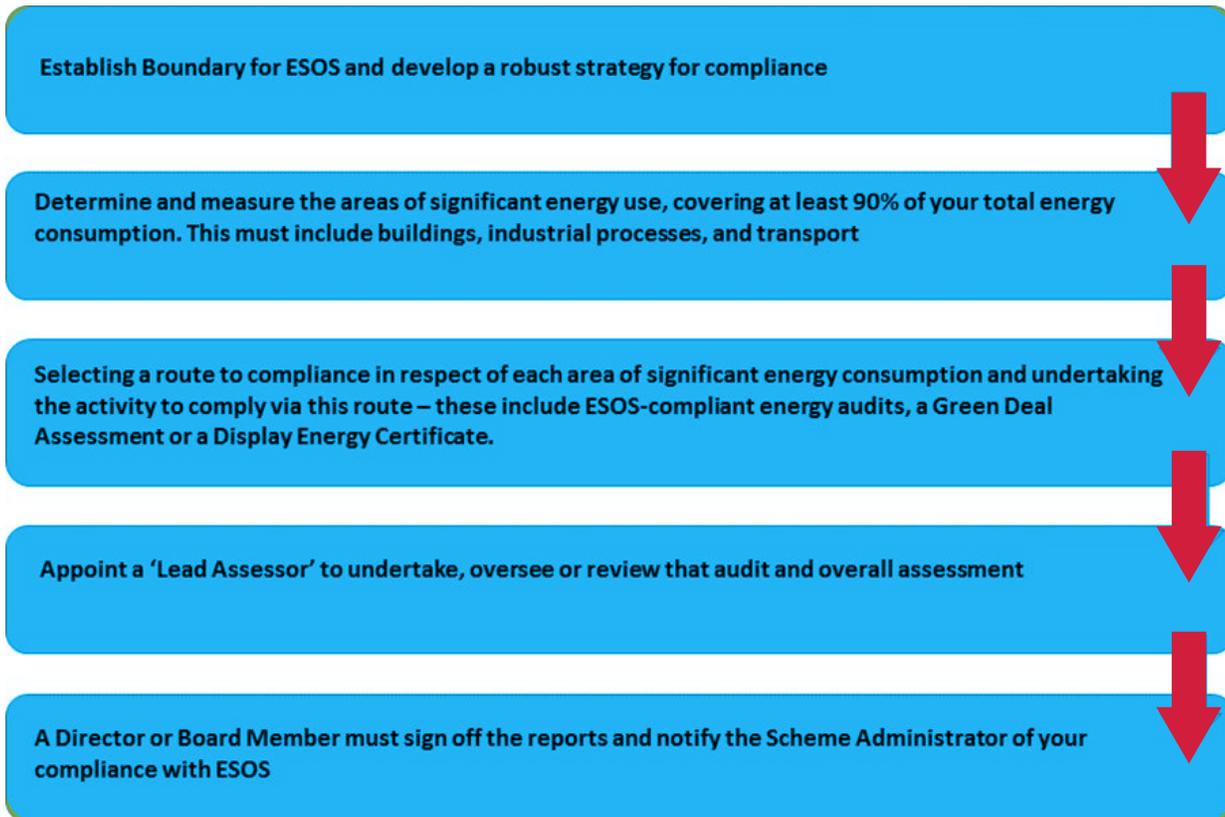
*"On average, annual energy costs can be reduced by 20% through energy efficiency and improved energy management"*

- Carbon Trust

**With a dedicated team of highly experienced Energy Consultants, we are able to provide a full range of ESOS Services.**

## Summary of Requirements

Organisations that are fully covered by the ISO 50001 energy management standard will not need to complete any additional assessments or audits for the purposes of ESOS. Other organisations covered by ESOS that are not fully certified to ISO 50001 will need to conduct an ESOS assessment. This will include the following:-



## Audit Requirements

ESOS Energy Audits, Deal Assessments and DEC's must be conducted by suitably qualified registered individuals. Green Assessors who Pulse works in Partnership with have registered assessors.

All ESOS assessments must be reviewed by a Lead Auditor to verify compliance and signed off by suitably qualified registered individuals in line with agreed and appropriate standards. Lead assessors must be listed on an approved register of consultants.

## Benefits

The Government Estimates that the net benefit of this Policy to the UK will be around £1.6bn between 2015 and 2030; based on a conservative prediction that only 6% by value of energy saving opportunities identified will be implemented.

## Non Compliance

The ESOS scheme will be administered by the Environment Agency. The Environment Agency has the authority to apply penalties against an Organisation found to be required to participate in ESOS and found to be non-compliant. Penalties include:

- ✓ Public disclosure of non-compliant Organisations and details of non-compliance
- ✓ Financial penalties upward of £50,000

## ESOS Phases

Each phase will follow a four year cycle with three phases planned until 2023. Audit work can be carried out at any time within each phase but must be completed before 5<sup>th</sup> December in each fourth year

Phase	Qualification date:	Four-year compliance phase:	Compliance date:
Phase 1	31 <sup>st</sup> December 2014	6 <sup>th</sup> December 2011 – 5 <sup>th</sup> December 2015	5 <sup>th</sup> December 2015
Phase 2	31 <sup>st</sup> December 2018	6 <sup>th</sup> December 2015 – 5 <sup>th</sup> December 2019	5 <sup>th</sup> December 2019
Phase 3	31 <sup>st</sup> December 2022	6 <sup>th</sup> December 2019 – 5 <sup>th</sup> December 2023	5 <sup>th</sup> December 2023

### ESOS Phase Two - Timeline

ESOS Phase Two is now underway. To stay on top of the most important milestones, take a look at the timeline below



#### Appointing a Lead Assessor

In addition to completing the milestones in the timeline, you'll also need to appoint a Lead Assessor. We recommend completing this as early as possible.

#### \*Note on the Reference Period

ESOS participants must measure their overall energy consumption over a 12 month reference period. They may choose any consecutive 12 months between 1st Jan 2018 - 5th Dec 2019, as long as it overlaps the qualification date.

## ESOS-compliant audits

Where Audits are required they can take place any time during a compliance period, so Organisations who know they will qualify for ESOS in each period can plan a rolling audit programme through Pulse Business Energy. Audits already carried out before ESOS was introduced can contribute to its implementation as long as they meet the scheme's requirements. An ESOS-compliant energy audit is one that:

1. is based on 12 months' verifiable data for a continuous period, beginning no earlier than 1 January 2018 for the second compliance period and no more than 24 months before the start of the audit.
2. analyses the Organisation's energy consumption and energy efficiency
3. identifies practicable ways to improve energy efficiency
4. recommends cost-effective energy saving opportunities
5. identifies estimated costs and benefits of the energy saving opportunities recommended.

ESOS is intended to identify cost-effective energy saving opportunities which will be in the Organisation's own interests to apply.

## Pulse Business Energy can help you.

Pulse Business Energy is an independent energy broker and renewable energy consultancy. We advise businesses on ways to reduce energy consumption in light of ever increasing gas and electricity prices and also help to reduce their carbon footprint.

We are uniquely placed to help Organisations comply with the ESOS regulations and go beyond compliance to take advantage of the business opportunities in energy efficiency.

Pulse Business Energy will assist Organisations to design a bespoke strategy, assessing what qualifying work has been carried out already and determining the "best fit" approach moving forwards. We have assembled a comprehensive suite of services to assist Organisations prepare adequately and effectively for compliance and to maximise the potential benefits. The service we will be offering alongside our partners, Green Assessors:

- ✓ Lead Assessor reviews and ESOS compliant audits
- ✓ Non Domestic Green Deal Assessments and Display Energy Certificates
- ✓ ISO 50001 implementation

The assessors and staff are not only qualified on identifying energy efficiency improvements but also have a deep understanding of presenting the financial benefits to implementing cost saving measures.

Our vision is the desire to make saving energy and carbon simple and our mission is to be the most respected Organisation for delivering energy saving advice. The guiding principle behind our Organisation is to provide clear, relevant, and up-to-date information on how to improve the energy efficiency of their buildings and processes and reduce carbon emissions, so that our clients can make informed decisions

## Contact Us

Give us a call for more information about our services

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Visit our website:  
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For further information please visit <https://www.gov.uk/guidance/energy-savings-opportunity-scheme-esos>



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