

WHAT IS IT?

ESOS is the Department of Energy and Climate Change (DECC)'s response to Article 8 of the Energy Efficiency Directive (EED) - a requirement of all Member States of the EU.

Three main requirements make up ESOS:

1. Measure your total energy consumption
2. Conduct energy audits to identify cost-effective energy efficiency recommendations
3. Report compliance to the Environment Agency (scheme administrator)

WHO IS AFFECTED?

An undertaking which has >250 employees in the UK

OR

An undertaking with an annual turnover >€50m and a balance sheet >€43m

An 'undertaking' is defined as a body corporate or partnership, or an unincorporated association carrying on a trade or business, with or without a view to profit.

MEASURING TOTAL ENERGY CONSUMPTION

Total energy consumption must include energy from buildings, transport and industrial processes and should be measured across a 12 month period, known as the 'reference period'. The reference period for each phase must overlap with the qualification date for the phase.

ROUTES TO COMPLIANCE

During each phase of the scheme, you must subject at least 90% of your total energy consumption to an **ESOS compliant energy audit**, a **Display Energy Certificate**, a **Green Deal Assessment**, or a certified **ISO 50001 Energy Management System**. This must include areas of significant energy consumption. The remaining 10% of energy use is referred to as de minimis energy use and does not need to be included. If you do not identify your areas of significant energy consumption, your assessment must cover your total energy use (100%).

ESOS energy audits must be carried out or approved by a recognised Lead Assessor. The Lead Assessor must also review and sign off on the ESOS Assessment as a whole, as does a board-level Director (or equivalent Senior Manager).

Notification of compliance must be provided to the Regulator before the compliance date of each phase.

ISO 50001

If you have an accredited ISO 50001 Energy Management System that covers all of your energy use, this is sufficient in meeting the ESOS Assessment. However, you are still required to notify compliance to the Regulator¹.

If your ISO 50001 Energy Management System does not cover your total energy consumption, you are required to undertake the ESOS Assessment.

TIMING AND SCOPE OF ESOS

ESOS will operate in four-yearly compliance phases. Assessment of qualification must be assessed on the 'Qualification Date' of each phase. The participant must have undertaken its ESOS Assessment and notified compliance to the EA by the 'Compliance Date'.

Phase	Qualification Date	Compliance Phase	Compliance Date
Phase 1	31 st December 2014	06/12/11 – 05/12/15	05/12/2015
Phase 2	31 st December 2018	06/12/15 – 05/12/19	05/12/2019
Phase 3	31 st December 2022	06/12/19 – 05/12/23	05/12/2023

NON COMPLIANCE PENALTIES

Failure to notify the EA of compliance, Failure to maintain adequate records to demonstrate compliance, Failure to undertake an ESOS Assessment, Failure to comply with an enforcement, compliance or penalty notice, and Making a statement which is false and misleading can incur penalties. This includes but is not limited to:

- Published information regarding non-compliance
- Fixed penalty up to £5,000 and/or £500/day (max of 80 days)
- Cost to the compliance body for undertaking the audit
- Fixed penalty of up to £50,000 and/or £500/day (max of 80 days)

WHAT SCHNEIDER ELECTRIC HAVE TO OFFER

- Tools, software and methodology for identifying total energy consumption
- Approved ESOS Lead Assessor to conduct/review ESOS assessments
- Notification of compliance to the Regulator
- ISO 50001 development and implementation

Please note, both this guidance document and the template may be subject to amendment.

¹ The system must be certified during the compliance period and valid at compliance date.

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