



Are you ready for ESOS?

ESOS phase 2 is on the horizon, but how will you get the most value from it?

How we can help with ESOS

The deadline for the next phase of ESOS audits is December 2019. But the audit itself is only half of the conversation. To reap the value from ESOS, organisations must focus on implementation. We're driving the energy transformation in the UK and worldwide to deliver a green, cost effective and sustainable energy future. Whether you want to cut your costs, reduce emissions, or be more sustainable we'll work with you to find a solution.

A new opportunity to cut costs and meet CSR targets

ESOS has identified significant potential energy and carbon savings the UK. It's clear that the opportunities are there, but implementation takes time, resource and expertise. This is where we can help. We're well placed to help manage ESOS, and we can also help you find practical and affordable ways of implementing the findings.

Why come to us?

- **Peace of mind:** Our expertise is unrivalled. We're the greenest among European utilities and in 2016, we ranked #11 among global companies generating revenue on clean energy. By 2023 we will almost only produce green energy, and are reducing emissions 27 years faster than is required to meet the 2 degrees target. We can help you on this journey too.

Save time: Implementing change takes time, resource and expertise. We will work with you throughout the entire ESOS journey from first assessment to implementation and measurement, using our Energy as a Service offering. Where needed, we can help with upfront funding of embedded generation or energy saving assets, so that you can reap the benefit for the longer term.

- **Sector specialism:** We work with a team of lead assessors who have sector specific knowledge. We'll appoint an assessor that understands your business, ensuring your audit report is as relevant and useful as possible.
- **Meet CSR targets:** By installing and optimising the right generation and consumption assets and buying renewable energy, you can reduce CO₂ emissions and meet your CSR targets.
- **Minimise risk:** You don't need to invest any capital, as we can provide funding for your energy assets and infrastructure. We'll also handle any operational, regulatory, market and asset risk, giving you peace of mind.
- **Reduce energy costs:** Make savings through a combination of innovative flexibility solutions, trading expertise and energy efficiency.

Next steps

It can take up to six months to complete the necessary data collation, analysis and audits to be compliant with ESOS. The deadline for this phase is 5 December 2019. Last year, thousands of businesses were non-compliant with ESOS at the deadline and face penalties as a result. Due to demand, we recommend that you contact us as early as possible.

More about ESOS

ESOS is a mandatory energy assessment scheme that requires organisations in the UK that meet the qualification criteria to:

- Review energy usage every four years to identify energy efficiency initiatives that reduce energy consumption; and
- Register with The Environment Agency (the scheme administrator)

ESOS runs every four years, and the deadline for the second phase is 5 December 2019. If your business meets any of the below criteria, you must comply with ESOS:

- Over 250 employees (or an overseas company with over 250 UK employees)
- A turnover of over £44.1m (€50m) or an annual balance sheet of over £37.9m (€43m)
- Part of a larger organisation, which meets the above criteria

How to comply with ESOS - in a nutshell

1. Calculate your total annual energy consumption (for the last 12 months), including energy used by assets your company holds and all other energy-consuming activities. If you have areas of consumption that are covered by ISO 50001 or Display Energy Certificates (DECs) they won't be subject to an ESOS energy audit, so you can leave these out.
2. Appoint a lead assessor to carry out an ESOS audit. The auditor must be a member of a professional body, and the body must be approved by the Environment Agency. The audit must be based on 12 months of energy consumption data, and identify energy saving opportunities. It must also estimate the cost of implementation (including purchase, installation, maintenance and depreciation). Under ESOS guidelines, it's not compulsory to implement changes identified by the energy audits, but those organisations that do will make cost and carbon savings.
3. Inform the Environment Agency that an audit has taken place and keep records in an evidence pack.

Are there any exceptions?

If your company is fully compliant with ISO 50001 you don't need to comply with ESOS, but you still need to tell the Environment Agency. Any areas of consumption that are covered by ISO 50001 or Display Energy Certificates (DECs) won't be subject to an ESOS energy audit.

More information on ESOS can be found [here](#). Alternatively, for businesses based in England, Scotland, Wales or Northern Ireland please email esos@environment-agency.gov.uk

For more information, please speak to your Account Manager.