

Welcome to the Energy Savings Opportunity Scheme (ESOS) newsletter, keeping you updated with key information relating to the scheme. In this issue:

- ➔ Notification System – coming soon
- ➔ New Phase 2 Guidance
- ➔ Total/Significant Energy Consumption and Low/Zero Energy Users
- ➔ Phase 1 compliance audits to continue

ESOS Notification System

The new notification system of Phase 2 of ESOS will be available soon. We will let you know as soon as it is available. This is replacing the existing Phase 1 notification system, which has now been closed. If you need to make a Phase 1 notification please contact the ESOS helpdesk at ESOS@environment-agency.gov.uk

ESOS Phase 2 Guidance is now available!

Version 6 of the ESOS guidance document has now been published. This is on Gov.UK and can be located at: <https://www.gov.uk/government/publications/comply-with-the-energy-savings-opportunity-scheme-esos>

The latest version has been updated to reflect the changed timings for the second compliance period (often referred to as Phase 2) as well as including some additional clarification on the definitions of large undertakings, exempt organisations and calculating energy values (also detailed within this newsletter).

To help organisations we have also amended the ESOS web pages to reflect these changes. It is important to note that the differences for organisations between the first and second compliance periods are minimal and for the most part non-technical.

Total/Significant Energy Consumption and Low Energy Users

Total Energy Consumption

The first step of your ESOS energy assessment is to calculate your organisations Total Energy Consumption. This is all the input energy your organisation uses in the UK and UK waters including but not limited to buildings, industrial processes and transport. The energy used needs to be calculated in a consistent unit which can

either be an energy unit such as kWh or in pounds sterling. Please note that CO2 is not an energy unit.

Significant Energy Consumption

Once you have calculated your Total Energy Consumption you will then need to identify assets and activities that amount to at least 90% of your Total Energy Consumption. These will be your areas of Significant Energy Consumption which will need to be audited or covered by alternative routes of Compliance. It is suggested that you choose the energy from your large undertakings to be audited and select smaller energy supplies or undertakings as your 10% de minimis.

Low Energy Users

Some organisations who qualify for ESOS may fall under the category of a low energy user and are therefore classed as having a Total Energy Consumption at a domestic level of 40,000kWhs or less. In this instance these organisations;

Do not need to:

- Produce a fully compliant energy audit or achieve an alternative route to compliance
- Complete a lead assessor review

They will need to:

- Consider and document opportunities to reduce energy consumption
- Get director sign off for the report and to confirm that they are a low energy user
- Notify us by the compliance deadline and confirm their energy use is at a domestic level or lower, via the Phase 2 ESOS Notification Portal
- Record their compliance approach in an evidence pack

Zero Energy Users

If you have zero energy supplies (for example, you exceed the financial thresholds to participate in the scheme but have no physical assets or employees using energy) then you do not need to appoint a lead assessor in order to complete a notification of compliance. However, you will need to:

- get a board level director to confirm that although your organisation qualifies for the scheme, they agree that it has no energy responsibility
- make a notification to the Environment via the Phase 2 ESOS Notification Portal to specify that this is the case.

Phase 1 Compliance Audits to continue

To date we have carried out ~470 Phase 1 compliance audits, these ensure that participants are meeting the requirements of the Regulations.

Although a period of up to 4 years may have passed since you carried out your Phase 1 ESOS assessment, this important regulatory work is to continue! We intend to make full use of the time available to maximise our compliance audit sample across the 7,000+ participant population. Phase 1 audits will continue over the coming months, therefore you should ensure your ESOS assessment / evidence pack is readily accessible in case you are selected. Please note, as a result of the compliance audit you may be required to undertake 'further actions' to ensure that your ESOS assessment meets with the legal standard.

If you are selected for a Phase 1 compliance audit, but your Phase 2 ESOS assessment is near completion, then please respond to the audit selection email advising us of your position, as we may be able to audit your Phase 2 ESOS assessment instead.

If you have any queries relating to ESOS Phase 2, please email esos@environment-agency.gov.uk