



ENERGY SAVING OPPORTUNITY SCHEME (ESOS)

Energy Saving Opportunity Scheme (ESOS) regulations have been in force since 17 July 2014 and require large entities in the UK to carry out compulsory energy saving assessments covering their buildings, industrial processes and transportation of all UK operations. These assessments calculate total energy consumption, audit this information and also set out where energy savings can be made, thereby supporting climate change mitigation.

Who has to comply with ESOS?

Any undertaking which is large or is part of a corporate group containing a large undertaking must comply with ESOS. This covers companies, partnerships, trusts and unincorporated entities carrying on a trade of business whether or not this is with a view to making a profit.

An undertaking is large if it meets any one of the following criteria at the qualification date:

- Employs at least 250 people
- Has an annual turnover of >£44million and an annual balance sheet of £38million.

These values are based on the most recent financial statements which fall in the year ending on or before the qualification date.

What is the qualification date?

The qualification date is the date on which an undertaking must decide whether or not it qualifies for ESOS. The first date was 31 December 2014 (known as phase one) and then every four years after this date, the most recent being 31 December 2018 (known as phase two) and the next relevant date being 31 December 2022 (known as phase three).

What are the key obligations of the ESOS?

ESOS requires an assessment to be carried out of

- Total energy consumption over a 12 month reference period covering buildings, industrial activities and transport
- Carry out an energy audit for at least 90% of the energy consumed
- Identify cost effective improvements to energy efficiency as a result of the audit

The above must be conducted by a lead assessor, from an approved register, who must review the information with board level directors and then report elements of the information to the scheme administrator.

Who administrates ESOS?

ESOS is administrated in the UK by the environment agency (EA) who are notified of compliance with the scheme by lead assessors. Depending on your location within the UK there may be a different responsible body as each of England, Northern Ireland, Scotland and Wales have their own body responsible for scheme compliance and enforcement.

Where do I report the information from the ESOS assessment?

Certain details from the ESOS assessment will need to be reported to the EA or other responsible body by the 5 December following each qualification date.

What happens if I do not comply?

The EA or other relevant body can serve enforcement notices if they do not report in line with the required time frames. Civil penalties can also be imposed ranging from £5,000 to £50,000 depending on the nature of non compliance. For example failing to keep adequate records is likely to attract a lower penalty than failing to carry out an energy audit.

Where can I find more detailed guidance on the scheme?

The EA have provided [guidance](#) on how to comply with the ESOS regulations.

How can Albert Goodman contribute to my success?

Albert Goodman can undertake ESOS reporting at a minimum cost of £4250 +VAT (based on 3 site visits) dependent on the number of sites required to be audited. Additional sites will be charged at a minimum of £1100 +VAT. A guide to the number of sites to be audited can be found below:

No. of Sites	Determination of the Number of Audits	Audit No. (Range)
up to 15	3 sites	3
16 to 100	10 % of the number of sites	4 - 10
101 to 400	Square root of the number of sites	10 - 20
> 400	To be determined by the auditor	

Please get in touch if you would like to discuss how we could support your ESOS reporting requirements.