

# ESOS OVERVIEW

## FACTS RELEVANT TO YOUR BUSINESS

### What is ESOS?

It is the UK government's approach to implementing Article 8 of the **EU Energy Efficiency Directive** requiring all member states to perform regular energy audits of all their large enterprises every four years.

**COMPLIANCE DATE: 5 DECEMBER 2015**

### Do you qualify?

If the status of your organisation on **31 December 2014** falls into either of the categories, then you are eligible for ESOS

**"Large undertakings"**: Employ 250 or more people and / or have an annual turnover in excess of €50 million (£38,937,777). Annual balance sheet total in excess of €43 million (£33,486,489).

**"Overseas undertakings"**: Non-UK registered company with a UK registered establishment which has 250 or more UK employees paying UK income tax.

### Process

Large undertakings should provide information of the number and uses of sites, whether the sites are similar, energy bills for buildings, industrial operations and transport (not including any areas of the business that have been subcontracted). Besides, **only 90% of all energy consumption has to be audited**.

Sample site energy savings audits can be conducted by Torse energy assessment expert(s). The number of sites that need to be visited depends upon the volume of energy consumption per site and the number of sites. **For numerous sites, a sample approach can be implemented** especially if they are very similar.

Torse will calculate the amount of energy used in a way that is most suitable for the site(s) in question (e.g. per employee). Then potential measures for energy saving will be identified. Torse will then **generate a bespoke energy savings recommendations report**, which will include details of implementation costs versus the savings, both in terms of energy and financially. The recommendations are based upon actual billed consumption (kwh) rather than estimates.

This audit will present the **findings and recommendations in an accessible manner** for directors or your board and others across your organisation. Once the assessment findings have been signed off on by a director at board level, submission of your audit to the Environment Agency will be undertaken.

Completing the steps above, means that **your business is ESOS compliant** and it could be in your best interest in the long-term to implement the proposed changes considering the recent focus on green issues.

### Other methods of compliance

Various energy efficiency schemes have ensured that the information needed to become ESOS compliant is readily available. You can demonstrate that you have made a compliant ESOS assessment using:

- **ISO 50001 certification** – If the business is already compliant with this scheme for all of its energy usage, then it is already ESOS compliant.
- **Display Energy Certificates (DECs) and Green Deal Assessments (GDAs)** - These only cover buildings (gas and electricity), therefore unless this accounts for 90% of the energy consumption, then review of transport and industrial processes must take place. Moreover, these schemes can only be used as a compliance route for the specific energy they cover.

**PENALTIES:** there are fixed penalties of up to £50,000 for failure to submit energy audit on time or giving a false or misleading statement. If your company is subjected to a fine, then details of the incident will be **publicly published by the regulator.**

We provide a range of advice on pricing and contracts as well as ESOS requirements. Contact Torse on **0115 853 2120** today to discuss your ESOS needs and energy contract assessment for business **gas** and **electricity**.

### The real value of ESOS

The Government has designed the cost of non-compliance to be higher than the cost of completing the audit. Despite the fact that there is no legal requirement to implement any of the cost savings that are highlighted in the audit and consequent recommendations, they may be of benefit to your business in the long-term.

ENVIRONMENTAL	ECONOMIC	PUBLIC
Wider environmental advantages include reduced energy consumption, which contributes to the overall saving of finite energy supplies.	Economic advantages for your business flow naturally from the effects of reduced energy consumption. The reductions result in decreased energy and fuel bills, which in turn mean lower costs for the firm.	A thorough audit ensures green issues are brought to the attention of all sizes of UK business as well as individuals in a field of energy problems.
There will be improved environmental performance. Ensuring the long-term sustainability by adopting the modern approach of green business.	Lower costs increase competitiveness and gives potential to improve profitability, both of these lead to advantage over competitors. Being able to outperform competitors gives rise to incentives and opportunities for expansion and growth.	Furthermore, a company which willingly participates in ESOS, improves its reputation as it is increasing its level of corporate responsibility.
Implementation reduces needless waste and engages employees with the task of energy efficiency, e.g. turning off unnecessary lighting and not keeping the heating turned on with the windows open.	These economic advantages will allow your business to remain competitive.	Finally, participation in the scheme promotes positive public relations and the company is acknowledged as caring for both the environment and its employees, while increasing its efficiency.