

The Energy Saving Opportunities Scheme (ESOS)

What is the Energy Saving Opportunities Scheme, and will it affect you?

7th August 2013

What is the Energy Saving Opportunities Scheme?

On 10th July 2013, the Department of Energy and Climate Change (DECC) published a consultation on the proposed **Energy Savings Opportunity Scheme** — or 'ESOS' for short.

This scheme is designed to help the UK to comply with EU legislation – Article 8 of the EU Energy Directive that all 'large' organisations must undertake a programme of energy audits by December 2015.

*See section 1.3, page 21**

DECC's consultation

Full details on DECC's consultation *Energy Savings Opportunity Scheme: Helping UK enterprises improve profitability through better information on how to save energy* can be found at:

<https://www.gov.uk/government/consultations/energy-savings-opportunity-scheme>

* All references in this briefing note are to the document:

Consultation on implementation of Article 8 of the European Union Energy Efficiency Directive ('energy audits')
(URN: 13D/169, July 2013)

This can be found at the URL above.

Will the ESOS apply to me?

This scheme will apply to 'large' organisations as defined by the Companies Act 2006. This means small and medium enterprises (SMEs) are exempt except under certain circumstances – see flow chart below.

A 'large organisation' is defined in the consultation as being an organisation that has:

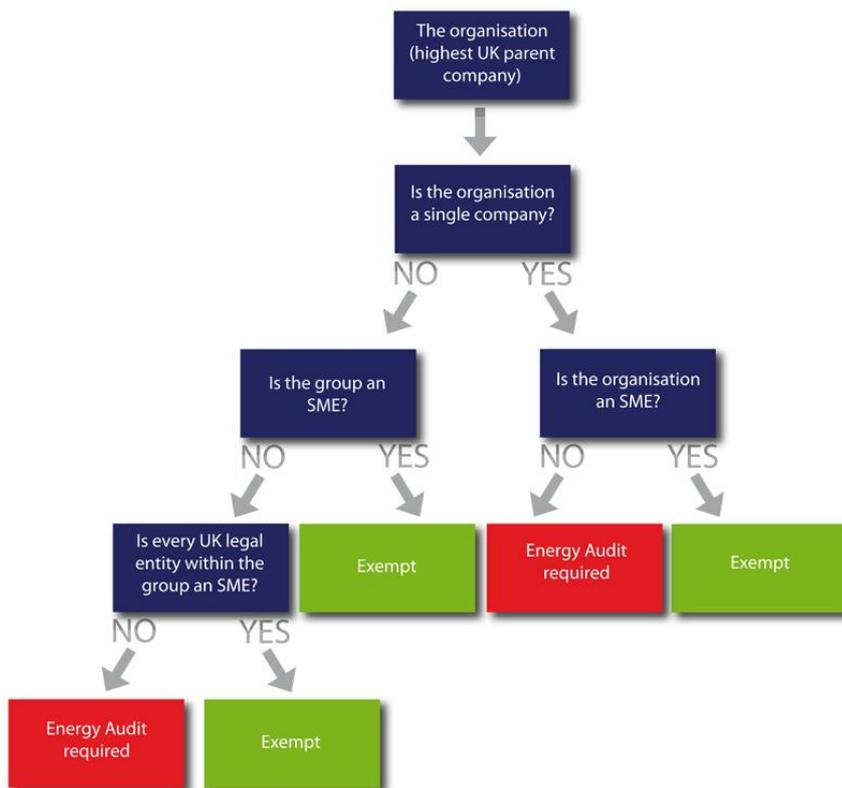
more than 250 employees

AND annual turnover greater than 50 million Euro OR annual balance sheet total exceeding 43 million Euro

*See section 3.4, page 35**

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Some SMEs will be required to comply. The consultation sets out a framework which we have represented by the decision tree below, to determine if your SME fits into ESOS.



*See section 3.9, page 35**

What are the important dates?

All qualifying companies will be expected to have complied with ESOS and carried out energy audits (called ESOS assessments) by the 5th December 2015 and then at least every 4 years from the date of the initial ESOS assessment in the future.

The consultation closes on 3rd October 2013, so if you want your say then please submit responses to the official questions by this date. A full list of official questions can be found in the consultation document.

*See pages 14–19**

I am already in a scheme (CCA, CRC, EUETS etc.) will I be exempt?

The simple answer is no, the longer answer is below.

If you meet the definition of a large organisation (see above) you will need to comply with ESOS regardless of your involvement in other schemes. The proposal sets out a framework whereby data reported under other schemes will be acceptable as data to establish energy performance for ESOS, but the efficiency recommendations component of ESOS assessments will still be required.

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Who can carry out ESOS assessments?

This is one of the questions raised in the consultation. Proposals include assessors registered with an accreditation service, such as the United Kingdom Accreditation Service (**UKAS**), or registered with a relevant professional body, such as the **Energy Institute**. An assessor may be either a company employee or an external consultant.

*See sections 5.1 and 5.2, page 54**

What will it cost?

Estimated costs are around £17,000 for initial assessment with future, repeat assessments costing £10,000. These costs will depend on the size and complexity of the organisation.

*See section 1.23, page 26, and box 4, page 27**

Who will run the scheme?

Probably the Environment Agency — but, again, this is one of the questions being asked in the consultation.

*See section 7.4, page 70**

Where can I get more information?

Visit www.gov.uk and search for 'ESOS'.

Alternatively, copy the following link into your web browser:

<https://www.gov.uk/government/consultations/energy-savings-opportunity-scheme>