



ESOS Phase 2



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Plan now for ESOS phase 2

Planning now will help to avoid some of the challenges that occurred during the first phase of ESOS, where around 2,800 organisations had to send notifications advising that they would be late in reporting compliance, and a number were ultimately fined. The surge of demand also impacted the availability of external support.

The hundreds of compliance audits conducted for Phase 1 found that just 16 percent of participants were fully compliant. A full three-quarters of audited participants needed to undertake remedial actions in order to become compliant. Hundreds of organisations (were deemed to be non-compliant, a position which can lead to substantial financial penalties being imposed.

The Environment Agency has also found that in England there were around 500 organisations that qualified for ESOS in the first phase but had not engaged with the scheme. This has resulted in over 300 enforcement notifications sent out to date, with more to come. As well as avoiding enforcement action or the need for subsequent remedial actions, early action can help unlock the financial savings brought by greater energy efficiency.

Although there some exemptions for public bodies, the regulations require all other large UK organisations to take three important steps before the compliance date of 5 December 2019:

Important compliance steps to follow before 5th December 2019

1. measure their total energy consumption;
2. conduct audits to identify cost-effective energy efficiency opportunities; and
3. report compliance to their national scheme administrator – the Environment Agency in England, SEPA in Scotland, NIEA in Northern Ireland and NRW in Wales.

Alternatively organisations can comply automatically in certain cases. The main way to do this is by providing evidence that they have achieved certification to ISO 50001, the international standard for best practice energy management, across their organisation.

Organisations caught under the ESOS regulations can therefore now start conducting audits to identify their cost-effective energy efficiency opportunities for Phase 2, or move forward with implementing ISO 50001. In particular ISO 50001 requires early action, as it often takes well over a year for companies to implement a best practice energy management system and achieve certification.

The one element of ESOS compliance that organisations are not yet able to begin is collecting the data for reporting their total energy consumption. The earliest this can begin is the start of 2018, as ESOS compliance requires a 12 month period of total energy consumption data which includes the qualification date of 31 December 2018.

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