

# ESOS Phase 3

**Deadline: 5th June 2024**

## Who needs to comply with ESOS?

ESOS applies to large UK undertakings and their corporate groups. It mainly affects businesses but can also apply to not-for-profit bodies and any other non public sector undertakings that are large enough to meet the qualification criteria.

Corporate groups qualify if at least one UK group member meets the ESOS definition of a large undertaking.

## Large undertakings

For the qualification date for the third compliance period (31 December 2022) a large undertaking is any UK company that either:

- employs 250 or more people
- has an annual turnover in excess of £44 million, and an annual balance sheet total in excess of £38 million

If you qualify for ESOS and your organisation is fully covered by ISO 50001, you do not need to carry out an ESOS assessment. You just need to notify the Environment Agency that you're compliant with ESOS.

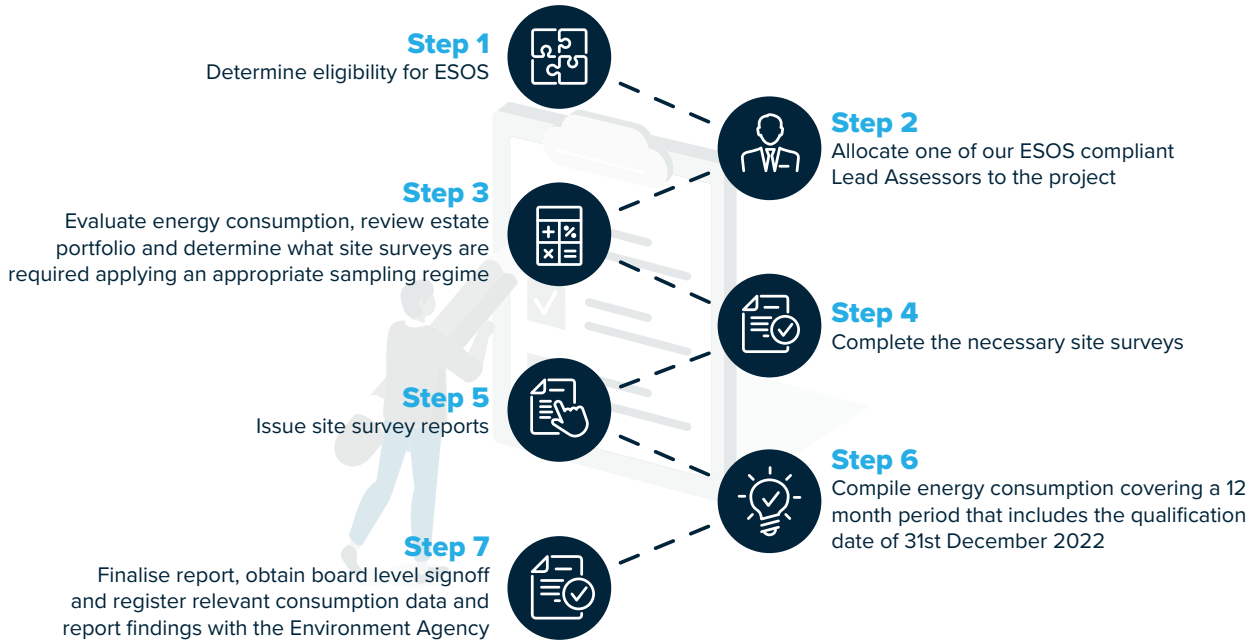
The Energy Savings Opportunity Scheme (ESOS) is a **mandatory** energy assessment scheme for organisations in the UK that meet the qualification criteria. Qualifying organisations must carry out ESOS assessments **every four years**. These assessments are audits of the energy used by their buildings, industrial processes, and transport to **identify cost-effective energy-saving measures**. The third phase of the scheme must be completed by 5th June 2024.

## ESOS regulation & penalties

Your environmental regulator is responsible for compliance and enforcement activities. It may issue civil sanctions, including financial penalties, if an organisation does not meet the scheme's obligations.

## ESOS Phase 3 timeline

We've helped over 100 UK businesses achieve ESOS compliance by conducting energy audits and fulfilling the necessary reporting requirements for ESOS Phase 1 & 2. The typical process for ESOS is as follows:



## Value we deliver

As one of the leading UK energy consultants, we have a wealth of experience in delivering a well-rounded and fully compliant service.

### ✔ In-house expertise

We were among the first UK based consultants to offer ESOS compliant Lead Assessors, helping organisations to meet requirements as early as possible.

### ✔ Start saving early

By taking action now, you can identify energy saving opportunities early, with energy prices at record highs this makes good commercial sense as well as being good for our environment!

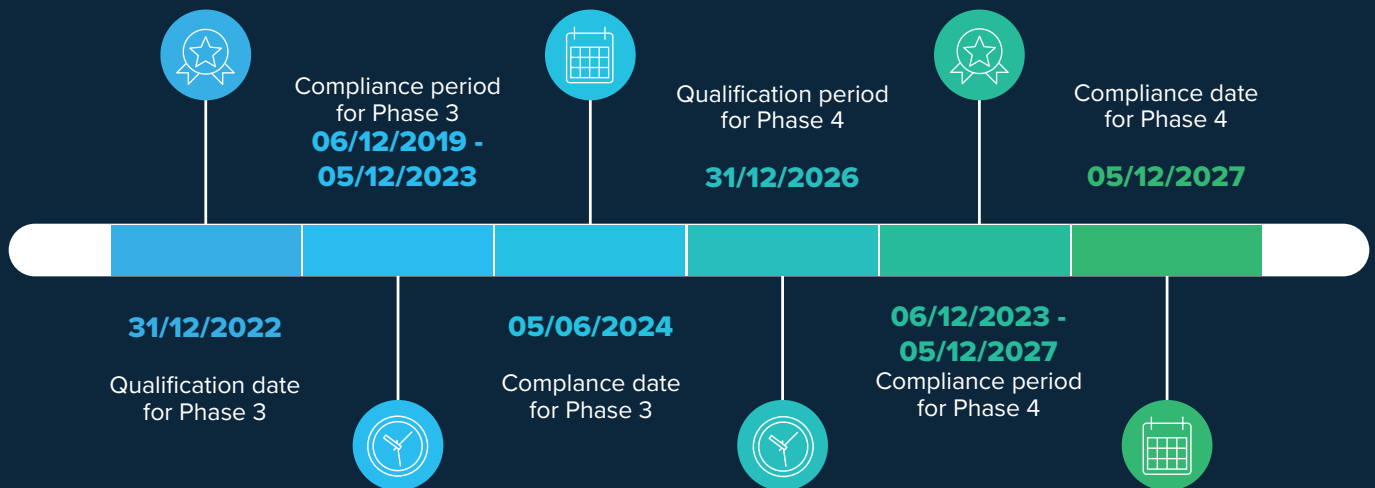
### ✔ Guaranteed success rates

A recent audit by The Environment Agency found a shocking 63% of Phase 2 evidence packs were only partially compliant and required some level of corrective action. We are proud to declare that 100% of our customers achieved compliance.

### ✔ Beyond compliance

We can help you implement sustainable solutions that reduce energy costs and optimise energy efficiency.

## ESOS Timeline - Key dates



## ESOS consultation outcomes

On 19th July 2022 the UK Government announced the outcome of the consultation on the Energy Savings Opportunity Scheme (ESOS) which aimed to increase the energy and carbon savings from businesses who participate. The Government's response to the consultation sets out a summary of the proposals to improve the quality of audits through increased standardisation of reporting, the inclusion of a Net Zero element to audits, and the requirement for public disclosure of high-level recommendations by participants.

### Summary of key changes for Phase 3:

- The de minimis exemption is to be reduced from 10% to 5% of total energy consumption.
- Reporting will become standardised to boost audit quality and a new template will be provided.
- ESOS reports will require an overall energy intensity metric in the overview section.
- Half-hourly consumption data will be analysed and included within reports.
- An action plan to be submitted once Phase 3 concludes, which will be a reporting requirement for Phase 4.

### Phase 4 changes:

- ESOS reports to meet either ISO 50002 or EN 16247 auditing standards.
- Removing Display Energy Certificates (DECs) and Green Deal Assessments (GDAs) as compliance routes.
- Government set to align the ESOS balance sheet and turnover thresholds with SECR.
- Enhanced transparency and methodology of site sampling methods will be introduced.

Follow the link for more info on the consultation outcomes:  
[www.tridentutilities.co.uk/esos-phase-3-consultation](http://www.tridentutilities.co.uk/esos-phase-3-consultation)

## Essential ESOS Client data and information required for Phase 3

The ESOS Phase 3 submission requirements changed midway through the qualification process in May 2023, leading to an extension of the ESOS Phase 3 deadline to **5th June 2024**. These changes mean the following extra information is now required.

<b>1</b>	All details of any global parent and relevant trusts.
<b>2</b>	Names and companies house numbers for all companies within their UK group.
<b>3</b>	All companies need to provide an organisational chart detailing all UK entities and their relationships.
<b>4</b>	SIC codes of all UK companies in the group.
<b>5</b>	The floor area of buildings (Offices, shops, warehouses).
<b>6</b>	For transport, it's necessary to transpose the data into kWh/tonne mile or kWh/person mile (Goods/passenger metrics).
<b>7</b>	For manufacturing, the data needs to be normalised by output or input (Tonnes, litres, units etc.).
<b>8</b>	Turnover in £.
<b>9</b>	Total estimated savings from projects since the previous ESOS. This needs to be broken down by organisation and use category (Buildings, Transport, Industrial processes).
<b>10</b>	Details of any government support received for energy efficiency and their implementation.
<b>11</b>	The Total Energy Consumption (TEC) and Specific Energy Consumption (SEC) for Phases 1 and 2 if relevant. These will need to include estimated savings broken down as per point 9.
<b>12</b>	If available the total savings achieved following phase 1+2 submissions.
<b>13</b>	Any changes to the organisation between Phase 1, 2 and 3.

## FAQs

### What will ESOS Phase 4 look like?

The Government has stressed that Phase 4 will focus on covering Net Zero as well as energy efficiency, to support the Net Zero 2050 target.

### What else will Phase 4 include?

Certain data will become mandatory to be made public. Examples include carbon reduction targets and Net Zero assessments.

### What are the penalties for non-compliance?

A fixed penalty of £5,000, plus an additional £500 per day, until notification is completed. Other penalties could be reputational damage for non-compliance and cost of lost opportunity from failing to identify energy saving measures.

**1,660,000**

Average kWh savings identified per organisation

**£10,112**

Average cost of compliance

## Don't delay!

Avoid financial penalties and manage your energy compliance obligations in the most efficient way.

“When faced with the compliance requirements under UK Government Energy Saving Opportunities Scheme (ESOS), our business did not hesitate to contract the services of Trident yet again to steer us through the requirements of both Phase 1 compliance and subsequently Phase 2.”

—  
M Hegarty  
Greenergy Biofuels Ltd

