

ESOS Newsletter

Issue 3 December 2017

Welcome to the Energy Savings Opportunity Scheme (ESOS) newsletter, keeping you updated with key information relating to the scheme. In this issue:

- Tackling non-compliance
- Don't get caught out
- Consultation: The Environment Agency's new Enforcement and Sanctions Policy (ESP) – Closing 15 January 2018
- Research on Auditing & Reporting including ESOS.

Tackling non-compliance

Through our extensive enforcement work to date the Environment Agency have:

- Investigated ~2,400 organisations
- Gained ~240 participants through the service of an Enforcement Notice
- Have a further ~190 Enforcement Notice cases which are currently ongoing.

We have commenced civil penalty proceedings against a number of non-compliant organisations. The civil penalties we impose will be published on .Gov.UK after the penalties have been issued and the applicable appeal times have lapsed.

The figures above will change as our enforcement work progresses. In addition to these figures there are a number of cases being investigated and enforced by UK devolved administrations.

Don't get caught out!

A good approach to ensure you don't fall short of the Phase 2 Compliance Deadline (5 December 2019) is to start your energy audits and identification of energy savings opportunities now!

You will not be able to carry out the assessment of your total energy consumption (TEC) as this has to include the qualification date of 31 December 2018, however if you expect to qualify for Phase 2 and you know that an energy supply will be included in your significant energy consumption (SEC) you can do the audit work on this supply. The audit needs to have at least one year's energy measurement, but this can be from any time between 6 December 2014 and 5 December 2019. The audit can use data that has been collected at any time during this period provided that the audit itself is carried out no later than 24th months after the data period and the data has not already been used for an audit in Phase 1.

Different energy streams can be audited at different times so the workload can be spread better to suit your business needs, for more information please refer to Sections 2.1 and 5.4.1 of our main guidance document: [Complying with the Energy Savings Opportunity Scheme](#).

Consultation: The Environment Agency's new Enforcement and Sanctions Policy (ESP) – Closing 15 January 2018

The Environment Agency released the latest version of its Enforcement and Sanctions Guidance in March 2015. We now need to update this guidance to reflect changes in policy and learning from experience.

We are consulting on our new Enforcement and Sanctions Policy (ESP) to seek views on the significant areas of change. The ESP includes a climate change schemes annex. The maximum penalties for the climate change schemes are set in legislation and, normally, we have discretion to waive, reduce or extend the time for payment of the penalties. For the majority of breaches, we propose to amend our approach to applying discretion by using a stepped approach based on the Sentencing Guideline. We've adjusted the steps so that they're appropriate for the schemes. The steps include a 'nature of the breach' assessment and consideration of other enforcement positions. The annex includes our normal assessment for each breach under the schemes.

We will apply the penalty setting approach for the climate change schemes set out in the draft ESP as soon as the consultation starts. However, we will still carefully consider all comments made about the approach during this consultation and will review and revise the approach in light of these comments, if we consider that appropriate.

The consultation can be viewed at <https://consult.environment-agency.gov.uk/environment-and-business/enforcement-and-sanctions-policy>.

Research on Auditing & Reporting including ESOS

BEIS has commissioned external research on the effectiveness of energy audits and energy reporting in driving energy efficiency savings in organisations. In addition, this work will evaluate the impact of the Energy Savings Opportunity Scheme (ESOS), following on from the interim ESOS evaluation published in October. An important part of this research is gathering the views of stakeholders.

As part of this work, our research contractors, Ipsos Mori with the Carbon Trust and University College London, will be running a series of workshops and conducting qualitative interviews with business and industry, starting from December 2017 and

running into April 2018. Further evaluation work on ESOS will start in summer 2018 and continue to 2019.

If you are interested in participating please can you respond to this BEIS email address (ndeeevaluation@beis.gov.uk) or email the Carbon Trust direct (Alessandro.casoli@carbontrust.com). Please let us know if you are interested in the workshops. This work is separate to the consultation on streamlined energy and carbon reporting.