

ESOS Newsletter

Issue 3 April 2019

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

- Identifying your Significant Energy Consumption (SEC)
- ESOS Notification System
- Critical Dates
- Simplified Energy and Carbon Reporting (SECR)

Significant Energy Consumption

Once an ESOS participant has identified their total energy consumption (TEC), at least 90% of the TEC has to be audited or subject to one of the alternative compliance routes. This energy identified for audit is known as your significant energy consumption (SEC). You can choose how you define your SEC, for instance including all energy supplied to one or more undertakings, or you could exclude any small energy supplies you may have. It is suggested that all energy supplies to large undertakings in the group are included in your SEC. The SEC must include at least 90% of the total energy used by the participant.

The requirement to identify your TEC and SEC applies to all ESOS participants, so if you are disaggregating your group into two or more ESOS participants, each disaggregated participant has to identify their TEC and SEC.

ESOS Notification System

The new notification system for Phase 2 of ESOS is now available. This is replacing the existing Phase 1 notification system, which is closed. The Phase 2 notification system is available at <https://www.gov.uk/guidance/energy-savings-opportunity-scheme-esos>

If you need to make a Phase 1 notification please contact the ESOS helpdesk at ESOS@environment-agency.gov.uk

Phase 2 Notification System Changes

The Phase 2 notification process is very similar to the Phase 1 system, and looks very similar. There are two significant changes, firstly, if you wish to tell us that you do not qualify (DNQ) for ESOS, then you can do this using the new Phase 2 Notification System as the DNQ option is now built in rather than a separate system.

Secondly, there is now an option to upload a list of all the organisations in your participant group, either as a standard template (downloadable from the notification system) or in any other format, such as group structure chart.

Critical Dates

Please remember that the final date for compliance with ESOS Phase 2 and making your notification is 5th December 2019

If you have any queries relating to ESOS Phase 2, please email esos@environment-agency.gov.uk

Streamlined Energy & Carbon Reporting (SECR) legislation now in force

- Quoted companies of any size, large unquoted companies and large Limited Liability Partnerships need to report their annual energy use, greenhouse gas emissions and energy efficiency action taken in their annual reports for financial years which start on or after 1 April 2019.
- The government guidance on SECR can be found in chapter 2 of the Environmental Reporting Guidelines <https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance>
- SECR coincides with the closure of the CRC energy efficiency scheme, where current CRC participants are reporting for the last time by the end of July 2019 and surrendering allowances by the end of October. It is designed to be simpler and align with existing reporting mechanisms such as mandatory reporting of greenhouse gas emissions by listed companies.
- SECR is not replacing the Energy Savings Opportunity Scheme (ESOS) but ESOS participants may find auditing for Phase 2 helpful for their first reporting under SECR, including the narrative SECR report on energy efficiency action taken over the organisation's last financial year.
- Further guidance can be found at [guidance](#) and reporting@beis.gov.uk