

# ENERGY-SAVING MADE MANDATORY

IF YOUR BUSINESS IS LARGER THAN AN SME, YOU HAVE UNTIL 5TH DECEMBER TO COMPLY WITH THE LATEST ENERGY LEGISLATION. OR YOU COULD FACE A FINE OF ANYTHING FROM £5,000 TO £50,000 POUNDS.

Does your organisation employ more than 250 people? Does it have an annual turnover of more than €50 million and an annual balance sheet of over €43 million? Is it an overseas company with a UK-registered establishment, employing 250 or more employees paying income tax in the UK? If it matches any of those descriptions, then it qualifies for the Government's mandatory Energy Savings Opportunity Scheme (ESOS). And it's time you started to take the necessary steps to comply.

Although non-compliance could land you with a fine of up to £50,000, acting on this initiative could bring you energy cost-savings which amount to as much or more in the long term. So it's worth finding out what's involved, and how to go about meeting the requirements before the December deadline.

## Billions off the energy bill

The Government expects ESOS to help UK companies to identify £1.6 billion of savings from their total energy bill, as well as helping to cut carbon emissions. It's all part of the drive to reduce UK greenhouse gas emissions by 80% by 2050, as well as being part of the UK's response to Article 8 of the EU's Energy Efficiency Directive.

But it's not just the country – and ultimately the Earth – which will benefit. By auditing and then using that work to reduce their energy use, businesses can expect to make significant savings for themselves.

The energy use that has to be audited is defined by ESOS as all energy products supplied to and consumed by an organisation, and includes combustible fuels, heat (but not surplus heat from industrial processes), renewable energy and electricity. So if the scheme helps you to identify where your organisation can save energy cost-effectively, you'll see real benefits in increased profitability, greater competitiveness and improved sustainability but only if you act on the findings.

## How to avoid the fines

As already explained, ESOS is mandatory for organisations which meet the size criteria. But, if your business is already certified to ISO 50001 – and if the certification relates to 100% of your energy usage – then you effectively already meet ESOS requirements. In that case, all you have to do is notify the Environment Agency that you are ESOS compliant.

If you don't have the relevant ISO 50001 certification, you need to undertake an ESOS assessment. And although the deadline might seem a long way off, with the rush to comply as the date nears – and the inevitable backlog and delays that it will bring – then the sooner you take the necessary steps, the better.

## SO, WHERE DO YOU START?

### Assess, analyse, alter

If your organisation falls under the ESOS requirements, your first step is to calculate your total energy consumption. This means energy consumption for all activities, including properties, processes and transportation.

Once you've done that you need to appoint a lead assessor to audit your energy usage. The assessor can be an existing employee or an external contractor – as long as they are a member of an approved ESOS lead assessor register. As you would expect *ERIKS* offers a lead assessor service and is a member of an approved register. The lead assessor then has to audit your current energy usage by breaking it down into its different usages, analyse potential variations which may reduce energy efficiency, and suggest alterations and cost-effective measures which will save energy.

Finally, the lead assessor must compile an Evidence Pack for submission to the Environment Agency before the December deadline.

## Making ESOS pay

Obviously there's a cost – in the form of a fine – if a company affected by ESOS doesn't comply. There's also a cost in carrying out the assessment – though for most companies, that will be a fraction of annual energy spend.

But the cost – and more – can potentially be recouped simply through the savings made through reducing energy use if you implement the findings. And since ESOS requires a repeat audit every four years, energy use will continue to be reduced, saving even more money as time goes by. And that's only in terms of energy costs. As mentioned earlier, there are competitiveness and sustainability benefits to be realised too.

## The extra mile

Once an organisation has complied with the requirements of ESOS, that's all it has to do. But given that energy saved equals money saved, many businesses will take the opportunity to go further, to realise more savings.

An experienced and effective lead assessor will also go further, to help businesses comply with ESOS in good time to beat the deadline, and also to help them realise optimum savings.

As Europe's leading industrial services partner, *ERIKS* has the benefit of experience of more industries, businesses and processes. We also have the advantage of being able to transfer knowledge from one to another, to apply proven solutions with a demonstrable savings track record to new areas, for cost-effective energy-saving results.

ESOS makes saving energy mandatory. *ERIKS* makes ESOS easier.

