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# **Energy Savings Opportunity Scheme (ESOS): Frequently Asked Questions**

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**Part 1: Qualifying**

**1. How do we know if we qualify for ESOS?**

ESOS applies to all large organisations in the UK. This means that an organisation qualifies for ESOS if it has:

- a) 250 or more employees, or
- b) fewer than 250 employees but an annual turnover and balance sheet of more than €50m (£38,937,777) and €43m (£33,486,489), respectively.

For the scheme's first compliance phase, the pound sterling qualification threshold was calculated by using the Bank of England daily spot exchange rate on the qualification date, 31 December 2014 (1,2841 €/£).

In addition, if a corporate group contains at least one large UK organisation, all UK organisations of that group must comply with ESOS, regardless of their size. Bear in mind that ESOS applies only to organisations that operate in the UK.

**2. Does ESOS affect only large enterprises/organisations?**

No, there will be certain cases where SMEs will also need to comply with ESOS (see Question 3).

**3. What if we belong to a corporate group?**

In the case of a corporate group that contains at least one ESOS-qualifying large organisation operating in the UK, all UK organisations of that group will also fall under ESOS, irrespective of their size.

**4. We are a global organisation. Does ESOS apply only to our UK operations? What about our other European operations?**

Yes, since ESOS is the UK's Government approach to implementing Article 8 of the EU Energy Efficiency Directive, it applies only to UK operations of global organisations.

The UK registered establishments of overseas organisations will also qualify for ESOS provided that they have at least 250 UK employees who pay income tax in the UK. In addition, a UK registered establishment of an overseas organisation will fall within ESOS, irrespective of its size, if any other UK part of the overseas organisation meets the scheme's qualifying criteria. A 'UK establishment' is defined as a branch under the Eleventh Company Law Directive (89/666/EC) or a part of business that is not considered to be a branch but it has some extent of physical presence in the UK.

As far as the European operations of a global organisation are concerned, these operations will be subject to each EU member state's interpretation of the Article 8.

**5. Does the public sector fall within the scheme? What about universities?**

No, public sector organisations do not fall within the scheme. Under ESOS, public sector organisations are defined as those organisations that are subject to the Public Contracts Regulations 2006 in England, Northern Ireland and Wales, and the Public Contracts Regulations 2012 in Scotland.

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If a university is not subject to these public contract regulations, it will be required to participate in the scheme. This will be determined by how each university is funded. If a university receives more than half of its income from private sources such as fee-paying students or research grants from private sources, it may not need to comply with public contracts regulations and therefore, it will not be deemed a public sector organisation and will have to comply with ESOS.

**6. When evaluating whether or not a university qualifies for ESOS under the Public Contracts Regulations, do student loans count as private or public funding?**

According to the Department for Business Innovation and Skills (BIS), the agreement between a student and an institution to pay fees in return for teaching is not regarded as public financing. As a result, student fees are considered to be private funding, regardless of whether they come from private students or public loans.

**7. How does ESOS impact franchisees?**

A franchisee will fall within ESOS only if it meets the criteria of being a large organisation. There is no requirement for a franchisor to aggregate its franchisees for participating in ESOS.

**8. Are qualifying organisations required to register with the Environment Agency before or on the qualification date?**

No, there is no need for qualifying organisations to register with the Environment Agency before or on the qualification date of each compliance phase.

Participants are only required to notify the Environment Agency that they have complied with ESOS by the compliance date of each phase (e.g. 5 Dec 2015 for the first compliance phase).

**9. What is the change of status/two-year rule?**

In order for an organisation to change its status from a large organisation to an SME, it must fail to meet either one or both of the qualification criteria for two consecutive accounting periods.

In the same way, if an SME meets either one or both of the qualification criteria for two consecutive accounting periods, it will then be deemed to be a large organisation.

Practically, this means that if an organisation is too close to the ESOS qualification thresholds, or has recently expanded or shrunk, it may need to look back over several accounting periods in the past to determine whether or not it qualifies.

*Example 1*

Let's say that an organisation's accounting period commences on 1 January each year and ends on 31 December. If that organisation met the qualification criteria over the last 4 accounting periods (e.g. from 2009 to 2013) but has fallen below them only over the accounting year 2014, according to the 'change of status' rule described above, it will have to comply with ESOS.

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*Example 2*

Let's say again that an organisation's accounting period commences on 1 January each year and ends on 31 December. If that organisation did not meet the qualification criteria over the last six years (e.g. from 2007 to 2013) but has expanded in 2014 and therefore, it now meets the definition of being a large organisation, according to the 'change of status' rule described above, it will not fall within ESOS. This is because it has not met the definition of being a large organisation for two consecutive accounting periods so it is still considered to be an SME.

**10. What if an organisation has been fluctuating above and below the qualification thresholds year on year?**

In this case, the organisation will have to go back as far as it takes in order to identify two consecutive accounting periods where the same status exists. This will effectively determine its organisational status for the purpose of qualifying for ESOS. There is no end date for how far back organisations may have to go to determine this information.

**11. What if an organisation has never maintained the same organisational status over two consecutive accounting periods?**

In this case, the organisational status over the first year (meaning the year when the organisation was created) will be what will determine whether or not that organisation will qualify for ESOS.

**12. For those organisations that will have to look back at previous accounting periods for the purpose of qualifying for ESOS, what is the exchange rate, which will determine the pound sterling qualification thresholds?**

It is the exchange rate on 31 December 2014 - not the exchange rate at the time of previous accounting periods - that will determine whether or not these organisations will have to comply with ESOS.

**Part 2: Complying**

**13. What do we have to do if we qualify for ESOS?**

Under the scheme, all participants will be required to conduct an ESOS Assessment. This will include:

- an initial estimate of their total energy consumption (covering energy used in buildings, transport and industrial processes)
- the identification of areas of significant energy consumption, comprising at least of 90% of their total energy consumption
- the appointment of a 'Lead Assessor' to conduct and/or oversee a detailed energy audit of those areas in order to establish where energy savings can be made. (Note: There will be a case where the appointment of a Lead Assessor will not be necessary – see Question 17 for more information.)
- having the ESOS Assessment reviewed and signed off by the Lead Assessor and a board-level director
- notifying the Environment Agency that they have complied with the scheme.

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**14. What types of energy use does ESOS cover?**

ESOS covers energy used in buildings, transport and industrial processes. Within these areas of energy consumption, all forms of energy should be measured, including electricity, combustible fuels, heat, and so on.

**15. What is an energy audit?**

An energy audit is the examination of how is energy used in an organisation. Carrying out an energy audit should result in understanding and improving the energy performance of the organisation. It includes:

- the measurement of the energy consumption of an organisation’s assets and activities through the review of energy data and data management processes
- the detection of any variations in energy consumption and the main drivers of these variations
- the identification of cost-effective energy saving opportunities.

It also includes carrying out site visits in order to verify that the audit findings and energy saving recommendations are practical and applicable to the organisation.

**16. Is there a prescribed format or template for ESOS energy audits?**

No, there is no prescribed format or template for ESOS energy audits. However, the UK Government highlights the importance of presenting the audit findings in a clear and accessible manner.

A suggested template for presenting findings is included in EA’s ‘Complying with Energy Savings Opportunity Scheme’ publication. (Note: For more information read through Appendix A – Section A.7.2 of the EA’s document, which can be found online).

**17. Is an energy audit the only way to comply with the scheme?**

No, an energy audit is not the only way to comply with the scheme. There are a number of alternative routes to compliance such as:

- implementing and operating an externally-certified ISO 50001 energy management system
- obtaining Display Energy Certificates (DECs), and
- carrying out Green Deal Assessments.

DECs and Green Deal Assessments cover only energy used in buildings and require review by an ESOS Lead Assessor. An ISO 50001 energy management system that covers all areas of significant energy consumption is the only route to ESOS compliance that does not require the appointment of a Lead Assessor. Qualifying organisations may choose a single route or a combination of routes to compliance, as long as all areas of significant energy consumption are covered.

**18. We already participate in other energy auditing schemes. Do we still have to participate?**

Yes, you will still need to participate. Since ESOS is a mandatory energy efficiency assessment and energy savings identification scheme, those organisations that meet the qualification criteria must comply with ESOS, regardless of their participation in other energy auditing schemes. However, for the purposes of ESOS compliance, qualifying organisations will be allowed to use any audit work undertaken as part of other energy auditing schemes (such as activity under the Carbon Trust Standard,

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Logistics Carbon Reduction Scheme and Green Fleet Reviews), as long as the appointed Lead Assessor approves that these activities meet the minimum requirements of an ESOS Assessment.

**19. How many site visits will be required as part of the auditing process?**

The decision regarding how many site visits will be required as part of the auditing process is to be agreed between the Lead Assessor and the ESOS participant. In most cases, the Lead Assessor will be expected to conduct a representative sample survey. To be considered 'representative,' site visits should be conducted in each different business area to include the range of energy activities and processes from all parts of the organisation. This will enable assessment of each type of energy activity or process within an organisation.

**20. If we comply with the scheme, will have to do it again in the future?**

Yes, ESOS will run in repeating 4-year phases. During each phase, organisations will have to assess if they qualify for the scheme, and if they do so, they will have to comply with the requirements of ESOS. The timings of each phase are shown in table below:

	Start date	End date	Compliance date	Qualification date
Phase 1	6 December 2011	5 December 2015	5 December 2015	31 December 2014
Phase 2	6 December 2015	5 December 2019	5 December 2019	31 December 2018
Phase 3	6 December 2019	5 December 2023	5 December 2023	31 December 2022

The qualification date is the date on which organisations must assess if they qualify for ESOS. The compliance date is the date by which qualifying organisations must fulfil the requirements of ESOS and submit their notification to the Environment Agency.

**21. What happens if we don't comply?**

Under ESOS, compliance bodies will be authorised to apply civil penalties including fines against non-compliant organisations. They will also have the right to publish information on non-compliance including the name of the organisation, details of non-compliance and the penalty amount. The compliance bodies for each UK country are as follows: the Environment Agency in England, the Northern Ireland Environment Agency, the Natural Resources Wales and the Scottish Protection Environment Agency.

**Part 3: Lead Assessors**

**22. What is the role of a Lead Assessor?**

A Lead Assessor will undertake various roles in relation to a participant's ESOS Assessment. He/she will directly carry out ESOS audits or oversee and/or approve the conduct and quality of ESOS audits and any other auditing activities (such as Display Energy Certificates and Green Deal Assessments) conducted by others and used to comply with ESOS. Lead Assessors will also have to sign-off the overall ESOS

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Assessment, thus ensuring that it meets the requirements of the scheme. The exception to this is if an organisation has an externally-certified ISO 50001 energy management system in place that covers all areas of significant energy consumption; see Question 33 for more information.

**23. How can someone become a Lead Assessor?**

Those interested in becoming Lead Assessors must meet certain competency requirements that are set out in the *Publicly Available Specification (PAS) 51215: 'Energy efficiency assessment – Competency of a lead energy assessor'*. *PAS 51215* can be purchased here.

Lead Assessors must be members of an approved register. Operators of such registers must apply to the Environment Agency to gain certification for their members under *PAS 51215*.

**24. How can we find a Lead Assessor?**

The Environment Agency has a list approved registers. Details of the approved registers have been published on the Environment Agency's website.

**25. Can an internal staff member undertake the role of a Lead Assessor?**

Lead Assessors can be either external consultants or in-house experts. Therefore, an internal staff member could undertake the role of a Lead Assessor, providing he/she is a member of an approved register. In the case of an organisation that chooses to appoint an internal staff member as the Lead Assessor, the final ESOS Assessment must be signed off by two board-level directors rather than one.

**26. We do have a staff member we think could qualify as a Lead Assessor but we are aware that each Register has different requirements, including different amounts of training and costs. How do we choose?**

The choice is largely down to each organisation's requirements and the existing skills and knowledge of the person who wishes to qualify. Generally speaking, those Registers where members must already have breadth and depth of expertise may require little or no training, while those with less experience may be required to complete several days or weeks of training.

**27. What are the competencies of a Lead Assessor?**

A Lead Assessor must have in-depth expertise and knowledge of how to carry out an energy efficiency assessment. He/she must have a number of core competencies, as well as technical and non-technical skills. These competencies range from being capable of applying the requirements of various energy efficiency methods, to managing teams and budgets. The Lead Assessor competencies and skills are described in detail in *PAS 51215*.

**28. What should be the criteria for choosing a Lead Assessor?**

It could be a false economy to choose a Lead Assessor based on price. The best approach for participants would be to match the skills and experience of a Lead Assessor with the specific needs of their organisation. It is fair to say that the majority of Lead Assessors will have some experience in buildings but there are somewhat fewer that have either industry or transport experience. If an organisation consumes energy in these areas then it is crucial to find someone that understands their business sector.

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**29. Our business is quite complex – how can we find a Lead Assessor who is an expert in everything?**

This is extremely unlikely – even consultants with 30-40 years of experience are unlikely to be experts in everything.

The ESOS qualification requires a Lead Assessor to have certain core competencies in areas such as: interpreting context and scope, choosing and implementing methodology, understanding of energy use and systems, managing teams/budgets/working relationships, measuring/sampling/sub-metering, interpreting data, identifying opportunities for improvement and preparing reports.

However, the technical skills of assessors in different industry sectors, e.g. energy technologies, industry processes, transportation, will vary according to the background of the Lead Assessor and the type of Register to which they belong. The type of professional body and its typical membership will give an idea of the breadth and depth of expertise of their approved Lead Assessors.

**30. Our energy use is split fairly evenly between industry and transport. It's difficult to find one Lead Assessor who is knowledgeable in both sectors, so will we need to appoint two Lead Assessors?**

No, there is no requirement to appoint two Lead Assessors. Some consultancies will be able to draw upon the skills of several Lead Assessors in order to oversee the audits of a participant's various functions and operations but there will be only one Lead Assessor in charge of signing-off the overall ESOS assessment. However, participants are held responsible for ensuring that their Lead Assessors are capable of covering their needs.

All professional bodies have Codes of Professional Conduct which their members must commit to. These Codes will generally include a commitment for professionals not to undertake work for which they are not competent. It is important for organisations to check the Code of Professional Conduct of the Register to which their Lead Assessor belongs to and also to check the complaint procedure for their right of appeal against any work that does not meet the standard for which they contracted that Assessor.

**31. Does the Energy Institute have any of its registers approved as ESOS Lead Assessors registers?**

The Environment Agency (EA) has approved Chartered Energy Managers and the Register of Professional Energy Consultants (RPEC) as ESOS Lead Assessor registers. To find an ESOS Lead Assessor, visit: [efficiency.energyinst.org/esos-lead-assessor](http://efficiency.energyinst.org/esos-lead-assessor).

**32. What's special about the EI's Lead Assessors?**

The EI has two Registers approved by the Environment Agency as meeting the required standards for ESOS Lead Assessors:

- RPEC - Register of Professional Energy Consultants
- Chartered Energy Managers – Register of individuals who work as energy managers

RPEC represents those with a wide range of energy efficiency experience together with a known track record in energy consultancy. The Register of Chartered Energy Managers represents those with energy

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management skills and knowledge, often gained within organisations as an in-house energy manager or in their early years of consultancy.

Both registers existed before ESOS was developed so their members hold a range of expertise, most with considerable depth and length of experience in the industry. Membership of the Registers requires a combination of existing knowledge/qualifications and experience. In most cases, there is no requirement to undertake additional training if the applicant has sufficient industry experience. Assessment is by peer review which means that existing qualified Accredited Consultants or Chartered Energy Managers will assess the knowledge and skills of applicants based on their written application and interview.

The EA's ESOS Guide recommends that organisations should search for a Lead Assessor based on their:

- Sector experience
- Knowledge of energy technologies/processes
- Other useful accreditations (e.g. ISO 50001).

The RPEC Register, which comprises Chartered professionals who have undergone a separate assessment of their energy efficiency skills and knowledge, allows users to search by all these criteria and more. In addition, it indicates the level of expertise that a consultant has in each sector/technology to help participants identify the Lead Assessor with the precise experience to meet their needs. Chartered Energy Manager is a title that conveys a level of recognition beyond their status as an ESOS Lead Assessor and is a valuable career tool for those wishing to build their expertise.

Both Registers have a Code of Professional Conduct to which their members must adhere. These Codes along with the relevant complaint procedures can be found on the EI's ESOS website [efficiency.energyinst.org](http://efficiency.energyinst.org). A member who is judged to have broken the Code of Professional Conduct can be disciplined and, if necessary, removed from the Register. In addition, RPEC has put in place a mechanism whereby another consultant will be allocated to an organisation in the case of such a breach to ensure that the organisation is not disadvantaged.

### **33. Will all participants have to appoint a Lead Assessor?**

All ESOS participants will have to appoint a Lead Assessor to carry out and/or oversee and sign-off the ESOS Assessment, except for those organisations which cover all areas of significant energy consumption by an externally-certified ISO 50001 energy management system.

### **34. How much will the appointment of a Lead Assessor cost?**

It's almost impossible to generalise on how much a good assessor would cost as they will need to tailor their services to the size, complexity and energy use profile of each organisation. There are a number of approved registers of ESOS Lead Assessors and each has a different method of qualification and comprises a mix of people with different backgrounds, years of experience and sector specialisms. This will influence how much they charge but also the level of service they can offer. Some will simply offer the audit service whilst others will have more expertise in making the most of the audit findings.

### **35. Can UK Lead Assessor certificates be used for other EU member states with similar schemes?**

The approval mechanism for ESOS Lead Assessors only applies in the UK. If a person wishes to offer their services as an energy auditor in other countries that are implementing the EU Energy Efficiency

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Directive then they will need to investigate the requirements these countries have in place to approve energy auditors.

#### **Part 4: Reporting**

##### **36. Who will have to sign off our ESOS Assessment?**

ESOS Assessments must be signed off by the Lead Assessor and a board-level director. The need for a director (or an equivalent senior manager) to sign off the findings and recommendations of the ESOS Assessment aims to ensure that board members are aware of the scheme's requirements, as well as the identified energy saving opportunities.

##### **37. Who is responsible for notifying compliance to the scheme administrator?**

It is ESOS participants, not the Lead Assessors, who take responsibility for notifying compliance to the scheme administrator.

##### **38. What kind of information will be ESOS participants required to provide as part of the notification process?**

As part of the notification process, ESOS participants will be required to provide basic information about the organisation, the Lead Assessor and the ESOS Assessment. The full list of information required to be provided to the Environment Agency can be found in subsection 8.2 of the EA's 'Complying with Energy Savings Opportunity Scheme' publication.

##### **39. To whom and how do we have to report this?**

ESOS participants will be required to submit their formal notifications of compliance to the Environment Agency through an online notification system that is now operational. Details are now available on the ESOS website.

##### **40. When should we use the Environment Agency's (EA) online notification system?**

When participants have determined that they are fully compliant with ESOS, they will need to make their notification to the EA confirming compliance. This EA notification system is now operational and details have been published on the ESOS website. The EA does not expect to hear from participants until they have reached this determination and there is no need for them to register in advance. Participants will not need to log in to the system to submit their notification details. They will have the option to start their notification and save it to submit later (the system will send participants a link for resuming). It is important that participants do not lose the email with the link for resuming their notification; otherwise they will have to start again.

##### **41. What are the deadlines?**

ESOS participants must submit their formal notifications to the Environment Agency by the end of each compliance phase. The deadline for the first phase is 5 December 2015.

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## **Part 5: Going further**

### **42. How much will this cost?**

Participating in ESOS will involve a number of direct and indirect costs to businesses.

The direct costs include:

- a) the cost of employing a Lead Assessor to carry out the assessment itself, and
- b) administrative costs. The cost of conducting an ESOS Assessment will vary according to the size and complexity of an organisation's operations.

The indirect costs include:

- a) the cost of any physical measures a participant decides to install as a result of the ESOS Assessment (e.g. more efficient motors) and
- b) the cost of managing the implementation of recommendations, including the time taken working with contractors to install measures and halting operations in order to make improvements.

However, the latter short-term costs should result in long-term savings in the form of reduced energy bills and more efficient operations. More information on the potential costs of the scheme for qualifying organisations can be found in section 6.5 of the ESOS Impact Assessment.

### **43. How much could we save?**

According to Government, the potential net benefit of implementing energy efficiency measures for UK organisations will be approximately £1.6bn.

### **44. How can we make the most of ESOS?**

Whilst ESOS stops short of mandating that the identified energy saving recommendations be implemented, qualifying organisations are strongly encouraged to comply with the scheme's requirements (e.g. measure their total energy consumption and carry out energy audits) in such a way that will enable the organisation to go beyond minimum compliance, by making a sensible case for implementation.

That is why all assessments must be signed off by a board-level director. This will ensure that all board members are aware of the scheme's requirements as well as the identified energy saving opportunities.

Moreover, ESOS participants are encouraged to use life-cycle cost analyses (LCCA) instead of simple payback periods (SPP) when evaluating the costs and savings from identified energy saving opportunities. This will hopefully result in realising the long-term financial advantages of the implementation of these recommended energy saving opportunities.

### **45. We've read that the purpose of this legislation is to get organisations to spend money on expensive consultants and new equipment and appliances. Is this true? How can we get the cheapest route to compliance?**

The major objective of ESOS is to help organisations develop a good understanding of their energy consumption and realise the potential benefits of implementing energy saving measures. DECC has stated that the emphasis of ESOS is on the 'O' for Opportunity. Although the EU Energy Efficiency

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Directive that underpins it only requires organisations to undertake an energy audit, DECC has developed the scheme to encourage participants to implement the findings of the audit to reduce their energy bills. What this means for organisations, particularly for those that have no previous track record of energy management, is that there is a huge potential to save money year on year. However, in order to make the most of this opportunity and maximise their savings, participants will have to access the right level of skill and expertise in a Lead Assessor.

#### 46. Implementing energy saving measures sounds very expensive. Is there a timescale for this?

Whether and when to take any recommended action as a result of the ESOS assessment is entirely up to the organisations.

In addition, a good Lead Assessor will have a track record of advising companies in how to implement energy efficiency measures without significant upfront costs. The most energy efficient companies are the ones which have built their energy management programmes over time, usually starting with the no- and low-cost measures that lead to immediate savings with virtually no investment. Over time these savings will accumulate and can be invested in more substantial measures.

### Part 6: Clarifications

#### 47. How is ESOS different from Carbon Reduction Commitment (CRC)?

The main differences between ESOS and CRC are as follows:

**a) Origin** - CRC is a UK-driven policy that is developed by DECC in collaboration with the Scottish Government, the Welsh Assembly Department and the Department of Environment Northern Ireland.

ESOS is the UK Government's approach to implementing a mandatory EU-driven policy. Under Article 8 of the EU Energy Efficiency Directive, all member states are required to introduce a programme of regular energy audits for large organisations.

**b) Qualification criteria** - Qualification for CRC is based on electricity usage: those organisations that consume over 6,000 megawatt-hours annually through half-hourly electricity meters qualify for CRC.

Qualification for ESOS is based on the number of employees or the annual turnover and balance sheet: those organisations that have a) 250 or more employees, or b) fewer than 250 employees, but an annual turnover and balance sheet exceeding €50m and €43m respectively are qualified for ESOS.

**c) Public sector** - CRC applies to both public and private sector organisations whereas ESOS does not apply to the public sector.

**d) Requirements** - CRC participants must monitor their energy use and buy allowances for every tonne of carbon they emit.

ESOS participants must measure their total energy consumption and identify cost-effective energy saving opportunities. A Lead Assessor must be appointed to carry out and approve the required energy audits. In addition, the ESOS Assessment must be signed off a board-level director.

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**48. What is the definition of an employee under ESOS?**

Under the scheme, a person is 'employed' by a company if they are an employee, an owner manager or a partner. An 'employee' is a person employed under a contract of service by a UK company regardless of that person's geographical location. Their contract hours and status (full-time/part-time) are irrelevant to their classification as an employee. Organisations do not have to include employees of subsidiaries or other group members based overseas.

**49. Does subcontracting fall within the definition of employee under ESOS?**

If a company sub-contracts work then it will need to review those sub-contracts to determine whether or not sub-contractors will be considered employees of that company. The factors that should be taken into account in determining this are the tax treatment of fees paid to sub-contractors and any rights such as holiday and sickness pay. A company's personnel department or the HMRC should be able to give more advice on this.

A sub-contractor that meets the ESOS qualification requirements will have to include all the energy consumption that it is responsible for in its ESOS Assessment, regardless of the organisations for whom the sub-contractor works. For example, this will include any work undertaken for organisations that are subject to the Public Contracting Regulations.

**50. Are agency workers considered to be employees of the company they undertake work for?**

In general, an agency worker is unlikely to be deemed an employee of the company for which he/she undertakes work. However, all contracts are different; therefore, it is essential for each organisation to consult its own legal advisors in order to ensure that it correctly determines its number of 'employees'. Under the Companies Act, organisations are likely to report their number of employees in their annual reports to Companies House; the rules used to calculate the figures for the annual report should be used for the purpose of determining qualification for ESOS.

**51. For the purposes of evaluating qualification for ESOS, do Private Finance Initiatives (PFIs) for public sector entities have an impact on their qualification status?**

For those buildings or assets that are provided via a PFI arrangement, the responsibility for including any energy in ESOS is dependent on the final lease arrangements and energy supply responsibility.

- Where a public sector organisation is the final lessee and consumer of the energy, the energy supply is not included in ESOS, as public sector organisations are not required to participate in ESOS.
- Where the final lessee is a private sector organisation and they are providing the energy, they will have to include the energy in any ESOS assessment or audit.

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# **Energy Savings Opportunity Scheme (ESOS): Frequently Asked Questions**



## **Part 7: External references/Helpful links**

**ESOS Briefing and webinar**, Energy Institute and Ricardo-AEA

**ESOS Impact Assessment**, DECC

**ESOS website**, DECC and Environment Agency

**ESOS Guide**, Environment Agency

**ESOS Lead Assessors**, Environment Agency

**Publicly Available Specification (PAS) 51215: 'Energy efficiency assessment – Competency of a lead energy assessor'**, BSI

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For more information visit [efficiency.energyinst.org/esos](http://efficiency.energyinst.org/esos) or e: [efficiency@energyinst.org](mailto:efficiency@energyinst.org)