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ESOS Phase 4: Common Mistakes

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Leaving ESOS too late

ESOS involves more than arranging a few site visits. The organisation needs to confirm qualification, agree the scope, gather and review energy data, calculate total energy consumption, identify significant energy consumption, plan audits, complete the assessment and obtain the required sign off. If all of that is left until the end of the compliance period, there is much less time to resolve missing data or unexpected issues.

Assuming the company does not qualify because it is below the thresholds

Qualification may need to be considered across a corporate group. A UK company can be brought into ESOS because of the wider group structure even where that company on its own would not meet the employee or financial thresholds. This is particularly important where there are overseas parent companies, multiple UK entities or recent acquisitions and disposals.

Treating qualification as a one company finance check

Looking only at the latest turnover figure for one legal entity can give the wrong answer. ESOS qualification has specific rules and the position should be checked properly before deciding that the organisation is outside the scheme.

Assuming ISO 50001 means there is nothing else to do

ISO 50001 can provide the compliance route, but the scope of the certification matters. If it covers the organisation's total or significant energy consumption, it can substantially reduce the additional ESOS work. If it only covers part of the relevant energy use, additional audits may still be needed.

Booking audit visits before understanding the energy profile

The audit programme should be based on where the organisation actually uses energy. Starting with site visits before the total energy picture is understood can result in time being spent in the wrong places or important areas being missed.

Assuming every site needs a full audit

A large multi site organisation may not need a separate audit at every location. Representative sampling can often be used where sites or activities are similar. A sensible sample can reduce unnecessary cost while still giving a robust picture of energy use across the organisation.

Using poor data without questioning it

Energy data can contain gaps, estimates, duplicated periods, incorrect units or changes caused by site openings and closures. Supplier data and invoices should be sense checked before they are used in the assessment. A neat spreadsheet is not automatically a correct spreadsheet.

Ignoring landlord supplied energy

Energy supplied through a landlord, service charge or shared building arrangement can be overlooked because it does not appear on the organisation's usual utility invoices. The responsibility for that energy still needs to be considered when setting the ESOS boundary.

Forgetting about transport

ESOS is not only about electricity and gas used in buildings. Transport energy can form a significant part of total consumption. Fleet fuel, company vehicles and other relevant transport arrangements need to be considered where the organisation is responsible for the energy use.

Forgetting smaller fuels and energy uses

LPG, heating oil, generator fuel, process fuels and other forms of energy can disappear from the exercise if the project starts with only the main electricity and gas accounts. The initial scoping stage should look across the organisation rather than starting with a fixed list of utility accounts.

Assuming renewable electricity can be left out

Buying renewable electricity does not remove the electricity consumption from ESOS. ESOS is concerned with energy use and efficiency. A green tariff may reduce reported carbon emissions under some reporting methods, but the energy consumption itself is still relevant to ESOS.

Relying on old audits without checking whether they are suitable

Previous energy audits can be useful, but they should not simply be dropped into the Phase 4 evidence pack without review. The age of the data, the audit scope and whether the work meets the current requirements all need to be considered.

Auditing sites without speaking to the people who run them

Meter data can show how much energy is being used, but it does not always explain why. Site managers, facilities teams and engineers often know about operating hours, control problems, equipment changes and practical constraints that are not visible in the data.

Recommending measures the organisation has already completed

Before the audits start, it is worth providing information on recent projects and planned works. There is little value in producing a recommendation for a lighting replacement, controls upgrade or equipment change that has already been completed or approved.

Treating the audit report as the finish line

Phase 4 includes Action Plan and progress reporting requirements. The organisation needs to think beyond the compliance submission and consider which recommendations it intends to take forward, what savings are expected and how progress will be recorded.

Not keeping a clear evidence pack

ESOS needs to be demonstrable. The organisation should retain the data, calculations, audit records, assumptions, decisions and supporting information used to complete the assessment. Keeping this together throughout the project is far easier than trying to recreate it later.

Seeing ESOS only as a compliance cost

Compliance is mandatory, but the audits should still produce useful information. If the project is planned well, the organisation can use the findings to support energy cost reduction, capital planning, carbon reduction and wider energy management activity.

Assuming missing information means the project cannot start

It is normal to find gaps in energy data, site information or historic records. That is not a reason to delay the whole project. Starting early gives time to identify what is missing, decide how important it is and work out the best way to deal with it.



A useful rule of thumb

If a decision affects qualification, scope, significant energy consumption, the audit sample or the compliance route, it should be made deliberately and recorded. ESOS becomes much harder when assumptions are made early and nobody can remember later why they were made.

Avoid the last minute scramble

The earlier the project starts, the more time there is to check the group structure, improve data quality, choose a sensible audit sample and schedule site visits around the business. It also gives more time to use the audit findings rather than treating them as something that only exists for compliance.

How Indigo Swan can help

Indigo Swan can review the organisation's position before the main ESOS work starts and identify where the likely risks are. That might be qualification and group structure, poor energy data, unclear responsibility for leased sites, an ISO 50001 scope question or uncertainty about which sites should be audited.

Getting those decisions right at the beginning can make the rest of the assessment much simpler.



Not sure where to start?

Contact Indigo Swan for a free, no obligation consultation. We can help you establish whether ESOS applies, what route is right for your organisation and what needs to happen next.



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