



Briefing Note: Energy Saving Opportunity Scheme (ESOS)

What is ESOS?

Energy Savings Opportunity Scheme (ESOS) is a mandatory energy assessment and energy saving identification scheme for large undertakings (and their corporate groups).

ESOS was established by the UK Government, currently the responsibility of [The Department for Energy Security and Net Zero](#) and the [Environment Agency](#), in response to the requirement for all Member States of the European Union to implement Article 8 of the Energy Efficiency Directive.

Under the scheme, large undertakings have to complete an assessment of their energy use every four years.

Am I in?

Large undertakings will be captured within the scope of ESOS if the organisation meets either of the following criteria:

- It has 250 or more employees in the UK.
- It has fewer than 250 employees, but has:
 - an annual turnover exceeding €50 m, and
 - a balance sheet exceeding €43 m

ESOS applies to all organisations (and their corporate groups) that were classed as large undertakings on 31 December 2022.

What am I required to do?

In simple terms, an ESOS Assessment requires participants to do three things:

1. Measure total energy consumption (buildings, transport, industrial activities).
2. Conduct energy audits to identify cost-effective energy efficiency recommendations.
3. Report compliance to the [Environment Agency](#) (as the scheme administrator).
4. Create an ESOS Action Plan(s) and provide annual progress updates.

What is the timescale?

The scheme is divided into four, four-year compliance phases.

The compliance date for Phase 3 was the 5 June 2024.

The compliance date for Phase 4 is 5 December 2027.

Note: The Government has decided to postpone some changes announced in their previous response to the [ESOS consultation](#). See the guidance below for details of which changes will and will not go ahead in Phase 4.

Where can I find further information?

DESNZ and the Environment Agency have published further information and a guidance document on the scheme. This can be found at:

<https://www.gov.uk/guidance/energy-savings-opportunity-scheme-esos>



UK ESOS [Regulations](#)

EU [Energy Efficiency Directive](#)

Environment Agency [Guidance](#)