



Department  
of Energy &  
Climate Change

## Energy Savings Opportunity Scheme North West Roadshow Highlights

05 December 2014

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*This report presents highlights from Manchester; we will also be producing a summary of all four events. This will give detailed analysis of the points raised in discussion sessions, both on ESOS and the policy landscape. We'll also use that report to address questions about ESOS which we couldn't cover on the day.*



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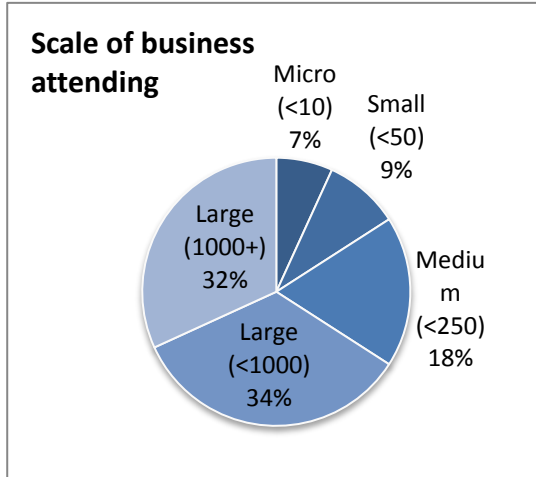


**Who was there?**

- A2Fa
- Greater Manchester
- AA Projects
- Affiliated Utilities Ltd.
- AJ Bell Ltd
- Allan Environmental
- AO Retail Limited
- Asda Stores
- Auditel
- Axion Energy Solutions
- Bmes
- Bray
- Briar Associates
- Bruntwood
- BSL
- Building Sustainability Ltd
- Capita
- Chemquip Ltd.,
- Cheshire East Council
- Cofely
- Contour Homes
- Crioda International Plc
- Cropwell Bishop
- Creamery
- Eastlands Homes
- ECA Group
- Eco-Rich Ltd
- Eddie Stobart
- EIC - Utilitywise
- Elmhurst Energy
- Emerson Management Services Ltd
- ENER-G Combined Power
- Energy Gain UK Ltd
- Energy Team (UK)
- ENWORKS
- FirstGroup
- Forticrete Ltd
- Future Homes
- GDF SUEZ Energy
- GMCA / Low carbon hub
- GoldmineBD
- Green Energy
- Green Technologies & Solutions
- Groundwork
- Halewood International
- Heineken UK
- Hirst
- Iceland Foods Ltd
- INEOS ChlorVinyls
- Insuletics Ltd
- Inteb Sustainability
- Ivy Link Partnership
- JD Sports
- JOHN SISK & SON
- Jones
- Joule Consultants
- JRP Solutions

## On the day

Around 120 people attended the North West roadshow in Manchester, representing businesses, local authorities, local universities and other bodies. There were a range of different sized businesses; the largest, ASDA, employs over 180,000 staff. Around two-thirds of the organisations present will need to comply with ESOS.



The Roadshow featured a mix of presentations from speakers, panel discussions and table discussions. The aims of the roadshow were to build awareness of ESOS and the benefits of going beyond compliance by implementing energy efficiency opportunities, and to gather feedback on the wider business energy efficiency policy landscape.

Morning	Afternoon
Welcome - Professor Tim O'Brien, University of Manchester and David Purdy, DECC	Financing for energy efficiency - Miles Alexander, Green Investment Bank and Prakash Patel, Business Growth Hub
Business case studies - Sam Nicholson, ENWORKS & Business Growth Hub	Research and its role in supporting business - Professor Ian Cotton, University of Manchester
Introduction to ESOS - Martin Adams, DECC	Introduction to the UK business energy efficiency policy landscape - Martin Adams, DECC
ESOS providers - Todd Holden, Manchester Growth Company	Roundtable discussions on UK energy efficiency policy
Round table discussions on ESOS and ESOS panel Q&A	Wider policy landscape panel

**Who was there?**

Long Clawson Dairy  
 Longhurst Group  
 Maloney Associates  
 Manchester Business Growth Hub  
 Maple Projects Ltd  
 Michelin Tyre PLC  
 Muller Dairy  
 Muller Wiseman  
 New Charter Housing Trust Ltd  
 New Economy  
 North Lancs Training Group  
 Peel Ports Limited  
 Plastic Omnium  
 Premex Group  
 Price  
 Radius Systems  
 Redhall Group plc  
 Renewable Planet  
 Riverside Energy Solutions Ltd  
 Rochdale Boroughwide Housing  
 Santia Consulting  
 Seddon Construction Ltd  
 Senator International  
 Shell UK  
 Skipton Building Society  
 Solvay  
 St Vincent's Housing  
 STC Energy  
 Stroma  
 Sustainable Commercial Solutions  
 SustainSuccess  
 T2000  
 TATA Chemicals Europe  
 The Co-operative Group  
 Tyco Installation & Services UK & Ireland  
 u b services  
 UK Greetings Ltd  
 University of Manchester  
 Urban Vision  
 URENCO ChemPlants  
 Verco  
 Vickers Energy Group  
 Vivergo Fuels  
 Wageningen University  
 Willmott Dixon Energy Services  
 Xcite @ West Lothian Leisure

## All about ESOS

In the morning sessions the roadshow focused on the Energy Savings Opportunity Scheme.

Martin Adams, ESOS team leader at DECC, gave an overview of the scheme and its requirements. Martin emphasised that the ESOS audit is designed to give businesses clear information about the potential cost savings of energy efficiency which they can act on.

Businesses had a host of questions about how ESOS would apply to their circumstances, for example where there are complex ownership structures. They were advised that the Environment Agency had a dedicated help-desk ([esos@environment-agency.gov.uk](mailto:esos@environment-agency.gov.uk)) designed to help them resolve these issues. The inclusion of transport within the scope of ESOS was seen as a challenge by some businesses that were not currently auditing their transport energy use and would need to develop a methodology to do so. In response to questions about methodologies and levels of data Martin highlighted that there were recognised auditing methodologies like EN16247 which businesses could use to inform audits (including on transport) but stressed that they could also use in-house methodologies and activity. In particular, those who were already collecting some data wanted to understand how they could reach the 90% of total energy use which ESOS requires in a proportionate and efficient way. Martin explained that where businesses had measured their total energy consumption they had total freedom to choose what 90% to audit.

Some participants called for further guidance and standardised templates from DECC and the EA to help them ensure compliance. However, DECC and the EA made clear that there were existing methodologies and they did not intend to mandate particular formats for reports.

*“[We need] a standardised format with processes, panels, reporting templates which consultants can build on.”*

### **Business case studies: ENWORKS**

ENWORKS, part of the Greater Manchester Business Growth Hub, provides support for businesses to improve their resource efficiency. The team carry out site visits to identify savings, then provide ongoing support, and software which helps businesses measure, manage and minimise their resource use.

Sam Nicholson, Low Carbon Manager, talked about some of the businesses they've helped in the Greater Manchester area, including Thomas Storey, a Manchester based steel fabrication manufacturer, who have saved £49,000 and 243 tonnes of carbon a year and achieved zero waste to landfill, thanks to support from ENWORKS.



You can see the full case study on the [ENWORKS website](#).

Sam also talked about the support ENWORKS provides to companies in the low carbon sector, including those that will be supporting others to comply with the new ESOS regulations.

Other participants talked about the importance of the lead assessor role in helping businesses to determine how to comply, and the need for businesses that were bringing in skills from an external company to choose the right one, or to ensure they had suitably skilled in house experts.

*“All the risk is on the business to select point at which to engage lead assessor / train up staff / bring in resource .”*

Todd Holden of the Manchester Growth Company presented an overview of the emerging ESOS marketplace and gave businesses some tips for identifying ESOS data and choosing an assessor (either in-house or external) that best suited their needs.

### What lessons have you learnt from implementing energy audits?

We also asked businesses to share their own experiences of energy auditing and efficiency savings. Common themes across businesses included the challenge of collecting good quality data, with appropriate metering sometimes difficult to install. One business talked about how the simple process of consolidating energy bills across multiple sites had saved them money by identifying errors and inconsistencies in billings and tariffs. They could then invest the savings into further efficiency measures.

Moving on to implementing energy efficiency we heard many businesses discuss the difficulty of getting buy-in from senior management to invest upfront.

### What lessons have you learnt from implementing energy saving?

*“Easy – when you get past the board stage!”*

Participants felt that payback period was the most important factor in gaining support for a project, with a focus by directors on cost rather than environmental impact of measures.

Another area of learning was that often the obvious or simple changes, to thermostats for example, could make the biggest difference in energy use. Participants were more sceptical about the success of installing new technologies, which didn't always perform as expected. They emphasised the importance of having good baseline measurements, and of trialling recommendations before investing heavily.

## The energy efficiency landscape

Dr Philip Douglas of DECC, gave an outline of the current policy landscape for efficiency, and highlighted areas where Government has already taken steps to simplify and reduce the burden on businesses.

There were a range of views from participants about the value and benefits of regulation to drive energy efficiency. For some it was clear that legislation was the main driver, others felt businesses could be relied on to act in the interest of cost savings alone, particularly given rising energy costs.

Time and cost were seen as key barriers to implementing energy efficiency for many businesses, regardless of the policy framework. Participants also identified that sometimes the measures businesses need to take are not just around physical systems.

Businesses which were subject to a number of energy policies commented that there was significant complexity in the current policy landscape. And even where schemes had been simplified, as with CRC, adjusting to the change itself had cost implications for businesses even if it might lead to longer-term savings. There were calls from several tables for better coordination between policies, for example by aligning the phasing of ESOS and CRC, or addressing inconsistency with other policy areas like health and safety.

Inconsistency was highlighted as a challenge for some businesses who felt that regulation changed too frequently. One suggestion was for cross party agreements to ensure greater consistency – avoiding changes like the removal of the revenue recycling aspect of CRC. Some businesses felt that

### *How research can help business: Professor Ian Cotton, University of Manchester*

Professor Ian Cotton presented on the role the University of Manchester can play in helping businesses with energy efficiency. To start with, he notes, the University is a big energy user in its' own right, with over 50,000 rooms across 339 buildings.

The University also has over 400 researchers and 200 academics working specifically on energy research including power systems, renewables and urban design. Professor Cotton described just a few of the projects currently running in collaboration with businesses.

**UPSIDE:** A joint project between Upside Energy, Siemens, Sharp Laps and Tempus energy to develop a cloud service to coordinate electric car battery charging cycles.

**DIMMER:** A project led by Arup which is using data from monitoring equipment across the university to provide real-time feedback about energy usage via a 3-D model of Manchester.



*"Useful to be able to tap into the experience and knowledge of research undertaken by the university" – participant feedback*

this particular change had removed a major incentive for them to work on energy efficiency.

*“Changes in CRC [which removed revenue recycling] sent the wrong signal.”*

Another area of focus was access to finance for businesses; either via schemes like the Green Investment Bank, or new instruments which offered lower interest finance, which participants felt was disproportionately focused on SMEs. Others felt that it would be helpful for government simply to improve the information provided to companies about the regulation they are subject to, and the opportunities available.

*“Signposting would be helpful for a company to identify where they sit within the energy efficiency policy landscape – this could be linked to resources available for companies.”*

## Financing for energy efficiency

Miles Alexander of the Green Investment Bank talked about how GIB is providing flexible capital to businesses for energy efficiency measures, for example industrial processes. Miles emphasised the importance of supporting businesses to get ready to invest; researching options, preparing a business case, and getting buy-in from a board. He was followed by Prakash Patel, who explained some of the opportunities available to businesses locally via two Business Growth Hub schemes. The Access to Finance scheme provides advice to businesses on how to access finance, and Business Finance Solutions provides technical support and alternative business finance, on behalf of the Department for Business Innovation and Skills.

## Feedback on the day

*“It was useful to direct questions to ESOS experts.”*

*“Very clear - gave a good overview.”*

*“Personal understanding of how others work in the environment.”*

DECC is hosting a total of four roadshows in Durham, Bristol Manchester and London to hear the views of businesses there. Once all the roadshows are complete a summary of all the discussions will be produced and sent out to all those who attended. In the meantime you can find out more about ESOS online at:

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