

COMPLY

DELIVER

BUY

NET ZERO

# An A to Z of Energy Compliance

Ensuring you tick every box



POWERING A SUSTAINABLE FUTURE

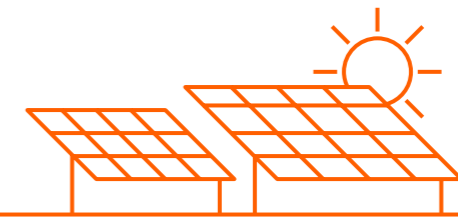
zenergi<sup>0</sup>

## We're here to support and empower organisations on their journey to net zero.

Our in-house compliance division will help you meet evolving UK legislation and regulations, while enhancing your building management and environmental performance.

Increasing legislation and changing requirements aimed at tracking and reducing energy consumption is raising the focus on energy-efficient technology, as well as bringing regulatory obligations to a larger number of organisations than ever before.

We work with our clients to achieve compliance as well as to maximise financial savings.



Zenergi is here to help you navigate the often complex legislation to achieve a compliant and successful outcome which very often reduces budget pressures.

### Climate Change Agreements (CCAs)

**Sector:** Private  
**Frequency:** Phase 3 of the scheme commences January 1 2026 running through to 2033. New applications for the scheme are open to eligible facilities from May to August.

Climate Change Agreements (CCAs) are voluntary agreements made between UK industry and the Environment Agency to reduce energy use and carbon dioxide (CO<sub>2</sub>) emissions.

In return, operators receive a discount on the Climate Change Levy (CCL), a tax added to electricity and fuel bills. The Environment Agency administers the CCA scheme on behalf of the whole of the UK.

CCAs have eligibility criteria and set ambitious targets for successful applicants for improving energy efficiency. It is therefore critical to have a strategy in place for accomplishing targets before making an application.

Zenergi is here to help you navigate the often complex legislation to achieve a compliant and successful outcome which very often reduces budget pressures.

**What is the risk of non-compliance?**  
Financial penalties can be levied for non-compliance, including late reporting, incorrect information, or failure to update any change of circumstances. There is usually a timeframe of 28 days to rectify any issues. Penalties can be up to 10% of the value of the CCA discount received

## Display Energy Certificates

**Sector:** Public  
**Frequency:** DEC's for buildings between 250m<sup>2</sup> – 1000m<sup>2</sup> have a 10-year validity and DEC's for buildings over 1000m<sup>2</sup> have a 1-year validity.

Display Energy Certificates (DECs) were introduced to demonstrate the energy performance of buildings occupied by public bodies. A DEC provides an energy efficiency rating of the building based on the actual amount of metered energy used, with recommendations for improvements. If you choose to act on the recommendations, we have the technical services to advise on funding application routes, as well as providing the business plan and associated services.

**What is the risk of non-compliance?**  
Failure to display a DEC in a prominent place that is visible to the public at all times can see a penalty of £500 for each breach, and £1,000 for failure to have a valid advisory report if required.

## Energy Performance Certificates

**Sector:** Commercial/Domestic  
**Frequency:** Valid for 10 years from the date of issue.

Energy Performance Certificates (EPCs) tell you how energy efficient a building is and give it a rating from A (efficient) to G (inefficient). The certificate illustrates how costly it will be to heat and light your property, and what its carbon dioxide emissions are likely to be. Our service includes a recommendation report by Zenergi's qualified assessors, specifying measures that can be taken to improve the energy rating. A Commercial Energy Performance Certificate is valid for 10 years, or until a newer version is produced.

A separate Energy Performance Certificate is required if your property is a 'New Build', called an On Construction certificate. This must be arranged by the person carrying out the work in order to complete the Building Regulations, or in the case that a new occupant moves into a property.

**What is the risk of non-compliance?**  
The penalty for failing to make an EPC available varies according to the type of building and sector. For example, the owner of any domestic building or building unit can be fined £200 if an EPC is not issued for their building or building unit that is offered for sale/rent, newly constructed or altered. For non-domestic properties the penalty is 12.5 % of the rateable value of the building, with a default penalty of £750 where this formula cannot be applied. The penalties range from £500 to a maximum of £5,000.

A fine of £200 can also be issued to the owner or to any agent working on his or her behalf if the EPC indicator is not displayed on all advertisements in any commercial media relating to the building.

## Energy Savings Opportunity Scheme (ESOS)

**Sector:** Private  
**Frequency:** Every four years

ESOS is a mandatory energy assessment scheme enforced by the Environment Agency, which requires qualifying organisations to report on their energy usage every four years.

The reporting requirements can be complex, and fines levied for non-compliance.

Our comprehensive ESOS service manages the entire process, from data collection to reporting. With energy and carbon analysts calculating energy consumption and identifying areas for improvement, and registered and qualified lead assessors on hand, organisations can achieve compliance, while improving energy efficiency and making significant savings on energy spend.

**For the current reporting phase (6 December 2023 - 5 December 2027) the qualifying criteria are:**

- The company employs 250 or more people OR
- The company has an annual turnover in excess of £44 million, and an annual balance sheet total in excess of £38 million

**What is the risk of non-compliance?**  
Penalties for failing to comply fully, or for false or misleading statements can range from between £5,000 and £50,000, plus £500 for each working day thereafter.



We can guide you through the whole process using a practical and attainable approach to achieve compliance.

## ESOS Action Plan and Progress Updates

**Sector:** Private  
**Frequency:** Annually (following ESOS Phase 3 compliance)

As part of the Energy Savings Opportunity Scheme (ESOS), organisations are now required to submit an ESOS Action Plan outlining how they intend to implement energy-saving measures. The opportunities can be derived from ESOS energy audits, net zero works or other avenues such as an EPC or TM44.

Additionally, annual progress updates must be provided to demonstrate improvements in energy efficiency.

**The action plan, sets out:**

- What you intend to do to reduce energy consumption
- When you intend to do it
- Whether it was recommended through your ESOS assessment
- What energy savings you expect to achieve over the four-year period
- How you estimated these savings

**What is the risk of non-compliance?**

There are currently no penalties for failure to produce an Action Plan. However, since these plans are publicly available, not having one could reflect poorly on your organisation

## ISO 50001

**Sector:** Public and Private  
**Frequency:** Annual

ISO 50001 is a voluntary international standard. It applies to organisations of any size, and provides requirements for establishing, managing and improving their energy consumption and efficiency.

We can guide you through the whole process using a practical and attainable approach to achieve certification.

## Minimum Energy Efficiency Standard (MEES)

**Sector:** Commercial/Domestic  
**Frequency:** When properties are sold/let out or has a current EPC. From 2025 the government are proposing it will apply to all non-domestic properties.

The Minimum Energy Efficiency Standard (MEES) requires non-domestic landlords to ensure that their properties reach a minimum EPC rating of at least an 'E' prior to granting tenancy. Consultation is ongoing in relation to improving the efficiency rating to a 'C' by 2027 and 'B' by 2030.

The government has confirmed that domestic rental properties must achieve a C rating by

2030, with ongoing consultation to improve this further.

**What is the risk of non-compliance?**

Enforcement is by Local Weight & Measures who can check the EPCs on the Gov.uk website (they can go back 12 months to check). Where any breach of MEES is found to be over three months then the fine can be up to £150,000.

## Streamlined Energy and Carbon Reporting (SECR)

Sector: Private and Public

Frequency: Annual

The government's Streamlined Energy and Carbon Reporting (SECR) framework was introduced in April 2019. It is designed to simplify energy and carbon reporting and encourage qualifying organisations to implement energy efficiency measures that reduce greenhouse gas emissions in support of the UK's commitment to become net carbon neutral by 2050.

### Organisations that fall within scope must report on the following:

- Annual UK energy use
- Greenhouse gas emissions
- An emissions intensity ratio
- The methodologies used to calculate the required information
- A narrative of measures taken to improve energy efficiency
- The prior year equivalent figures

Our SECR Management Service provides a dedicated project manager who will liaise with the representatives from all the necessary departments of your organisation to ensure that all aspects of SECR reporting are delivered in line with requirements. The service delivers both the full report and the Evidence Pack, in line with the recommended 'best practice' in the guidance for SECR, and will be legally compliant for review by any financial auditor.

This guidance is aimed at chief financial officers, accounting officers and trustees in academy trusts that use more than 40,000kWh of energy in a reporting period and meet two or more of the following criteria:

- Turnover (or gross income) of £36 million or more
- Balance sheet assets of £18 million or more
- 250 employees or more

### What is the risk of non-compliance?

Whilst there are no fixed penalties associated with SECR yet, Companies House has the power to refuse to accept accounts that don't meet the SECR requirements and impose civil penalties if necessary, which could be up to £40,000.



## TM44 Air Conditioning Inspections

Sector: Private and Public

Frequency: Every five years

All air conditioning systems with a cooling output of more than 12kW should be regularly inspected by an accredited TM44 energy assessor. They will undertake a full review of all of your comfort cooling systems, including the control settings and consider opportunities to replace older, less energy efficient or oversized air conditioning systems with new energy-efficient versions. We can help you evaluate whether you have a legal obligation, check whether you have a certificate already registered, or provide a quotation for inspection, as required.

A TM44 certificate and report is required for compliance purposes. Our service provides added value and return on your investment with an additional detailed advanced report that includes energy data usage and refrigerant quantities for each system on site; projection of the energy and operating cost of each system and for the whole site; energy costs and savings of implementing the recommendations; and identification of inefficient systems for investment/upgrade.

### What is the risk of non-compliance?

The penalty for failing to have a valid TM44 Air Conditioning Inspection report is fixed at £300.

Energy is a fast-evolving industry, but we can help you keep pace with changes in regulation and help you meet your energy, carbon and-cost saving objectives.



# Powering a sustainable future



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