

Fleet energy reporting under ESOS. How TMC can help

The three things you need to know

1. ESOS is mandatory for all private businesses with over 250 employees or annual turnover above 50 million euros.
2. TMC Mileage Audit makes it easy to work out your fleet's energy use *and* find ways to reduce it.
3. TMC will also help you cut your fuel and mileage costs. In fact we *guarantee* we will save you money - even if you're not covered by ESOS!.

What is ESOS?

ESOS stands for the UK government's **Energy Savings Opportunity Scheme**. It came into force in June 2014. It aims to persuade organisations to save costs by cutting their energy use. The government hopes ESOS will save firms around £31 billion over the next 15 years.

Businesses covered by the scheme will need to identify the energy used by assets and activities that account for **at least 90% of their total energy consumption**. That includes energy used by transport and travel.

Are we covered by ESOS?

The scheme covers all private sector businesses and not-for-profit organisations with:

- 250 or more employees, or
- fewer than 250 employees but with turnover exceeding 50 million euros and an annual balance sheet in excess of 43 million euros.

Corporate groups must comply if one or more of their members meets these criteria. ESOS will cover about 7,300 organisations. Around 6,400 of these companies already report their energy usage under the Carbon Reporting Rules. They can use the same data in their ESOS assessments.

We are covered. What do we need to do next?

Your company will have to complete an ESOS assessment with cost-effective suggestions for cutting energy use. Fleet will be a key item in the assessment, since transport and travel are major items in most companies' energy budget. Your company has until **15 December 2015** to complete the assessment and notify the Environment Agency (or its counterparts in Wales, Scotland and Northern Ireland) that it has done so.

Who will check our assessment?

The Environment Agency is registering accredited ESOS assessors, who will be listed on Agency's website (GOV.UK - ESOS Detailed guidance). Your company can either:

- employ an accredited ESOS assessor to carry out the assessment or
- carry out the assessment itself and get a registered assessor to audit the results.

Assessments must include 'energy consumption profiling' to analyse activities (e.g. business driving). This involves breaking down the different ways energy is used in order to reveal inefficiencies that the business could tackle to reduce its overall energy consumption.



▶▶ Fleet energy you need to identify

You will need to identify at least 90% of the energy your organisation uses on travel and transport. That means energy used on **business mileage** by commercial vehicles, company cars and grey fleet during the 12 month period covered by the ESOS assessment. You do not need to include employees' private and commuting mileage.

Information required

You must report your fleet's annual energy use, measured in kilowatt hours (kWh). For ESOS purposes, you only need to calculate fuel energy, i.e. the total volume of fuel used on business. There are two main options for calculating fuel volume, each of which depends on knowing the business/private mileage split.

If you hold data on fuel volumes (e.g. from fuel cards). Simply apportion literage in line with business and private mileage.

If you don't have volume data. You will have to estimate the amount of fuel, using manufacturers' published mpg and CO₂ figures. The official ESOS guide gives worked examples.

Energy saving measures

ESOS requires companies to show energy-saving opportunities in their assessments. These must include the estimated costs and benefits of implementation, based on an analysis of whether the investment would be economical over the whole life of the assets employed.

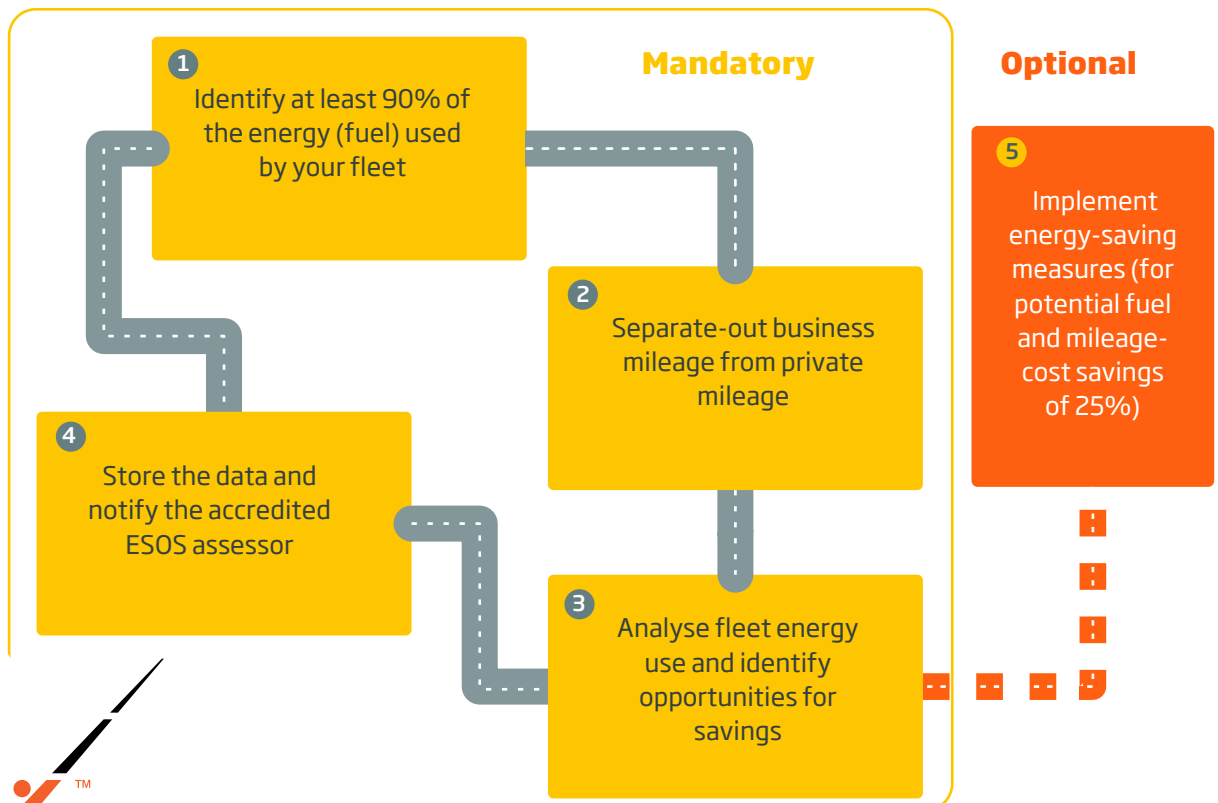
There is no regulatory requirement to implement the opportunities. The government expects that companies, having identified cost-saving opportunities to reduce their energy consumption, will be motivated to take advantage of them.

What happens to firms that don't comply?

Companies may be fined for failing to keep records, to complete the audit or to work with an accredited lead assessor. Some infringements carry a maximum fine of £50,000.



ESOS fleet energy assessment roadmap



▶▶ TMC Mileage Audit can help

TMC can help you both with the collection of fleet energy data and with identifying and implementing energy-saving measures.

Multi-award-winning TMC Mileage Audit captures business mileage data from your car, commercial and grey fleet users. As well as being key to controlling fuel expenses, accurate business mileage records are essential for HMRC compliance.

TMC Mileage Audit gets you over the first hurdle of ESOS compliance, which is knowing your company's business mileage as distinct from the total fleet mileage. Unlike a plain mileage capture service, TMC proactively audits users' mileage reports for potential errors and omissions, which is just what an accredited ESOS auditor will want to know.

MPG and CO₂ analysis are core parts of TMC's service. TMC Mileage Audit works with data from all fuel cards (including our own **Fuel+** card, which is accepted by 99% of UK filling stations), and with Pay-and-Reclaim expenses.

We will supply you with a report showing your company's annual energy expenditure on business mileage in terms of kWh, litres of fuel, and tonnes of CO₂. Perfect for ESOS.

Helping you to cut energy and costs

When it comes to including energy-saving ideas in your ESOS assessment, bear in mind that TMC customers, on average, record a 24.7% drop in mileage expenses over the six months after they implement TMC Mileage Audit. A big part of the saving comes from lower (i.e. more accurate) mileage claims thanks to our audit function.

TMC's solutions typically save between **two and eight times their own cost**. In fact we guarantee you a saving. If your first-year cost saving doesn't amount to double our fee, we will make up the difference.

So working with TMC ticks both ESOS boxes, with easy kWh reporting and energy-saving proposals. And we guarantee you will save money on mileage in the first year.

Find out more about TMC and ESOS

We work with companies in every sector, whose fleets range from under 20 to over 1,000 vehicles. Whether your company is affected by ESOS or not, putting TMC's award-winning solutions to work in your fleet will reduce your mileage bill and streamline your expense process.

Call us today on **01270 525218**.

Email reply@themilesconsultancy.co.uk

Visit www.tmcuk.co.uk/



The Miles Consultancy Limited
TMC House, Spring Farm Business Park
Moss Lane, Minshull Vernon
Cheshire
CW1 4RJ

T: 0843 222 6000
E: reply@themilesconsultancy.co.uk
www.tmcuk.co.uk

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TMC provides Mileage, Fuel and Mobility Management solutions. We deliver award-winning, online systems that ensure that business journeys, commuting and private mileage are processed accurately. Together with our unique fleet Carbon Reporting System and strategic services, we enable customers to address their travel expense, fuel cost management and environmental needs. Our solutions also reduce administration costs, support compliance with Duty of Care requirements and are recognised by HMRC.

