Section: Context of the Organization

Task 2: We determine the interested parties and energy-related legal and other requirements relevant to our energy performance and the energy management system. At defined intervals, we review these requirements and evaluate our compliance with them.

Getting It Done

1. Identify and record the interested parties relevant to your organization's energy performance and energy management system (EnMS).
2. Determine the needs and expectations of these interested parties as they relate to your organization's EnMS.
3. Identify the applicable legal and other requirements related to energy.
4. Implement a process to periodically evaluate compliance with the identified requirements.

Task Overview

The interested parties and their requirements relevant to your energy performance and energy management system (EnMS) are an extension of the external and internal context issues identified as part of Task 1 An EnMS and Your Organization. This task involves identifying those interested parties, understanding their needs and expectations, and determining requirements your organization must follow that will be addressed in your EnMS.

An interested party is "a person or organization that can affect, be affected by, or perceive itself to be affected by a decision or activity" as related to your organization's energy performance and EnMS. An interested party that "perceives" itself to be affected by such decisions or activities must make this known to your organization.

Identifying, accessing, reviewing, and updating applicable energy-related legal and other requirements is a logical follow-on from determining interested parties' requirements, and an important component of comprehensive energy management. These requirements must be addressed within your EnMS. Those that include mandates for specific energy data collection and reporting may need to be inputs into the energy review (see Task 8 Energy Data Collection and Analysis).

Legal requirements are those embedded in law or otherwise imposed by a governmental entity or regulatory agency. You need to develop a complete picture of your organization's energy-related legal requirements so ongoing compliance with those requirements can be maintained.

In addition to legal requirements, there are a variety of "other requirements" related to energy that an organization may have adopted or is subject to (e.g., a corporate energy mandate) or may commit to

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voluntarily. Your organization's processes for identifying, accessing, evaluating, and keeping abreast of applicable legal requirements must address these "other requirements" as well.

Personnel assigned responsibility for identifying and accessing the various energy-related legal and other requirements typically also have responsibility for evaluating and updating those requirements. Clearly defined and communicated roles, responsibilities, and authorities are critical for maintaining compliance.

On a routine basis, you need to evaluate your organization's compliance with the legal and other requirements that apply to its energy use, energy consumption, and energy optimization. The purpose of evaluating compliance is to ensure that your organization is meeting those requirements. When your organization is either not meeting or has the potential of not meeting the requirements, appropriate action is taken.

This guidance is relevant to sections 4.2 and 9.1.2 of the ISO 50001:2018 standard.

Associated Resources Short Description

no resources for this questions

Full Description

Determine the interested parties relevant to your energy performance and EnMS

Identifying interested parties relevant to your energy performance and energy management system (EnMS) complements the strategic, high-level understanding of the organization's context determined in Task 1 An EnMS and Your Organization.

Identifying interested parties and their requirements is best performed by leveraging the multiple organizational perspectives represented by the energy team (see Task 6 Energy Team and Resources). The energy team can help ensure that a comprehensive approach has been taken and that the interested parties identified are indeed relevant to your energy performance and EnMS. If an energy team is not yet established, an individual can complete this task, and the results can be reviewed when the energy team is formed or during an annual review of the EnMS.

An interested party is "a person or organization that can affect, be affected by, or perceive itself to be affected by a decision or activity." In this case, we are concerned with decisions or activities as related to your organization's energy performance and EnMS. An interested party that "perceives" itself to be affected by such decisions or activities must make this known to your organization.

Potential interested parties may include, but are not limited to:

- Government agencies or regulatory authorities (federal, regional, local)
- Local community groups
- Neighbors
- Customers
- Suppliers and contractors

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- "Corporate" or parent organizations
- Trade and professional associations
- Non-governmental organizations

It can be helpful to capture the information used to identify interested parties in a table or matrix, but there is no specific requirement that this information be maintained or retained as documented information.

Determine which interested parties' needs and expectations are requirements you will address in your EnMS

Determining interested parties necessarily involves understanding what their needs and expectations are related to your organization's energy performance and EnMS.

Interested parties' relevant needs and expectations can be requirements because they are mandatory, e.g., the interested party is a regulatory agency or "corporate" for your organization. Many of these expectations may be identified as applicable energy-related legal requirements. The second half of this task discusses identifying and documenting these requirements.

Or, the needs and expectations can be requirements because your organization has voluntarily agreed to meet them, e.g., by following the local Chamber of Commerce's energy stewardship code of practice or ENERGY STAR practices. Needs and expectations that are neither mandatory under law or regulation nor voluntarily adopted by your organization are not requirements that need to be addressed in your EnMS, even if an interested party thinks they should be.

The Playbook worksheet can be used to capture and work through the interested parties' needs and expectations and to determine which of those are or will be requirements to be included in your organization's EnMS.

Identify and access applicable energy-related legal requirements

This part of the task involves identifying and establishing access to the federal, state, and local legal and regulatory requirements that apply to your organization's energy use, energy consumption, and energy optimization. Some of this information may have been developed as part of the determination of interested parties and their applicable requirements. For most organizations, this process is already in place for environmental regulatory compliance.

Learn More: **Examples**

- An environmental regulatory permit may dictate a control that consumes energy but that is not in operation on a continual basis (e.g., an overflow pump for storm water discharge).
- An environmental regulatory permit may specify a specific energy use (e.g., operation of a cyclone under an air permit).
- A regulatory air permit may dictate that a site burns only a certain type of fuel.

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Additional energy-related legal requirements could include local ordinances, zoning laws, or regulations or utility requirements. Building codes may include energy-performance requirements for new, modified, or renovated sites. The Playbook worksheet lists a variety of example requirements.

To get started, gather information that answers the following questions:

- What is your organization's existing process for identifying the applicable legal requirements related to energy uses?
- Who in your organization has information on the applicable legal and regulatory requirements related to your energy uses?
- How is this information maintained? Is there a list of these applicable legal and regulatory requirements?
- Who is responsible for ensuring access to the applicable laws and regulations and their requirements? How is this accomplished?
- Who is responsible for keeping this information current?

Once the answers to these questions are obtained, the energy team typically coordinates with the environmental staff and management to evaluate the existing process and make any needed changes, and then assigns responsibilities for identifying, evaluating, and updating those legal requirements. The environmental staff may continue to handle the process for environmental legal requirements that also apply to energy uses, while the energy team may handle specific legal requirements related only to energy.

The Playbook worksheet can be used to list and track applicable legal and other requirements and other relevant information.

For organizations that do not have an existing process and assigned responsibilities for identifying, evaluating, and updating applicable legal requirements, the starting point for this task is different. First, assign responsibility for these activities to specific personnel. In some cases, the organization may decide to hire external assistance in developing this part of its EnMS.

Learn More: **Resources to help identify applicable legal requirements**

A variety of resources are available to help an organization identify the legal requirements related to its energy performance, energy use and energy consumption. These include:

- Commercial legal and regulatory updating services
- Websites of federal, state, and local regulatory agencies
- The Code of Federal Regulations (CFR)
- Electronic newsletters
- Trade periodicals
- Trade associations
- Training courses and informational seminars
- Networking relationships with local agencies and officials
- Attorneys and consultants

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Ensure that the requirements of applicable laws and regulations are easily and readily accessible. Depending on the source of the legal requirement, access may be available through governmental or other websites, commercial or governmental databases, hardcopy or electronic subscriptions, etc.

Identify and access other applicable energy-related requirements

The basic process for identifying and accessing the voluntary programs or other energy-related requirements subscribed to by your organization is much the same as it is for legal requirements. Roles, responsibilities, and authorities are assigned, and sources for accessing the text of the applicable requirements are determined. Information on the voluntary commitments and "other requirements" that apply to your organization's energy uses is maintained and kept accessible. Often, this information is included in the list (or database or other compilation) of applicable legal requirements as a separate section or coded as a non-legal or voluntary requirement. Some of this information may have been identified and developed as part of the determination of interested parties and their applicable requirements.

The Playbook worksheet can be used to list and keep up with the applicable other requirements and associated information.

Learn More: **Examples of voluntary commitments and other requirements**

Examples of voluntary commitments and other requirements related to an organization's energy uses include:

- Voluntary standards (e.g., ISO 14001)
- Certification programs (e.g., ISO, Trade Group)
- Corporate energy requirements (e.g., energy conservation, energy performance reporting)
- LEED certification (Existing Building & Maintenance)
- State energy performance programs

The process for identifying the applicable "other energy-related requirements" subscribed to by your organization involves clearly defined communication channels between management (who commit on behalf of the organization) and the energy team (or other personnel responsible for the organization's compliance with those requirements). Typically, the agency, non-governmental organization, trade association, or other organization responsible for the program or requirements will provide access to the program requirements and related resources.

Establish a process for evaluating and updating requirements

Evaluating energy-related legal and other requirements, whether they are current, new, or changed, involves first a review of their applicability. Second, if they are determined to be applicable, it is necessary to evaluate what those current, new, or modified requirements mean for your organization's sites, equipment, systems, processes, and personnel. Once the evaluation is completed and those

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impacts are understood, the actions needed to comply with those requirements are implemented. This can include, for example, additional or modified training, operational controls, measuring and monitoring, calibration, and record-keeping.

The recommended approach for effectively managing this part of the EnMS is to incorporate both the evaluation and updating processes into your organization's change management processes. Keep in mind that it isn't just new or changed legal and other requirements that may trigger changes in your EnMS. Changes in your organization's activities, sites, equipment, systems, and processes (including those resulting from energy projects) can also trigger changes in the legal and other requirements that apply to your operations.

You need to set defined intervals for reviewing legal and other energy requirements. Some organizations set a minimum review schedule (e.g., quarterly, semi-annually) but will keep the information on legal requirements up to date on an ongoing basis. Monitoring for new or changed legal requirements sometimes can be accomplished using electronic newsletters or email update notifications from regulatory agencies or other sources. Reviews for updates to voluntary programs or other energy requirements subscribed to by your organization usually are conducted on an established frequency. It is good practice to retain evidence that the reviews have been conducted.

Conduct compliance evaluations

Compliance with legal and other energy-related requirements subscribed to by your organization must be evaluated at planned intervals. There is no required frequency; you determine the appropriate interval for the evaluations. The planned intervals may be different for different sets of requirements. Although compiling and submitting required regulatory reports generally is not considered evaluation of compliance with legal requirements, decisions on the interval for conducting compliance evaluations typically consider the required timing for such reports. For simplicity you may consider conducting compliance evaluations at intervals that correspond with those established for the review of legal and other requirements.

It is imperative that roles, responsibilities, and authorities for planning, conducting, and retaining the results of compliance evaluations are defined and communicated to the appropriate personnel. Depending on the type of energy-related legal and other requirements that apply, compliance evaluation responsibilities and authorities may be dispersed across multiple positions. For example, the environmental manager may have overall responsibility for evaluating compliance for legal requirements that involve both environmental and energy issues, while the energy manager or members of the energy team may be responsible for evaluating compliance with the energy requirements of the local community's energy stewardship program.

Your organization may already have processes in place for periodic auditing or evaluation of compliance. For example, such processes may be in place for environmental or safety and health regulatory requirements. Appropriately leveraging any existing processes can be a more efficient use of resources than starting from scratch.

Consider either developing or obtaining checklist tools to assist in the compliance evaluation process.

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Checklists for auditing legal requirements (particularly for federal regulations) are often available either commercially or on the Internet. Customized checklists can be created by taking each requirement and developing questions that can be asked or evidence to be examined (e.g., records) to determine whether that requirement is being met. The Playbook worksheet can be a useful starting point for development of customized checklists.

When evaluations of compliance determine that one or more requirements are not being met, corrective action is taken to eliminate the source of the problem. See Task 24 Corrective Actions for additional information on corrective action.

Ensure records of results and actions taken are retained

The results of the compliance evaluations and any actions taken must be recorded and retained. How the results and actions are recorded, including the format and level of detail, is up to you. One approach is to prepare a high-level summary that indicates whether or not concerns or non-compliances were found and whether or not corrective actions to address them have been undertaken and completed.

Trends on compliance evaluation results must be reviewed by top management as part of the management review process (see Task 23 Management Review). Trend information could include the number and types of non-compliances found over time across the various legal and other requirements. Trend information also could be developed based on the types of actions taken to address the results of the compliance evaluations. It is recommended that decisions be made on exactly which trends found in the compliance evaluation results will be reported to management review as part of the compliance evaluation implementation process and records retention of the results.

Decarbonization

Keep in mind that the EnMS will now be including energy-related GHG emissions as one of the focus areas. As such, when determining the parties that are interested in your EnMS as well as the legal and other requirements, your organization will need to consider those that apply to both energy performance and energy-related GHG emissions.

This can include both internal parties and their requirements, such as GHG emissions performance reporting from corporate offices, and external parties and their requirements, such as GHG emissions reporting requirements from government agencies.

Establishing a new EnMS prioritizing decarbonization

If you do not have an existing 50001 Ready-based EnMS and want to build one that also helps your organization manage energy-related GHG emissions, in this task you should follow the guidance in the “Full Description” tab keeping the following in mind:

1. **Determine the interested parties and their needs and expectations**. When determining the interested parties and their needs and expectations, make sure you include:

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- The parties that are interested in your energy-related GHG emissions or your energy performance, and
- The needs of those parties relative to both your energy-related GHG emissions as well as your energy performance.

An interested party may have needs relevant to both your organization's energy performance and its energy-related GHG performance.

1. **Identify and access legal requirements**. When determining applicable legal and other requirements, make sure you include:
   - legal requirements relative to both energy performance and energy-related GHG emissions
   - any voluntary or mandated GHG or carbon reporting requirements
   - other requirements, including voluntary agreements, relative to both energy and energy-related GHG emissions.
2. **Establish a process for evaluating and updating requirements**. In establishing the processes for evaluating and updating both energy and energy-related GHG emissions requirements, keep in mind the evolving nature of GHG emission legislation and voluntary agreements and ensure that the interval you choose is appropriate.
3. **Conduct compliance evaluations**. When determining compliance to legal and other requirements, make sure you include the legal and other requirements relative to energy-related GHG emissions and energy. Keep in mind that your organization may already have processes in place for evaluation of compliance for some GHG emissions-related requirements and leverage those existing processes where possible.
4. **Ensure records of results and actions are retained.** When recording the results of compliance evaluation and any actions taken, make sure you include compliance to legal and other requirements relative to energy-related GHG emissions. Trends on compliance evaluations results should be kept and presented to top management.

Adapting an existing EnMS to prioritize decarbonization

If you have an existing 50001 Ready-based EnMS and want to adapt it to manage energy-related GHG emissions, you should:

1. **Review your existing list of interested parties.** If you have a current list of parties interested in the EnMS, review it and make sure to:
   - Identify if any existing parties have interests or needs relative to your energy-related GHG emissions that were not previously captured, and then,
   - Add any additional parties that may be interested in your energy-related GHG emissions and were not previously included.
2. **Determine the needs and expectations of these parties**. From this updated list, determine which interested parties' needs and expectations you will address in your EnMS and how you will address them. Make sure to also review if there were parties that were previously captured but will have new requirements for your energy-related GHG emissions.
3. **Review your applicable legal and other requirements**. Review your existing list of legal and other requirements and ensure that you add any applicable energy-related GHG emission legal and

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other requirements that were not previously included.

4. **Review your process for evaluating and updating requirements**. Based on your new list of interested parties and legal and other requirements, review those requirements to determine if any changes are needed in your equipment, systems, processes, or personnel (e.g. training) and develop plans to implement those changes. Assess your process for reviewing legal and other requirements to ensure it still meets your organization's needs. Keep in mind that GHG emission requirements may initially call for frequent review.
5. **Review your compliance evaluation schedule**. Assess your process for ensuring compliance with legal and other energy-related requirements to ensure any new GHG emission requirements that were added are considered and added.
6. **Ensure records of results and actions are retained.** Make sure that your organization includes any new GHG emission-based requirements in your record keeping processes or practices.

Commercial Emissions Reduction Planning Framework

The guidance for this task is from the following sections from the ERP Framework: ERP Framework Milestone 1.

When identifying stakeholders to engage, consider who will be needed to support the planning effort (e.g., property managers), who will be needed to approve the Emissions Reduction Plan (e.g., the CFO), and who will be expected to support plan implementation (e.g., project managers). The level of stakeholder engagement may vary at this point depending on roles within the organization, but it is important that those leading the planning and those that will be implementing the plan develop a relationship early on in this process and define future touch points to set the foundation for success. The table below provides a list of potential stakeholders and examples of their responsibilities in the emissions reduction planning process. (Milestone 1)

Potential Stakeholders

Stakeholder Category	Stakeholder Responsibilities
Executive Leadership	Provide resources and support to effectively develop and implement the plan (e.g., CEO, CFO, COO).
Finance	Identify the financial metrics required to assess the business case and provide guidance on potential financing mechanisms.
Property Management, Facilities/Engineering, and Energy Management	Identify operational needs and maintenance concerns, suggest and evaluate technical solutions, and provide building-level information.
Capital Planning, Procurement, and Project Management	Identify workload expectations and opportunities to streamline procurement and project delivery efforts when implementing activities at scale.
ESG/Sustainability	Identify sustainability considerations and expectations, including those beyond operational carbon emissions. Provide input on the risks and opportunities of the GHG Emissions Reduction Plan and review the plan through a lens of ESG regulatory and reporting requirements.

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Real Estate and Transaction	Provide insight into the organization's future space needs and incorporate decarbonization requirements into considerations for new construction or acquisitions.
Marketing	Identify ways to communicate efforts and GHG emissions reduction planning status within and beyond the organization.
Occupants and Community Members (external)	Identify ways to address occupant concerns and improve their overall experience through emissions reduction measures. Consider opportunities to collaborate with the broader community on larger scale decarbonization efforts.

Organizations should also identify current and future federal, state, and local legal and regulatory requirements that may apply to the organization's building energy or GHG emissions, and ensure the ERP supports compliance. (Milestone 1)

Industrial Emissions Reduction Planning Framework

*In addition to determining the energy-related legal and other requirements, consider any **GHG emissions-related** requirements that apply to site(s) within the scope and boundaries, as well as potential requirements such as corporate climate disclosures. Also include any voluntary reporting the organization provides or may provide in the future.*

The guidance for Task 2 is found within the following sections of the ERP Industrial Framework:

Milestone 1:

Identify and engage stakeholders –When identifying stakeholders to engage, consider who will be needed to support the planning effort, approve the ERP, and support plan implementation. Stakeholders should develop a relationship early in the process and define expectations for future involvement. Personnel from various parts of the organization may be needed to bring an adequate range of expertise to help identify, quantify, plan, and support the implementation of decarbonization efforts.

Executive leadership and finance teams can help provide clarity on decision making process and financial mechanisms and metrics required to assess the business case for decarbonization projects. Sustainability and project management teams can identify opportunities and provide risk assessments, and understand regulatory and reporting requirements.

Engaging stakeholders early on will benefit organizations in the long run by helping identify opportunities or by avoiding spending resources analyzing unrealistic strategies.

Milestone 2:

In addition to internal stakeholders, it may be useful to engage external stakeholders at this point, such as representatives of local communities, utilities, local and state government, and more. Doing so can help organizations uncover new strategies (for example, identifying a nearby source of renewable natural gas) and solidify external support for implementation of the ERP (for example, permitting needs, community awareness and acceptance, or utility incentives).

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Milestone 3:

While prioritizing the ERMs, take into consideration other important parameters such as the regulatory requirements for GHG emissions in the region and scalability/replicability.

Effective portfolio-level emissions reduction requires coordination and collaboration across multiple stakeholders, including facilities, regional suppliers and utilities. This can be challenging, particularly when there are divergent priorities and interests.

Milestone 5:

Secure final buy-in from stakeholders, and release plan – To facilitate overall communication, establish an ERP steering committee comprised of a diverse set of the organization's leaders – executives from operations, engineering, finance, sustainability, and legal. This will help coordinate organizational efforts, identify implementation issues and slowdowns, provide necessary resources to enable timely implementation, and foster organizational buy-in and commitment.

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