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.

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