

## UK's indicative national energy efficiency target for 2020 under Article 3 of the Energy Efficiency Directive Summary

- The UK has set its indicative national energy efficiency target on the basis of final energy consumption. This means our indicative target is 129.2 MTOE on a net calorific basis, which would amount to an 18% reduction (28.5 MTOE) from the UK's 2007 business as usual project projection for 2020.
- This indicative target has been set taking into account the overarching European goal of reducing energy consumption by 20% relative to 2007 PRIMES projection of 2020 demand.

### The indicative target

1. The UK indicative energy efficiency target for final energy consumption in 2020 is 129.2 MTOE on a net calorific value basis. This indicative target reflects the UK's ambitious policy package on energy efficiency which builds on the early action that was already in place by 2007.
2. The proposed indicative target, expressed in terms of final energy consumption and its primary energy consumption equivalent, are taken from the UK Department of Energy and Climate Change's Updated Energy and Emissions Projections published in October 2012.<sup>1</sup>[full report in Annex B<sup>2</sup>] These provide projections of both final and primary energy consumption based on the economic outlook and impact of government policies. The current projection was based on the following economic assumptions:
  - short-term growth assumptions from the OBR's Economic & Fiscal Outlook published with the Budget in March 2012.
  - long-term projections for GDP and Employment growth from the assumptions in the OBR's Fiscal Sustainability Report from July 2012.
  - Projected household numbers based on the DCLG Household Projections, published in 2010, but adjusted to be consistent with OBR assumptions.<sup>3</sup>
  - fossil fuel price assumptions consistent with the DECC fossil fuel price assumptions published in October 2012.
3. We have set the indicative target taking into account the EU-wide objective for energy consumption to be no higher than 1086 MTOE in final energy terms in 2020, taking into account the impact of Croatian accession. The EU objective is a 20% reduction on the 2007 PRIMES projection for business as usual energy consumption (excluding non-energy use).

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<sup>1</sup> DECC, Updated Energy and Emissions Projections, October 2012

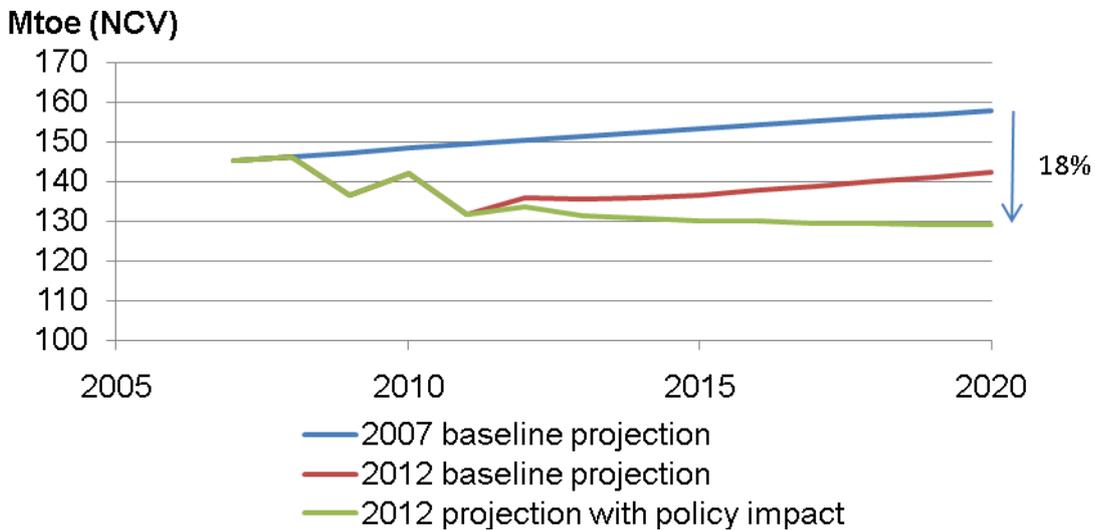
<https://www.gov.uk/government/publications/2012-energy-and-emissions-projections>

<sup>2</sup> The published projections are on a gross calorific value basis, the calculations for net calorific value have been submitted via email.

<sup>3</sup>In their Budget 2012 projections the OBR's use the ONS's 2010-based lower migration variant for UK population growth. To maintain consistency, DECC have adjusted DCLG's 2010 household number projections, which were produced using the ONS's 2008-based central projection, in line with the OBR's population assumptions.

4. The equivalent UK specific projections were carried out for the 2007 Energy White Paper,<sup>4</sup> and these projected final energy consumption in 2020 (excluding non-energy use) of 157.8 MTOE. [a copy of that report is at annex C]The UK indicative target is 18% lower in final energy terms, as shown in figure 1 equating to energy savings of 28.5 MTOE.

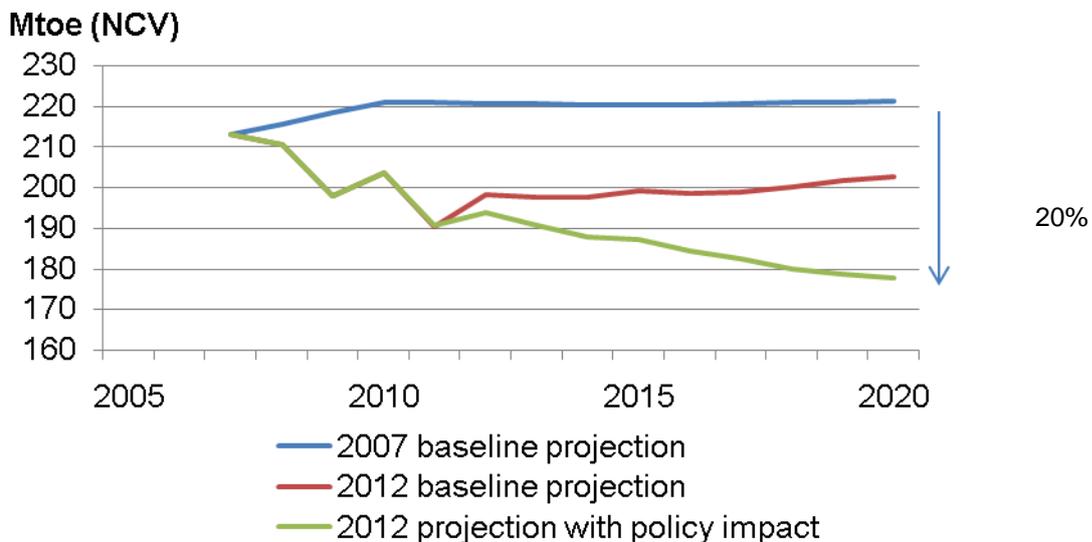
Figure 1: Projected final energy consumption



Source: DECC Updated Energy and Emissions projections 2012, and historic energy projection 2007

5. In primary energy consumption terms the target is 177.6 MTOE. As set out in figure 2, this is equivalent to a 20% fall on the UK's 2007 business as usual projection for 2020 of 221.2 MTOE (or energy savings of 43.6 MTOE).

Figure 2: Projected Primary Energy Demand



Source: DECC Updated Energy and Emissions projections 2012, and historic energy projection 2007

<sup>4</sup> BERR, Updated Energy and Emissions Projections February 2008  
<http://webarchive.nationalarchives.gov.uk/+http://www.berr.gov.uk/files/file39580.pdf>

6. To achieve the national target, the UK is projected to reduce final energy intensity by 26 per cent between 2007 and 2020 and maintain our position as one of the least energy intensive economies in the EU.

### **Other reporting requirements**

7. The UK is required to submit additional information pursuant to Article 24(1) and Annex XIV of the Directive. This information is included in annex A.

### **List of annexes**

**A: UK report on Energy Statistics for 2011**

**B: DECC, Updated energy and emissions projections report, October 2012.**

Data sheets available at <https://www.gov.uk/government/publications/2012-energy-and-emissions-projections>

**C: BERR, Updated Energy and Emissions Projections, February 2008**