

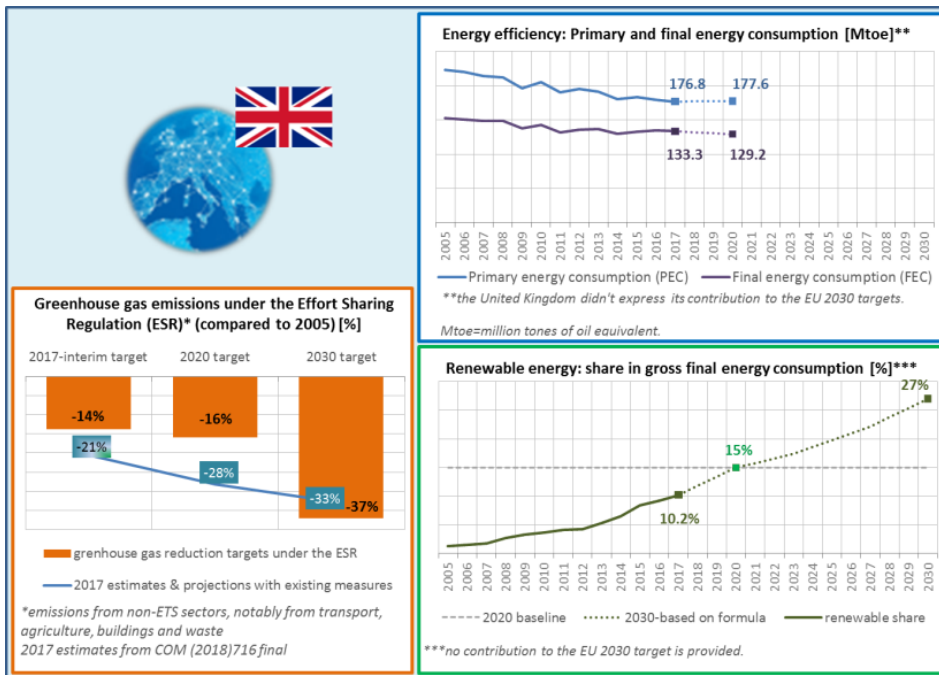


# UNITED KINGDOM

## Summary of the Commission assessment of the draft National Energy and Climate Plan 2021-2030

The EU has committed itself to a clean energy transition, which will contribute to fulfilling the goals of the Paris Agreement on climate change and provide clean energy to all. To deliver on this commitment, the EU has set binding climate and energy targets for 2030: reducing greenhouse gas emissions by at least 40%, increasing energy efficiency by at least 32.5%, increasing the share of renewable energy to at least 32% of EU energy use and guaranteeing at least 15% electricity inter-connection levels between neighbouring Member States. To ensure that the EU targets are met, EU legislation requires that each Member State drafts a 10-year National Energy and Climate Plan (NECP), setting out how to reach its national targets, including the binding national target for reducing greenhouse gas emissions that are not covered by the EU Emissions Trading System (ETS). The European Commission has analysed each draft NECP. The summary of this assessment for the UK is outlined below. The final NECPs for the period 2021-2030 are due to be submitted by Member States by the end of 2019.

### United Kingdom - National targets and contributions foreseen in the draft National Energy and Climate Plan



Sources: UK draft National Energy & Climate Plan, Eurostat (PEC2020-2030, FEC2020-2030 indicators and renewable SHARES), COM (2018) 716 final (2017 GHG estimates)

- The United Kingdom's draft integrated National Energy and Climate Plan (NECP) focuses on the UK's domestic climate targets and is based on existing energy and climate policy documents, notably the **Clean Growth Strategy up to 2050**. While it considers the UK's domestic climate ambitions and standards as more ambitious than its obligations under EU law, it does not follow the requirements set out in the Governance Regulation<sup>1</sup> and does not mention EU legislation in any of the Energy Union dimensions.
- The main drivers of UK's energy and climate policy are carbon budgets – legally binding five-year emission caps, which need to be set 12 years in advance. The third, fourth and fifth budgets represent the years 2018-2022, 2023-2027 and 2028-2032, and commit the UK to **greenhouse gas emission reductions** of 37%, 51% and 57%, respectively, compared to 1990.
- Achieving the UK's domestic target set in the fifth carbon budget, would also likely achieve the **2030 target** of -37% greenhouse gas **emissions** compared to 2005 for sectors outside the EU Emissions Trading System (**non-ETS**) set under the Effort Sharing Regulation (ESR)<sup>2</sup>. However, it is unclear if existing and planned policies, which are only set out for the transport and buildings sectors, are sufficient to achieve the ESR target and the no-debit commitment under the Land Use, Land Use Change and Forestry (LULUCF) Regulation that accounted removals do not exceed accounted emissions<sup>3</sup>.
- The UK has not provided a contribution to the EU's 2030 target for **renewable energy**, nor any of the other main elements of the national objectives and trajectories. The overall contribution expected by the formula contained in Annex II of the Governance Regulation<sup>4</sup> is 27%. Apart from a clear overall contribution, an indicative trajectory that reaches all required reference points<sup>5</sup> would need to be set out in the final plan. The final plan would also benefit from elaborating further on the policies and measures that will enable the achievement of the contribution and on other relevant sectorial measures.
- The UK has also not provided its **energy efficiency** contributions. The projections from the modelling scenario setting the pathway for achieving the UK's fifth carbon budget presented in the draft NECP would represent a low level of ambition. The final plan would benefit from more details on adequate policies and measures.
- The **energy security** dimension contains general objectives on reducing energy import dependency and increasing the flexibility of the national energy system in particular by means of deploying domestic energy sources. There is little information in terms of concrete objectives, targets, policies and measures in line with Annex I of the Governance Regulation<sup>6</sup>. An element to be considered in the final plan is the measures envisaged with a view to the possible development of nuclear generation capacity.

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<sup>1</sup> Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council.

<sup>2</sup> Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013.

<sup>3</sup> Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU.

<sup>4</sup> Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action.

<sup>5</sup> Pursuant to Article 4(a)(2) of Regulation 2018/1999.

<sup>6</sup> Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action.

- The UK has not specified the **interconnection level** it aims for in for 2030. Other elements of the internal energy market dimension, such as smart meters, are addressed in detail, but a more consistent approach to defining concrete objectives and supporting policies and measures would be needed in the final plan. It is also not clear if a dedicated assessment of **energy poverty** as required by the Governance Regulation<sup>7</sup> has been carried out. Additional information including energy poverty objectives would need to be clarified in the final plan.
- The draft NECP includes indications of the UK's overall priorities for **research, innovation and competitiveness**, but specific objectives and corresponding policies and measures for the 2030 timeframe would be necessary.
- The draft NECP includes investment expenditures in different sectors and areas to implement the Clean Growth Strategy totaling well below 0.5% of GDP annually, but not an assessment of the **investment needs**, market risks and barriers. Including these in the final plan would allow full advantage to be taken of the role NECPs can play in providing clarity to investors and attracting additional investment in the clean energy transition.
- The UK aims to maintain the existing **regional cooperation** in the North Seas Energy Cooperation. Given the UK's decision to leave the EU, ensuring continued regional cooperation with Ireland on emergency preparedness and response for electricity and security of supply for gas and oil will be important.
- The interactions with **air quality** are acknowledged in some instances. However, the final plan would benefit from strengthening this analysis with quantitative information. The planned increase in biomass use makes air impacts particularly relevant to consider.
- In the context of **just transition aspects**, impacts on consumers, shifts in sectors/industries, distributional effects, revenue recycling and links to current energy poverty policies are additional important factors to be taken into consideration for the final plan. Specific attention should be paid to coal and carbon-intensive regions and how they will be impacted by the energy transition.
- A list of all **energy subsidies** and actions undertaken and planned to phase them out, in particular for fossil fuels, needs to be included in the final plan.
- **Good practice** worth mentioning is the Climate Change Act, which contains legally binding long-term greenhouse gas emission reduction targets and five-year carbon budgets, as well as specific targets for ultra-low emission vehicles in the public sector. The government's work with the regulator to manage the transition to a smarter, more flexible energy system could be considered another example of good practice.

#### Related links:

- [National Energy & Climate Plans](#) – for links to the Commission recommendations and Staff Working Document for the UK and all other Member States, to the Commission Communication assessing all draft NECPs, and to the draft NECPs themselves.
- More information about the [Clean energy for all Europeans package](#)
- More information about the [2030 climate & energy framework](#)

<sup>7</sup> Pursuant to article 3.3.(d) of Regulation 2018/1999.