



ADDENDUM DATED APRIL 2009

UPDATED ENERGY AND CARBON EMISSIONS PROJECTIONS

URN 09D/547

Revisions

The [updated energy and carbon emissions projections](#), published in November 2008, have been revised to inform the analysis accompanying [the announcement of the first three UK Carbon Budgets](#). A further set of revisions will be published in summer 2009.

The emissions projections include non-CO2 emissions and allow for estimated savings due to the proposed Renewable Energy Strategy. The projected emissions for each of the first three carbon budget periods is set out in the table below, split between the emissions estimated to be allocated to the UK under the EU Emissions Trading Scheme (the traded sector), and the projected emissions from the rest of the UK economy (the non-traded sector).

Table: Emissions projections of GHG, including estimated Renewable Energy Strategy saving, based on central economic growth forecast

MtCO2e		Carbon budget period 1	Carbon budget period 2	Carbon budget period 3
Total emissions in traded sector	Range	Sector capped under EUETS	Sector capped under EUETS	Sector capped under EUETS
	Central estimate	1233	1078	985
Total emissions in the non traded sector	Range	1690 -1862	1582-1812	1455-1712
	Central estimate	1776	1697	1584
Total	Range	2923-3095	2660-2891	2697-2440
	Central estimate	3009	2775	2569

A number of factors have influenced the revisions to the emissions projections since the last update in November. These are:

- Updated UK economic growth forecasts consistent with Budget 2009;
- Revision to policy impact
- updated household projections

- revision to carbon price assumptions from €25 to €34/tonne of CO2 in 2020 (2005 prices)
- new 2008 data inputs

Emissions projection uncertainty

Uncertainty associated with the projections arises from a number of sources. These include modelling uncertainty, fossil fuel price uncertainty, policy and other modelling assumptions. The impact of this uncertainty is captured by the ranges set out in the table above.

Further work

Further revised projections will be published this summer. These will include revised fossil fuel price assumptions, the results of continued analysis on policy savings and other aspects of the DECC model development and new energy data.

DECC
April 2009