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ENERGY EFFICIENCY
DIRECTIVE

EST work in Support of UK approach to Article 4

Andy Deacon

Director of Development

Energy Saving Trust

27/03/14

Structure of report



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Main report sections:

- An overview of the United Kingdom's building stock
- Cost-effective approaches to building renovation
- Policies to stimulate energy efficient renovation
- Forward guidance for investment

Housing Factfile



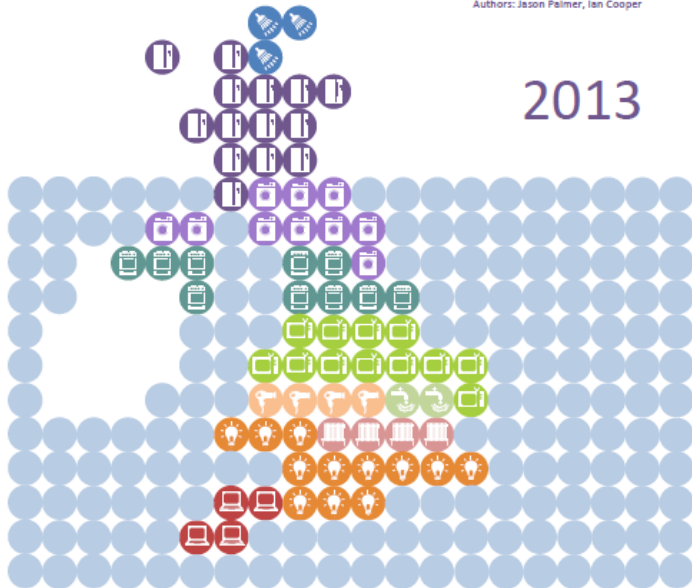
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Department
of Energy &
Climate Change

United Kingdom housing energy fact file

Authors: Jason Palmer, Ian Cooper

2013



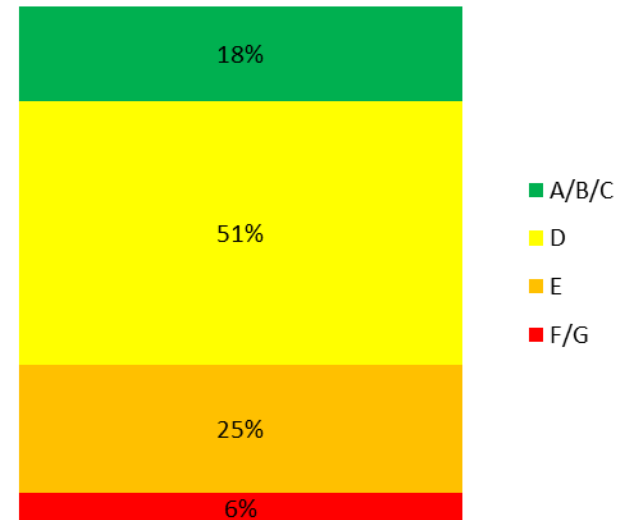
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Energy efficiency rating of English housing stock, 2012



UK Carbon Plan to 2050



The Carbon Plan: Delivering our low carbon future

December 2011

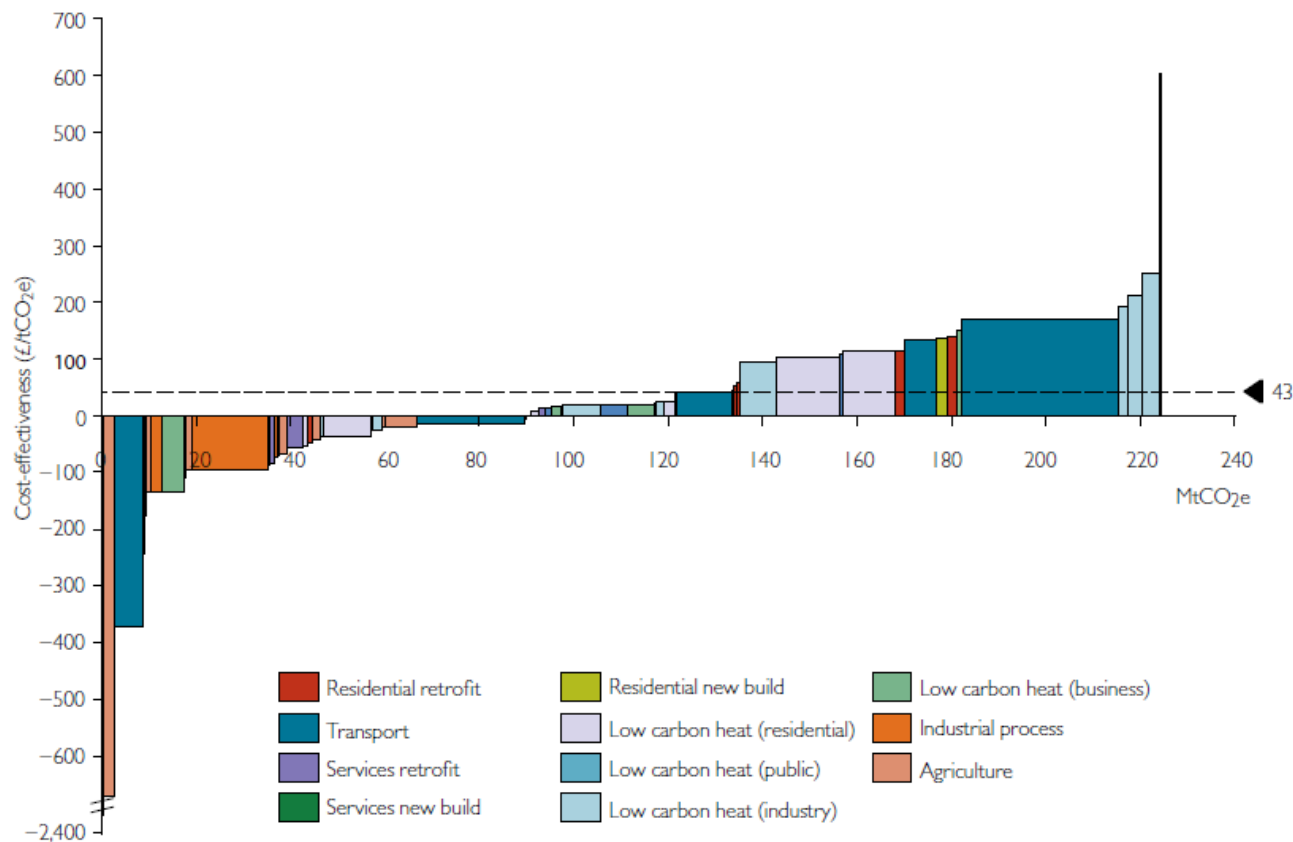
 HM Government

- The plan sets out how the UK will achieve decarbonisation within the framework of our energy policy: to make the transition to a low carbon economy while maintaining energy security, and minimising costs to consumers, particularly those in poorer households.
- Emissions are down by a quarter since 1990. Current policies put the UK on track to cut emissions by over a third, on 1990 levels, by 2020.
- In the next ten years, we will develop and deploy the technologies that will be needed to halve emissions in the 2020s. This will put the UK on a path towards an 80% reduction by 2050.

Marginal Abatement Cost



Chart B8: Marginal abatement cost curve of the total potential abatement identified in the non-traded sector, 2023–27 (MtCO₂e)



Energy Efficiency Strategy



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Energy Efficiency Strategy

2013 Update



December 2013

Our Energy Efficiency Strategy set out four key benefits of energy efficiency:

- It saves households and businesses money on their energy bills.
- It promotes economic growth and supports jobs in the economy.
- It supports activity to revitalise our infrastructure, contributing to a more secure and sustainable energy system and reducing our reliance on energy imports.
- It is often the most cost-effective way to decarbonise.

Barriers to Energy Efficiency



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Box 1: RECAP – The barriers to Energy Efficiency take-up

The *Energy Efficiency Strategy* identified four key barriers to the deployment of cost-effective energy efficiency investment in the UK economy.

Embryonic markets: The UK already has an energy efficiency market but it is small relative to the size of the opportunity. There are significant economic benefits to be realised from growing this market and making energy efficiency a mainstream activity.

Information: Accessing trusted and appropriate energy efficiency information has often proven difficult. Where information is available it is usually generic and not tailored to specific circumstances; or it is focused on particular opportunities, meaning that individuals and businesses are unable to fully assess the benefits of investment in energy efficiency measures.

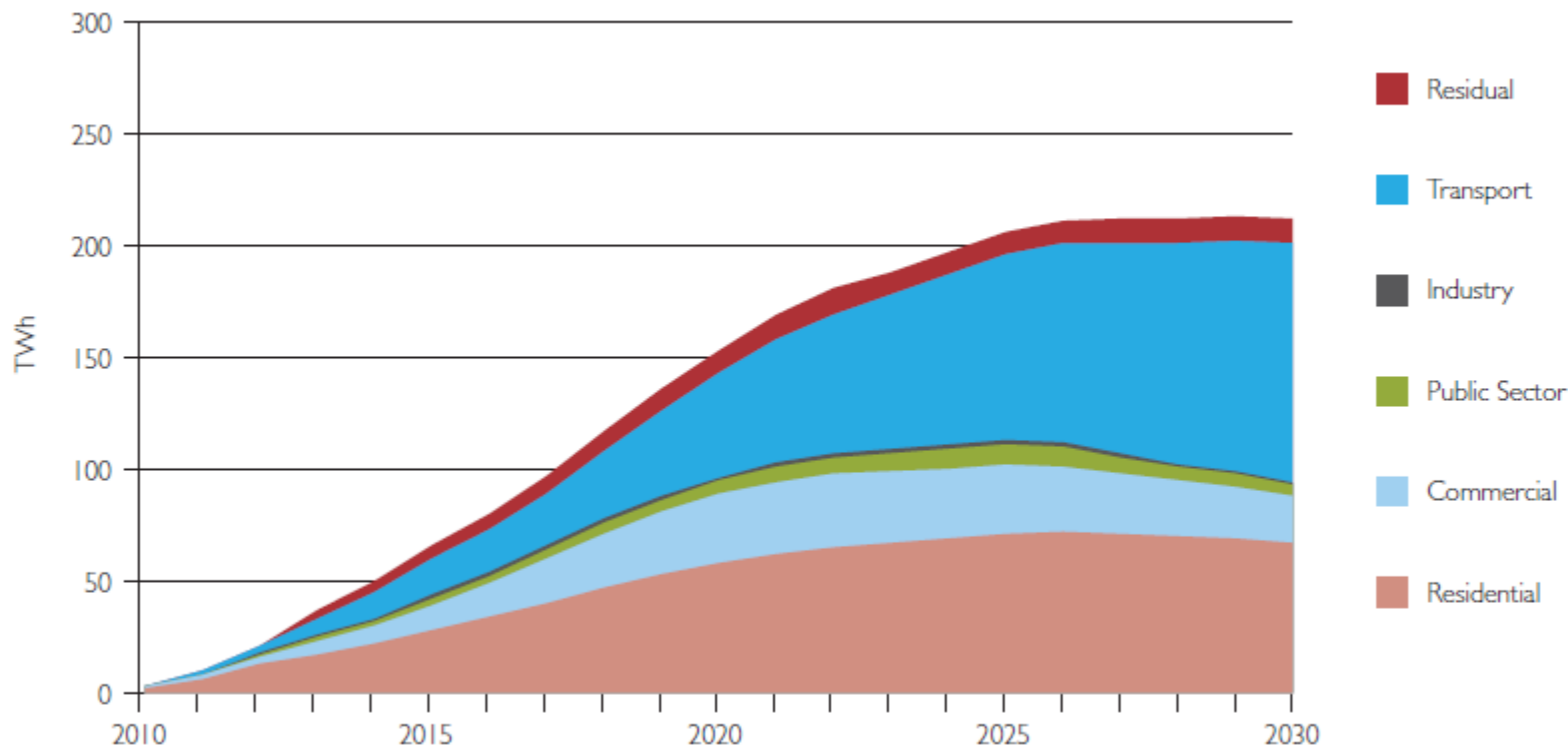
Misaligned financial incentives: Those investing in energy efficiency measures are not always the ones receiving the direct benefit. For example, the wider benefits of energy efficiency investment, such as improved security of supply and reduced carbon emissions, are not fully realised by those making the investment.

Undervaluing energy efficiency: The long term financial and wider benefits of improved energy efficiency are often regarded as less certain, partly because of the lack of trusted information in the market. Consequently, energy efficiency has traditionally been undervalued relative to other investment options, and not prioritised as it might have otherwise been.¹

Projected Policy Savings



Figure 4: Projected UK policy savings for final energy consumption¹⁶: 2010-2030



Source: DECC Energy & Emission Projections 2013

Thank you for your attention



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