

However, some generation from Combined Heat and Power (CHP) plants is outside the scheme and its emissions are non-traded. We no longer assume any new CHP plants will be built. This means our projections now only reflect generation from existing CHP installations. We assume that any of these plants which close will not be replaced. The lower projected non-traded emissions reflect reduced future CHP generation.

- GHG Inventory (2020): this update led to lower non-traded emissions. They are 6 MtCO_{2e} lower in the third, 12 MtCO_{2e} lower in the fourth and 11 MtCO_{2e} lower in the fifth carbon budget periods.
- Household numbers: non-traded emissions are lower by 7, 13 and 16 MtCO_{2e} in carbon budgets three, four and five respectively. This reflects lower household number forecasts than in EEP 2018⁵⁶. The demand for energy in the residential sector is closely linked to household numbers and is therefore lower. This leads to reduced emissions.

6.3 Changes in traded projections since EEP 2018

Compared with EEP 2018, the biggest downwards revisions to traded emissions come from:

- Changes to our projections of future iron and steel demand (see Section 6.1)
- Our revisions to the traded/non-traded emissions split (Section 6.2.1) and
- Our changes to the commerce and public demand projections (Section 6.2.1).

Of these, the changes to the iron and steel demand projections had the largest impact.

⁵⁶ We give these assumptions in Annex M.

