DENMARK COMMITS TO OVERALL ENERGY REDUCTION

Denmark has launched an energy strategy that makes it the first country in the world to commit to an overall reduction in energy consumption.

Security of energy supply and reduction of CO2 emissions are priorities on political agendas worldwide. Effective solutions require innovative energy policies that make maximum use of renewable resources.

Being a highly developed industrialised country in a temperate climate provides the incentive for Denmark to find ways to extract the maximum benefits from energy efficiency and renewable energy.

New energy strategy
In February 2008, the Danish government entered a broad energy agreement with most of the parliamentary parties. The agreement lays down Denmark's energy policy for 2008-2011, which meets or surpasses EU environmental goals in several areas.

The new energy policy also makes Denmark the first country in the world to commit itself to reducing overall energy consumption - the target is a 2% reduction by 2011 in relation to 2006. By 2011 it is further expected that renewable energy will provide 20% of the country's total energy needs.

Ambitious aims
The energy policy will demonstrate Denmark's commitment to responsible energy policy as the host of the 15th Conference of Parties to the UN Climate Convention in Copenhagen in December 2009.

”Action is needed everywhere. It must permeate our entire society. From the way in which we build houses, how we light our homes and where the heat in the radiator comes from, to whether cars run on wind turbine power or old-fashioned petrol. It has importance for industry, for institutions and for every citizen," says Minister for Climate and Energy, Connie Hedegaard.

Multiple initiatives
The energy agreement includes establishing new offshore wind farms generating a further 400 MW of clean electricity, tax-exempting cars using hydrogen as fuel as well as electric cars up to 2012, and the provision of state funding for research into electric vehicles, solar energy and wave power.

Learning from the past
The oil crisis in 1973 had a lasting influence on energy policy in Denmark. The government of the day recognised the supply security risk of continued dependence on oil from areas of political uncertainty, and instituted far-sighted plans for energy self-sufficiency in the long term. One notable result is that Denmark took the lead on wind energy in the 1980s and has maintained it ever since.

Playing a global role
Today, energy supply security is still a high priority issue, now accompanied by the added threats of climate change and the pressing need to reduce CO2 emissions.

With the energy policy and the technologies that Denmark has developed over 30 years, as well as its active role putting energy issues on the agenda of the EU, Denmark is well positioned for a leading role in finding solutions and providing a model that can serve as inspiration for countries worldwide.

Facts sheets about the agreement can be downloaded on the website of the Danish Energy Authority at: www.ens.dk

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DENMARK'S ENERGY POLICY 2008-2011

The energy policy for the period 2008-2011 has the aim of further reducing Denmark's dependency on fossil fuels (oil, coal and gas), and contains a range of initiatives aimed at ensuring that Denmark meets its obligations and pledges in relation to the integrated climate and energy proposal put forward by the European Commission in January 2008.

The range of initiatives covers energy savings and energy efficiency improvements, renewable energy, energy taxes, more effective energy technologies, and transport.

Energy savings

In the energy savings area, the ambitious aim has been set of decreasing gross energy consumption by 2% up to 2011 and by 4% up to 2020, compared to 2006.

Further initiatives include higher energy efficiency targets for end users and substantially reduced energy consumption in new buildings.

Campaigns will be instituted to promote energy savings in buildings and a knowledge centre for energy savings in buildings will be established.

Renewable energy

Renewable energy initiatives include the use of more biomass/waste and less fossil fuels in central combined heat and power stations, and programmes to increase the deployment of wind turbines both on land and offshore. Regarding the latter, the government plans to invite tenders for two offshore wind farms each of 200 MW capacity, slated to come on stream in 2012.

The government is also allocating a substantial sum over 2 years to promote replacement of oil-fired furnaces with heat pumps, including information campaigns, labelling of efficient pumps and subsidies for consumers outside areas with collective heating supplies.

Significant sums are also being allocated annually for 4 years for subsidising renewable energy technologies, including solar power and wave power.

Energy taxes

Energy taxes initiatives include an increase in the existing CO2 tax from 2008 and a new NOx tax from the beginning of 2010.

Energy technology

The new energy policy calls for a doubling of funding for energy research, development and demonstration. The PSO research agreement from 2004, which allocates substantial annual funding, is prolonged after 2008.

Transport

In the transport area, the government's objective is that biofuels for transport must account for 5.75% of fuel consumption for transport on land by 2010 and 10% by 2020, corresponding to the EU objective.
Hydrogen powered cars will be tax-exempt, and the current tax-exempt status of electric cars will be extended to 2012. A test scheme for electric cars will receive significant state support from 2008 to 2012.

"The new agreement shows that Denmark is willing to lead the way in adopting the necessary energy policy," says Minister for Climate and Energy, Connie Hedegaard.

The energy agreement includes plans to increase the deployment of offshore wind turbines like the one at Horns Rev off the western coast of Denmark.
Photo: DONG Energy