



Danish Energy and Climate Policy

A Coherent and Consensual Approach



Parliamentary Background

- The Danish parliamentary tradition makes minority governments likely
- Only four majority governments since 1945
- The present government is formed by the third largest party (34 out of 179 seats)
- Long tradition of broad political agreements



Tradition of broad agreements



- Important decisions are often the result of broad political agreements
- 78,5 pct. of all multi-annual decisions based on broad agreements



Danish Energy policy in a consensual political framework

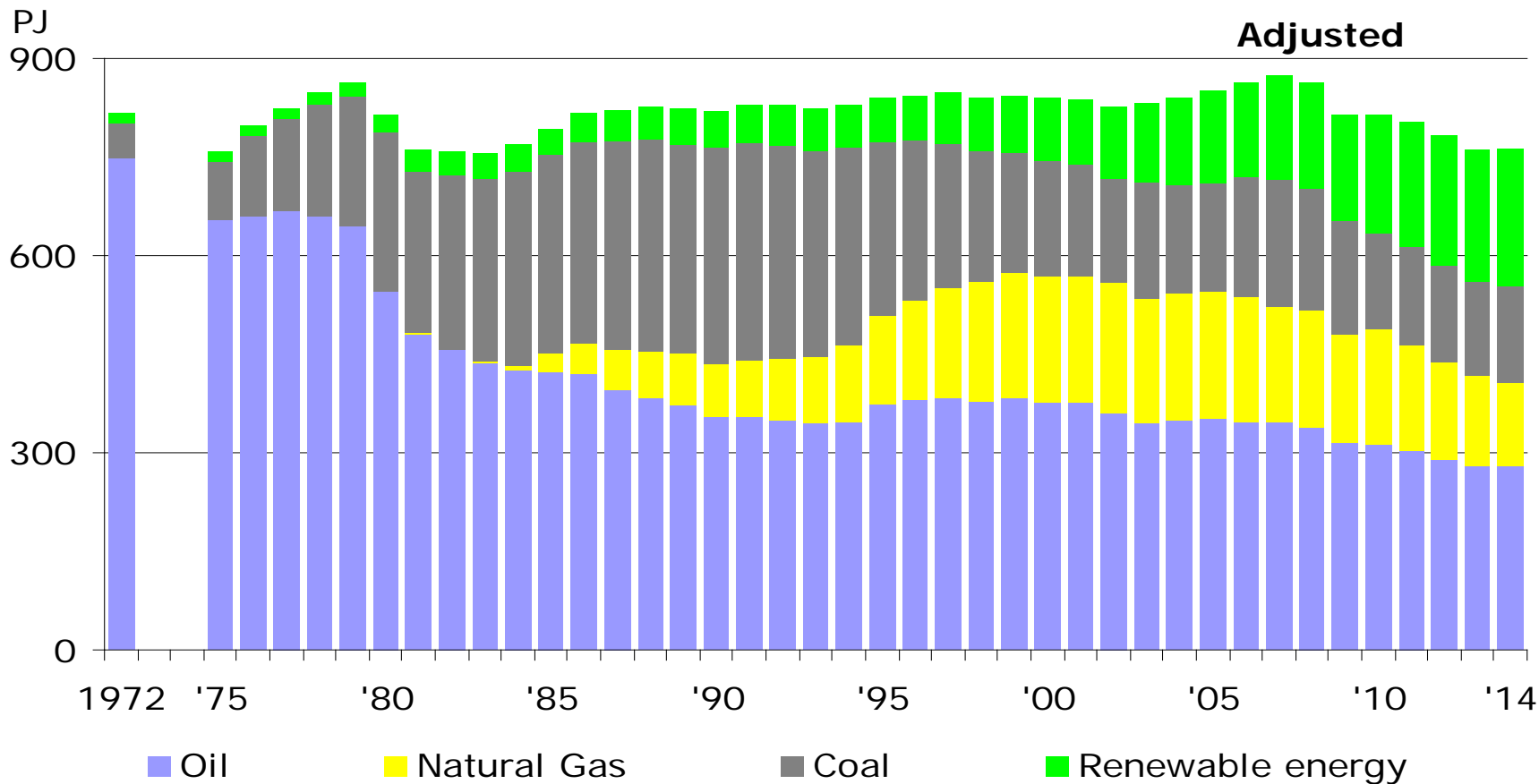
- Danish energy policy has to a large extent been shaped by a vast majority in the Danish parliament
- A good example is the agreement from 2012 containing ambitious targets for 2020 which was supported by all parties of the parliament except from one (DF, V, K, RV, S, SF, EL)



Large degree of involvement from stakeholders and citizens

- Tradition of an inclusive decision process
- Cross-ministerial working groups are securing a coherent approach
- Involvement of the industry and business communities, municipalities and citizens

GROSS ENERGY CONSUMPTION 1972-2014



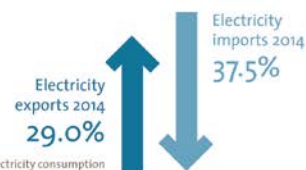
Source: Danish Energy Agency. 2014 figures are preliminary



ELECTRICITY HIGHWAYS

between Denmark and its neighbouring countries

Interconnections ensure balance in the wind power-based system and contribute to an efficient green transition.



Maximum electricity consumption

2014: 6,039 MW
2020: approx 6,700 MW

Central and local power station capacity

2014: 6,730 MW
2020: approx 5,700 MW

Wind turbine and solar cell capacity

2014: 5,500 MW
2020: 6,900 MW

Interconnection capacity

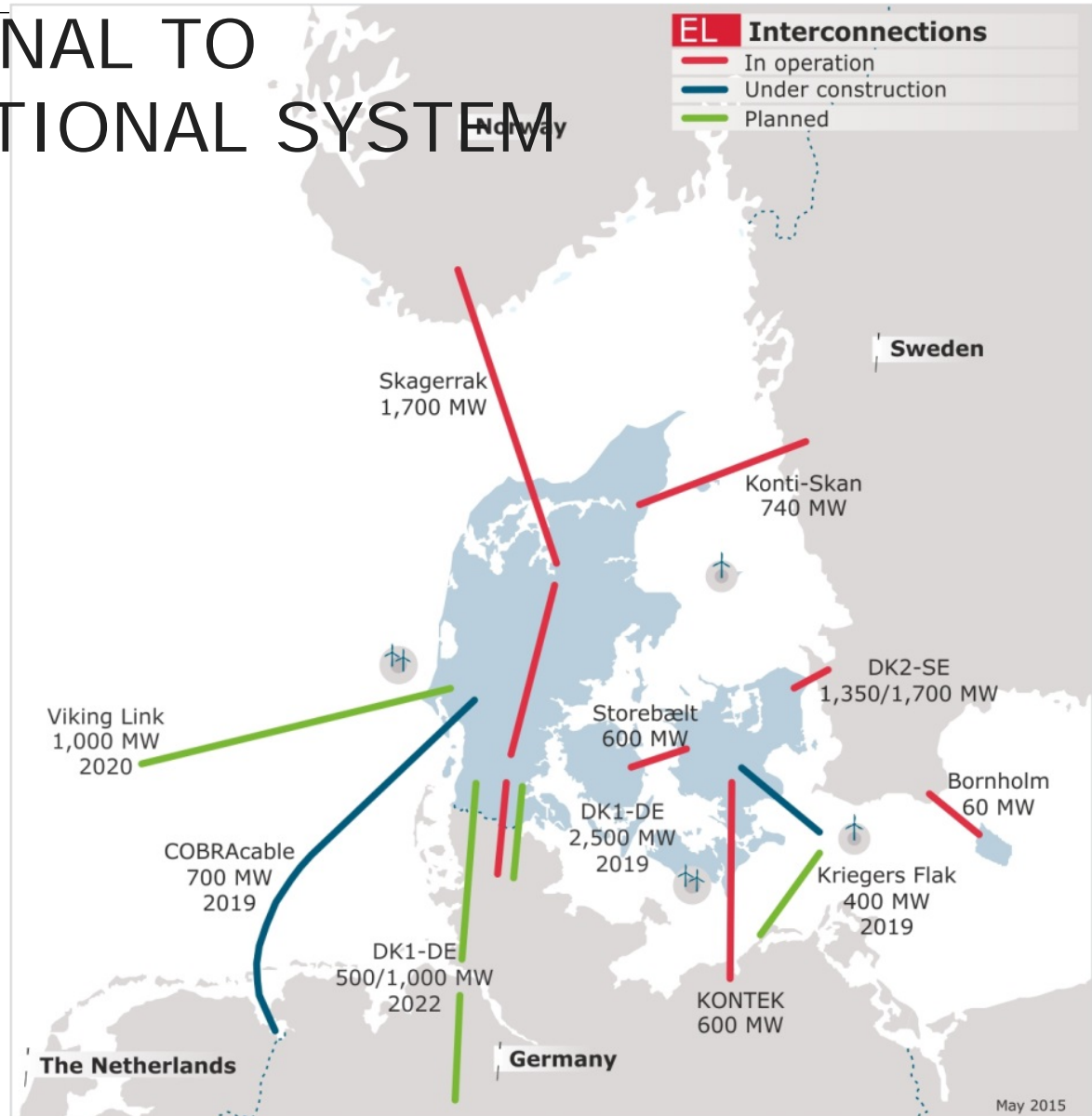
2014:
Imports: 5,140 MW
Exports: 5,880 MW

2020:
Imports: approx 8,000 MW
Exports: approx 8,400 MW



FROM NATIONAL TO AN INTERNATIONAL SYSTEM

- Increased regional cooperation and integration of markets
- EU framework
 - EU 2030
 - State aid guidelines for environmental protection and energy
- Energy Union



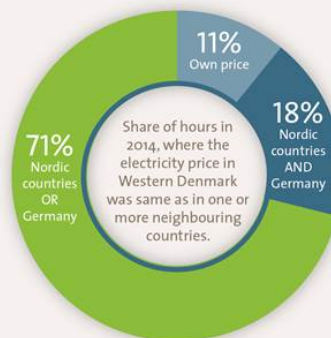
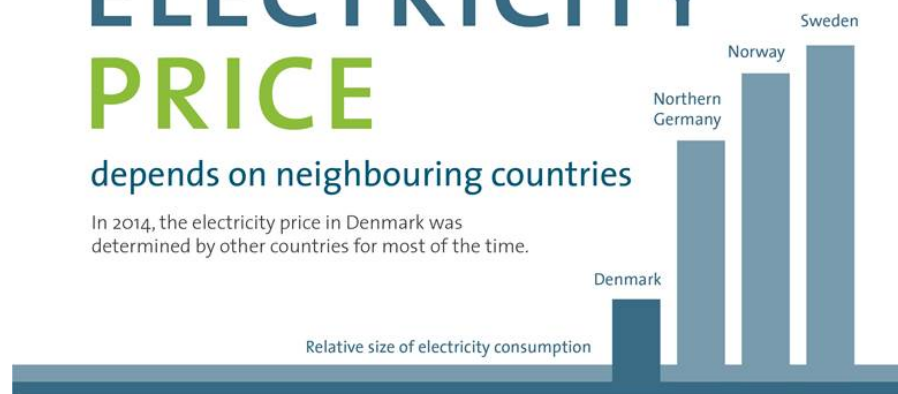


- To some extent Denmark is already part of an Energy Union.
- The interconnections between Denmark and our neighboring countries is reflected in our electricity price.
- The Danish electricity price is for a large part set by our neighboring countries

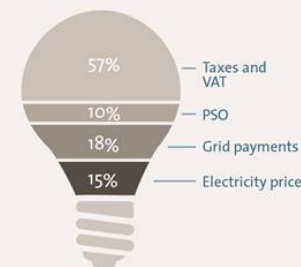
ELECTRICITY PRICE

depends on neighbouring countries

In 2014, the electricity price in Denmark was determined by other countries for most of the time.



Denmark has the same electricity price as neighbouring countries
Denmark is divided into two price areas. The figure shows Western Denmark, where the price was determined by other countries for 89% of the time. Eastern Denmark had the same price as one or more neighbouring countries for 95% of the time in 2014.



In 2014, a typical household paid an average of DKK 2.26 per kWh, including tariffs and taxes.



Western Denmark
Average wholesale price
2014: 22.9 øre/kWh
2013: 29.5 øre/kWh



Eastern Denmark
Average wholesale price
2014: 24.0 øre/kWh
2013: 29.1 øre/kWh

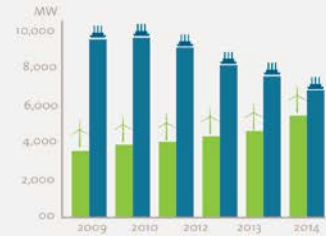


Nordic countries
Average wholesale price
2014: 22.0 øre/kWh
2013: 28.4 øre/kWh

- The security of energy supply in Denmark is among the best in Europe



Security of supply in 2013



Wind turbine, solar cell and power station capacity

In the past five years, the capacity of fluctuating energy sources – wind turbines and solar cells – has increased by 1,321 MW, or 38%. Capacity at the power stations, which can regulate production, has declined by 2,700 MW, or 29%.



In 2014, disruptions in Energinet.dk's grid resulted in power cuts lasting an average of 15 seconds for consumers.

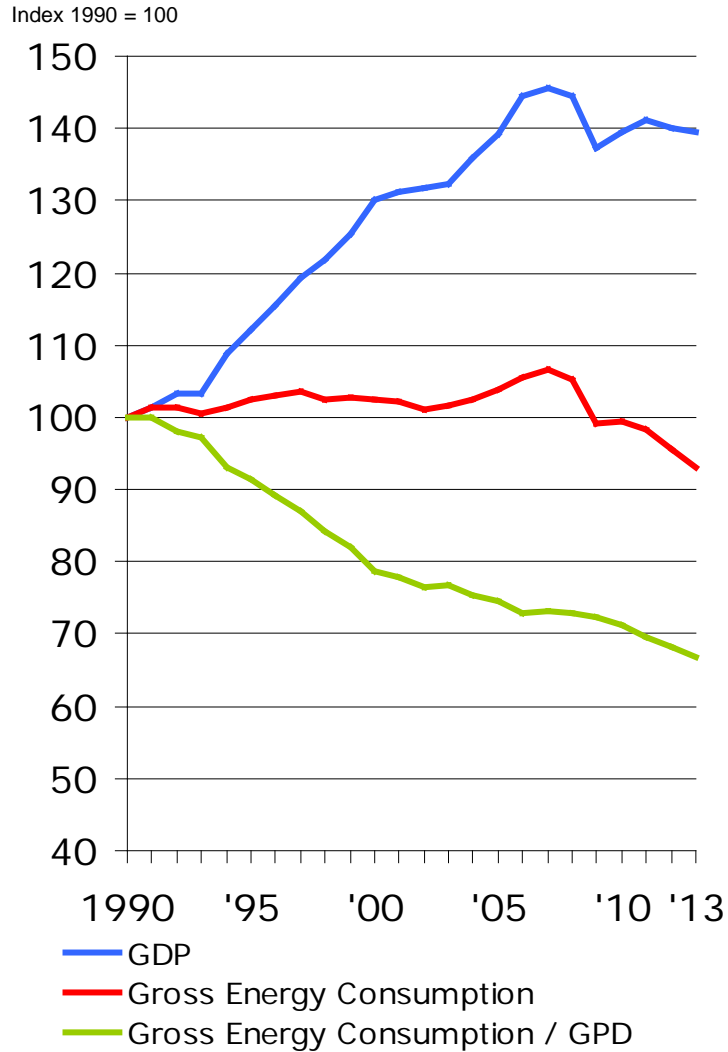


Highest wind power share
January 2014: 61.8%

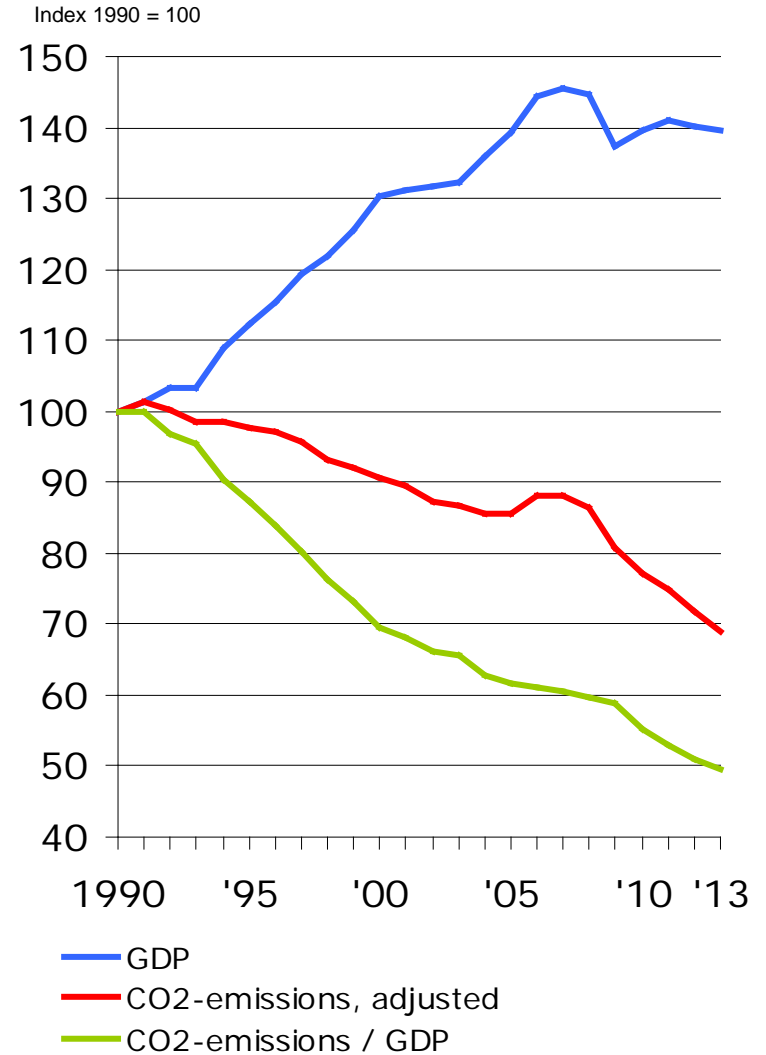


Lowest wind power share
July 2014: 23.0%

ENERGY CONSUMPTION RELATIVE TO GDP



Green House Gas Emissions relative to GDP



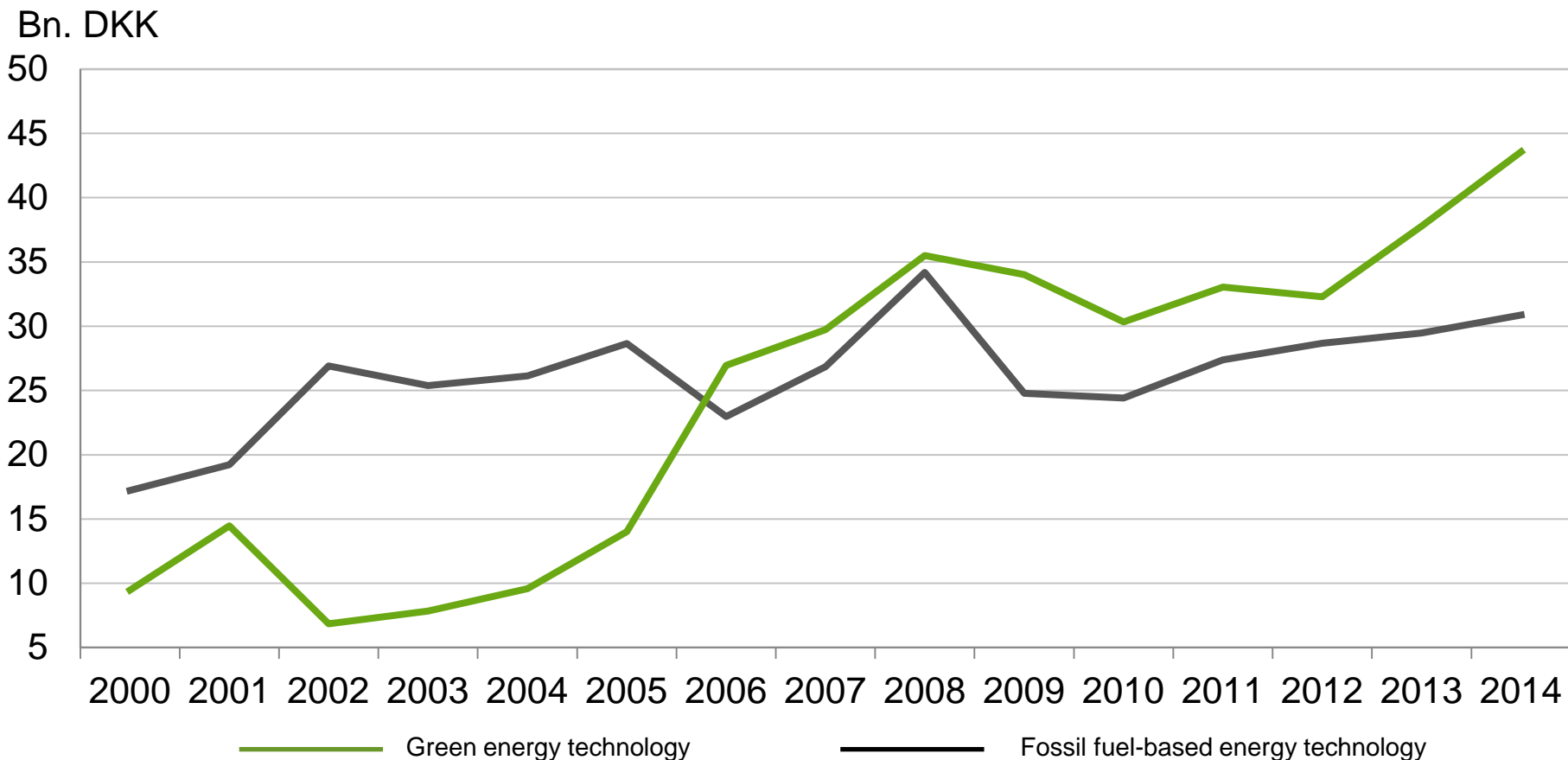
DANISH ENERGY POLICY – LESSONS TO LEARN

- Broad Energy Agreements
- Diversified energy supply
- Energy taxation

- Energy taxation part 2
- Support schemes for renewable energy (solar)



DANISH EXPORT OF ENERGY TECHNOLOGY



Remarks: The export is in current prices and non including drilling platforms

Source: Eurostat and calculations by Confederation of Danish Industry, Danish Energy Association and Danish Energy Agency



Thank you