

The target of the transport action plan is:

- stabilization of energy consumption and CO₂ emissions in the transport sector before 2005, and a reduction of 25 per cent until 2030; and
- reduction of NO_x and HC emissions of at least 40 per cent before 2000, and further reductions thereafter.

The government estimates, however, that energy consumption and CO₂ emissions from the transport sector will be reduced by rather more than 5 per cent by 2005 compared with the 1988 level. The government will follow up on the two action plans and monitor achievement of the targets, which are not mandatory. The energy action plan will be assessed in 1995 to decide whether the objectives or the means to achieve them need to be revised. The aim of both action plans is, first of all, to ensure substantial reductions in CO₂ as the most important greenhouse gas caused by energy activities in Denmark.

The energy action plan includes a comprehensive programme of action and is to be implemented by measures in four main areas: energy efficiency improvements and conservation in energy end-use, changes and improvements in efficiency in energy supply, increased utilisation of more environmentally benign energy sources, and R&D. Some important elements of the intended measures have already been approved by Parliament, e.g. a programme concerning the expansion of combined heat and power production, while other legislation is in preparation:

The government believes that a high level of energy prices is an important instrument to achieve energy efficiency and conservation gains. In the energy action plan the government stated its intentions to change the energy taxation system to more fully reflect the long term goals of energy and environment. This could be done by introducing environmental taxes on CO₂ and SO₂ in combination with general taxes. In May 1991 the Danish Parliament decided to introduce a carbon tax of DKr. 100 per ton CO₂ emitted corresponding to about \$ 55 per ton carbon. The carbon tax will be levied on all sectors of the economy including industry, but there will be possibilities for tax reductions for some industries. For private households the carbon tax will function in combination with general energy taxes, whereas the commercial and industrial sector as hitherto will be exempted from general energy taxes. A commission on energy tariffs will be set up to analyse the various energy tariff systems. Furthermore, efficiency gains are expected through revised and/or new standards for buildings, energy installations and appliances. Other planned measures in the area of energy efficiency include energy consultancy schemes, energy management in buildings, energy efficiency financing arrangements, energy labelling, programmes for public buildings, and co-operative arrangements with industry and utilities.

Initiatives planned to increase the efficiency of the energy supply sector include promotion of CHP in district heating, expansion of industrial cogeneration, connection of block heating centrals to the natural gas and district heat supply systems, use of natural gas in central power plants, and demonstration projects for coal gasification and