

should be used for certain specified energy efficiency subsidies, i.e. for promotion of DH and CHP and energy conservation in the commercial and industrial sector.

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 fuel cells. Several measures are planned to increase use of renewable energies, in particular biomass, wind, and solar energy.

2. Factors Influencing Decisions

Denmark has pursued an active energy policy since the 1970's in order to reduce its high reliance on oil. This was basically achieved through effective energy conservation programmes, development of indigenous energy resources (in particular oil, natural gas and renewable energies), a switch to coal as the primary fuel in electricity generation, a major expansion of CHP facilities and district heating systems, and a policy of introducing natural gas. Energy taxation policies traditionally have played an important role in Danish energy policy. The Danish government also supports a substantial and comprehensive non-nuclear energy R&D programme.

Environmental consciousness in Denmark is high. Environmental aspects are an integral part of long-term energy policy, and the government has repeatedly given proof of its determination to make strong efforts to reduce the environmental impacts of the energy system. However, the energy action plan will necessitate quite substantial investments in all sectors, including industry. Not surprisingly, the industry association and some unions point out that risks are high for the competitiveness of the Danish industry as well as for employment.