

AIXG
March 16, 1999, Paris

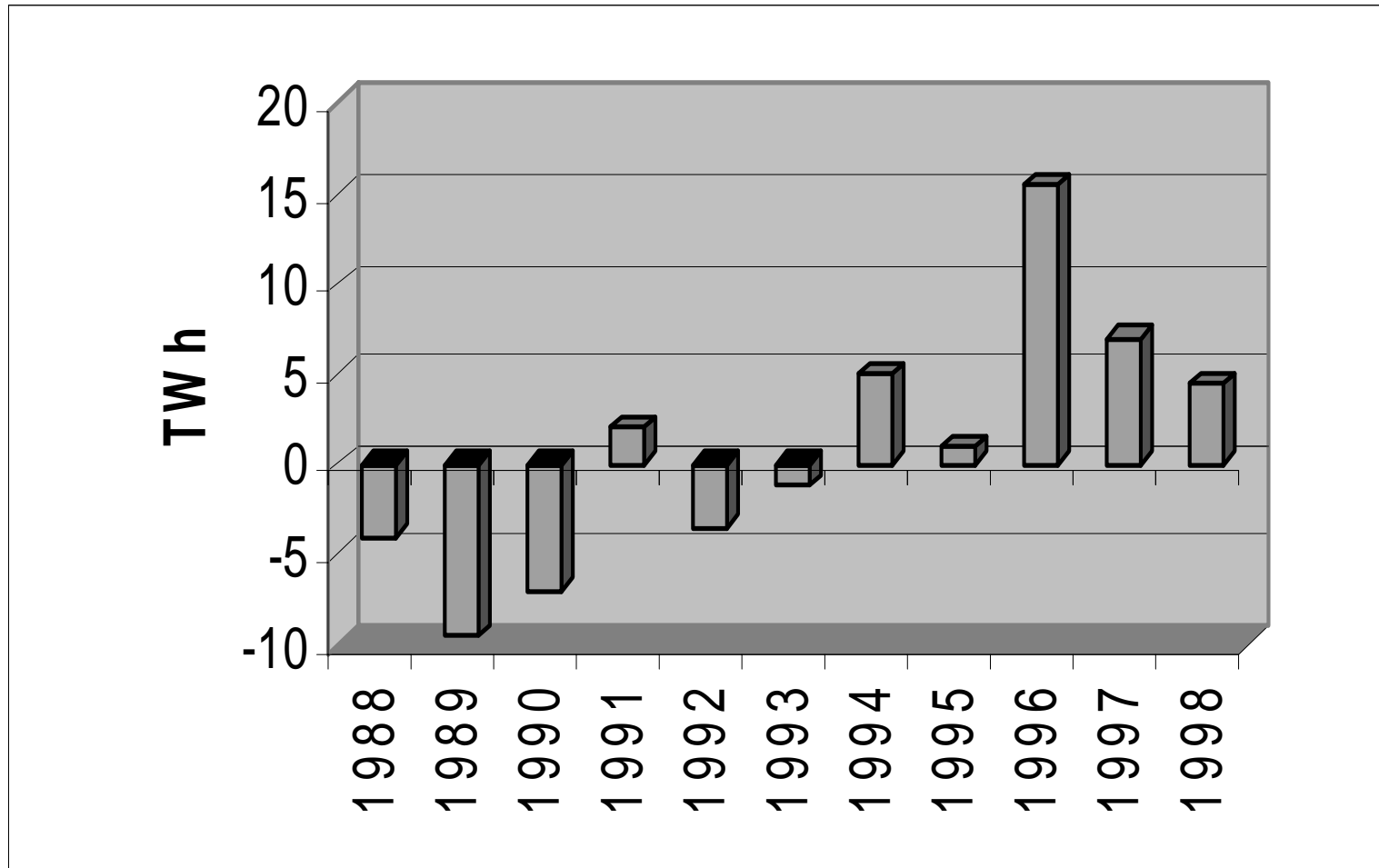
CO₂ emissions trading in the Danish electricity sector

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Danish GHG targets

- ❖ UN's Climate Convention and EU:
-5% GHG emissions in year 2000 compared to 1990
- ❖ National Target:
-20% CO₂ in 2005 compared to 1988
- ❖ Kyoto and EU bubble:
-21% GHG's in 2008-12 compared to 1990

Danish export of electricity



Regulatory reforms

- ❖ Liberalisation of the market for electricity
- ❖ Preserving consumer interests
- ❖ Ensure that environmental goals can still be pursued effectively in the future

Danish CO₂ cap and trade scheme

- ❖ Limit CO₂ emissions
- ❖ Maintain exchange of electricity in the Nordic market
- ❖ Enhance the incentive to produce electricity by more environmentally friendly technologies
- ❖ Prepare the energy sector for the use of the Kyoto mechanisms

Danish CO₂ cap and trade scheme (cont.)

❖ Period: Year 2000 - 2003

❖ Allowed emissions:

Year 2000: 23 Mtonnes CO₂

Year 2001: 22 Mtonnes CO₂

Year 2002: 21 Mtonnes CO₂

Year 2003: 20 Mtonnes CO₂

(1997-emissions: 28,9 Mtonnes CO₂)

Danish CO₂ cap and trade scheme (cont.)

- ❖ Penalty/tax: appr. 6 \$/tonne
- ❖ Allocation principle: Grandfathering to sector (two associations) based on historical emissions.
- ❖ Trading between companies
- ❖ Possible trade with other countries and possible use of other mechanisms