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**DANISH MINISTRY
OF THE ENVIRONMENT**

Department

MINISTER FOR THE
ENVIRONMENT

J.no. M 1034-0884

Date

30 MAY 2006

H.E. Commissioner Dimas
The European Commission
B-1049 Brussels

Dear Commissioner,

As you are aware, Denmark is facing special circumstances regarding the reference year related to the Kyoto Protocol and the subsequent EU burden sharing agreement. Due to the fact that 1990 was a year with large amounts of precipitation, Denmark had an extraordinarily large import of CO₂-neutral hydro power from our Nordic neighbours during that year. As a result, the domestic emissions in that year were unusually low in Denmark.

On 19 May 2006 in Copenhagen, the President of the European Commission, José Manuel Barroso, and the Danish Prime Minister, Anders Fogh Rasmussen, discussed a solution for the Danish reference year. At a joint press conference, Mr. Barroso indicated that the Commission is working on a solution to accommodate Denmark's problem with the reference year.

The observation of Mr. Barroso is on a par with the 2002 EU decision on ratification of the Kyoto Protocol. In that decision, the Council and the Commission recognised that a solution to the Danish assumptions on the reference year should be considered in 2006 as part of the process to finally settle the assigned amounts for Member States.

As all other Member States of the EU, Denmark is in the process of drafting a national allocation plan. The work is well underway. However, the Danish Government will not be able to finalise the allocation plan and submit it for public hearing until we have an indication on how the Danish problems relating to the reference year will be accommodated. As a consequence, it will be difficult for Denmark to comply with the deadline of 30 June 2006.

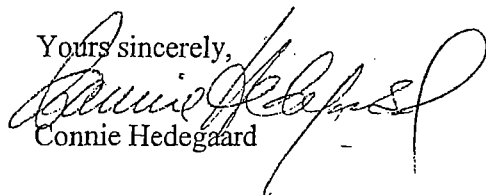
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It is therefore of utmost importance to the Danish Government that the Commission proposes a solution as quickly as possible, which compensates Denmark for the unfortunate reference year.

I greatly appreciate your efforts in this regard. If the Commission needs any further information, please do not hesitate to contact me or my staff.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Connie Hedegaard', written over the typed name.

Connie Hedegaard