



THE PRIME MINISTER

Copenhagen, 16 OCT 2006

President of the European Commission
Mr. José Manuel Barroso
European Commission
Rue de la Loi 200
B-1049 Bruxelles
Belgium

Dear José Manuel Barroso,

A Danish contribution to an Energy Policy for Europe and beyond

At the informal summit in Lahti on 20 October Heads of State and Government will have the opportunity to engage in the discussion of a common European Energy Policy with a particular view to the external dimension.

I welcome the fact that energy has been given a prominent place on the European agenda by the Commission Green Paper on "A European Strategy for Sustainable, Competitive, and Secure Energy".

Europe faces an immense challenge. The EU's dependence on imported energy, primarily oil and gas, is predicted to rise from 56 % today to almost 70 % in 2030 unless we act now. As a consequence, the EU faces the prospect of becoming increasingly dependent on energy supplies from unstable regions in the world.

In the light of this challenge, I am pleased to enclose a Danish contribution to the future EU Energy Policy, backed by a large majority in the Danish Parliament, aiming at reducing the EU's dependence on fossil fuels. A European Energy Policy based on this aim will also significantly enhance the EU's contribution to fighting global climate changes and reduce air pollution.

A key message is that the EU must put its own house in order as a precondition for a coherent external EU policy on energy. We strongly believe that markets and competition are keywords in this process.

Denmark proposes a number of concrete actions in order to ensure the completion of the internal EU market for energy leading to enhanced competition and cross-border energy infrastructure.

Moreover, the EU should focus on increasing energy efficiency. The EU should be the most energy efficient economy in the world.

Our experience in Denmark shows that we can maintain economic growth and reduce the dependence on fossil fuels. During the last 25 years, Denmark's economy has grown by more than 50 % but there has been no increase in the consumption of energy. A key initiative has been a widespread introduction of combined heat and power. The Danish experience also underlines that a strategy in line with the Danish contribution can go hand in hand with increased employment, growth, and welfare.

Also, the EU has to set new ambitious goals for increasing the share of internally produced renewable energy.

Finally, the EU should strengthen its efforts within the area of Research and Development in renewable energy and energy efficiency.

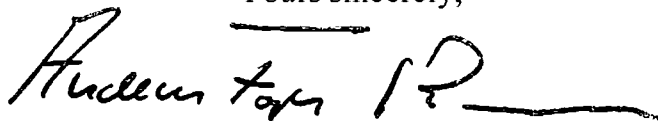
Denmark would welcome a Commission analysis on the effects of adopting an EU Policy based on the elements in the Danish contribution on economic growth, the environment including CO2 emissions etc.

As regards the external dimension of the European Energy Policy, we should aim our common dialogue with the major external producer, transit, and consumer countries, at promoting the core values of EU's internal Energy Policy.

An external Energy Policy based on diversification of external EU energy sources should be combined with an effort to ensure effective open markets, increased energy efficiency, and focus on renewable energy in third countries. This will further contribute to the EU's ambition of fighting global climate changes.

Denmark looks forward to participating in the debate on the future European Energy Policy in the run up to the spring European Council.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Anders Fogh Rasmussen', with a horizontal line above the name.

Anders Fogh Rasmussen