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This is why Danes are flush with energy

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Thomas L. Friedman

The Arctic Hotel in Ilulissat, Greenland, is a charming little place on the West Coast, but no one would ever confuse it for a Four Seasons — maybe a One Seasons. But when my wife and I walked back to our room after dinner the other night and turned down our dim hallway, the hall light went on. It was triggered by an energy-saving motion detector. Our toilet even had two different flushing powers depending on — how do I say this delicately — what exactly you're flushing. A two-gear toilet! I've never found any of this at an American hotel. Oh, if only we could be as energy efficient as Greenland!

A day later, I flew back to Denmark. After appointments here in Copenhagen, I was riding in a car back to my hotel at the 6 p.m. rush hour. And boy, you knew it was rush hour because 50 per cent of the traffic in every intersection was bicycles. That is roughly the percentage of Danes who use two-wheelers to go to and from work or school every day here. If I lived in a city that had dedicated bike lanes everywhere, including one to the airport, I'd go to work that way, too. It means less traffic, less pollution and less obesity.

What was most impressive about this

day, though, was that it was raining. No matter. The Danes simply donned rain jackets and pants for biking. If only we could be as energy smart as Denmark!

Unlike America, Denmark, which was so badly hammered by the 1973 Arab oil embargo that it banned all Sunday driving for a while, responded to that crisis in such a sustained, focused and systematic way that today it is energy independent. (And it didn't happen by Danish politicians making their people stupid by telling them the solution was simply more offshore drilling.)

What was the trick? To be sure, Denmark is much smaller than us and was lucky to discover some oil in the North Sea. But despite that, Danes imposed on themselves a set of gasoline taxes, CO2 taxes and building-and-appliance efficiency standards that allowed them to grow their economy — while barely growing their energy consumption — and gave birth to a Danish clean-power industry that is one of the most competitive in the world today. Denmark today gets nearly 20 per cent of its electricity from wind. America? About 1 per cent.

And did Danes suffer from their government shaping the market with energy taxes to stimulate innovations in clean power? In one word, said Connie Hedegaard, Denmark's Minister of Cli-

mate and Energy: "No." It just forced them to innovate more — like the way Danes recycle waste heat from their coal-fired power plants and use it for home heating and hot water, or the way they incinerate their trash in central stations to provide home heating. (There are virtually no landfills here.)

There is little whining here about Denmark having \$10-a-gallon gasoline because of high energy taxes. The shaping of the market with high energy standards and taxes on fossil fuels by the Danish government has actually had "a positive impact on job creation," added Mr. Hedegaard. "For example, the wind industry — it was nothing in the 1970s. Today, one-third of all terrestrial wind turbines in the world come from Denmark." In the last 10 years, Denmark's exports of energy efficiency products have tripled. Energy technology exports rose 8 per cent in 2007 to more than \$10.5 billion in 2006, compared with a 2 per cent rise in 2007 for Danish exports as a whole.

"It is one of our fastest-growing export areas," said Mr. Hedegaard. It is one reason that unemployment in Denmark today is 1.6 percent. In 1973, said Mr. Hedegaard, "we got 99 per cent of our energy from the Middle East. Today it is zero."

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Frankly, when you compare how America has responded to the 1973 oil shock and how Denmark has responded, we look pathetic. "I have observed that in all other countries, including in America, people are complaining about how prices of ((gasoline)) are going up," Denmark's prime minister, Anders Fogh Rasmussen, told me. The cure is not to reduce the price, but, on the contrary, to raise it even higher to break our addiction to oil. We are going to introduce a new tax reform in the direction of even higher taxation on energy and the revenue generated on that will be used to cut taxes on personal income — so we will improve incentives to work and improve incentives to save energy and develop renewable energy."

Because it was smart taxes and incentives that spurred Danish energy companies to innovate, Ditlev Engel, the president of Vestas — Denmark's and the world's biggest wind turbine company — told me that he simply can't understand how the U.S. Congress could have just failed to extend the production tax credits for wind development in America.

Why should you care?

"We've had 35 new competitors coming out of China in the last 18 months," said Engel, "and not one out of the U.S." — **New York Times News Service**