

Energy Efficiency Services

a promising new business for energy providers



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DONG Energy - moving energy forward

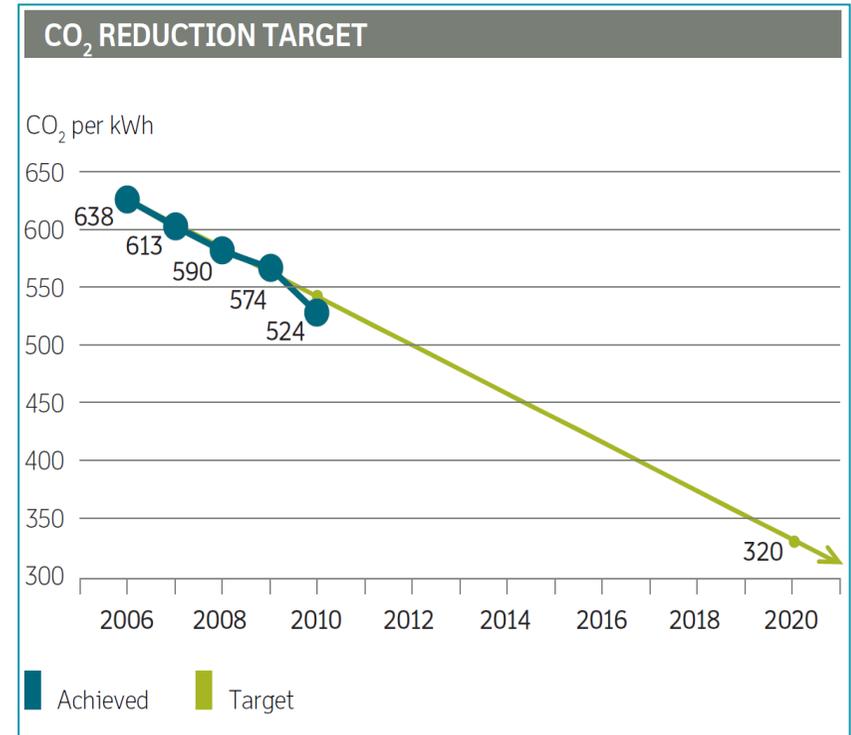
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2006

2020

our reduction path



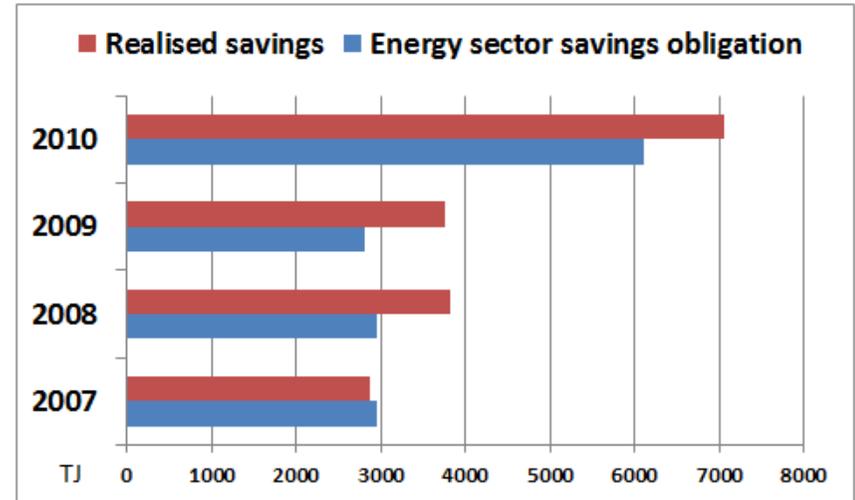
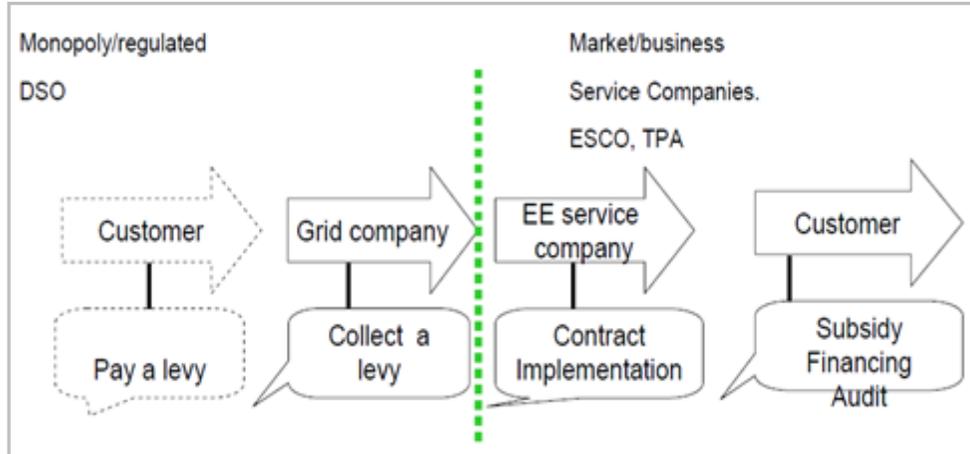
Energy efficiency - an integral part of moving energy forward

- ✓ Tackling resource scarcity
- ✓ Increasing security of supply
- ✓ Reducing CO2 emissions

**→ A strategic choice for energy companies:
take part in this or leave the market to others**

Regulatory set-up in Denmark

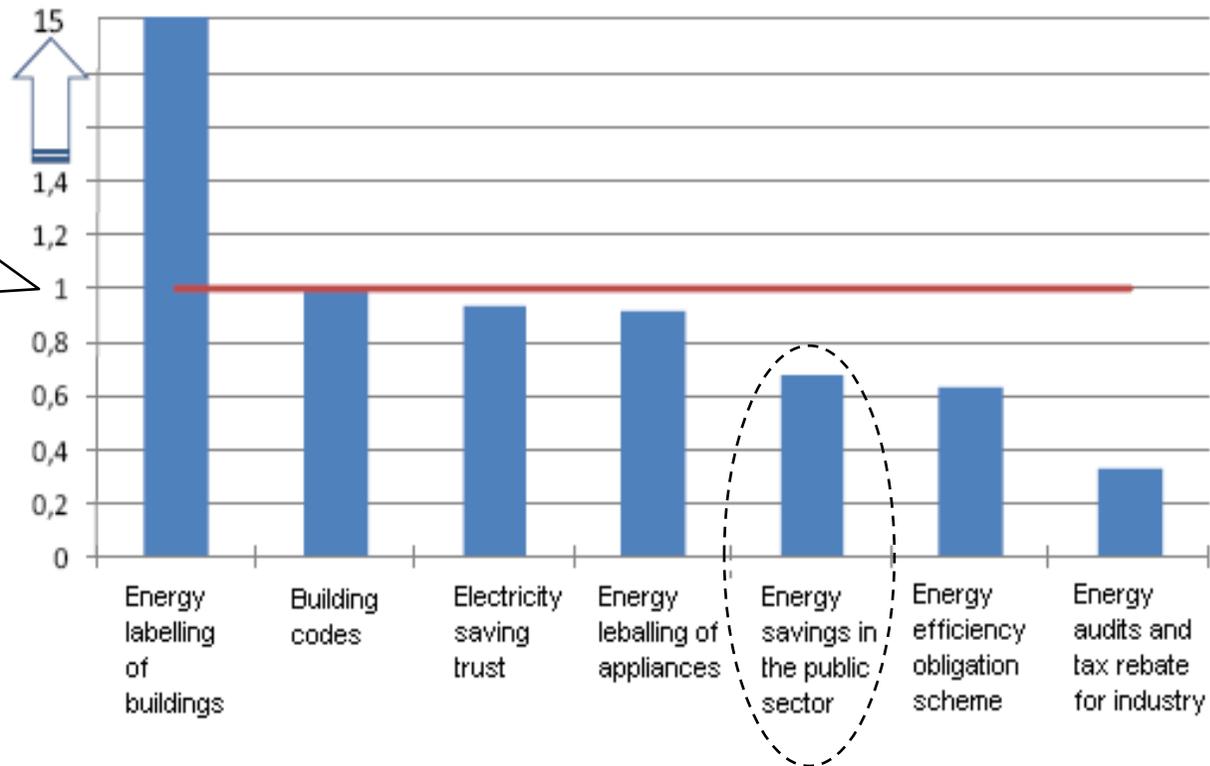
Roles and responsibilities



- The obligation scheme involves 4 sectors: electricity, district heating, gas and oil
- Reducing final consumption in the included sectors by 1.2 per cent annually (will increase by 50% in 2012)
- The Danish EE obligation scheme on DSOs provides 52 per cent of all annual savings in Denmark
- Unleashing a Danish market for energy services of >€100 million per year
- DSOs increases cooperation with external players, which is tracked by competition authorities

The Danish obligation scheme has been cost-efficient

Key figures for socio-economic cost-efficiency

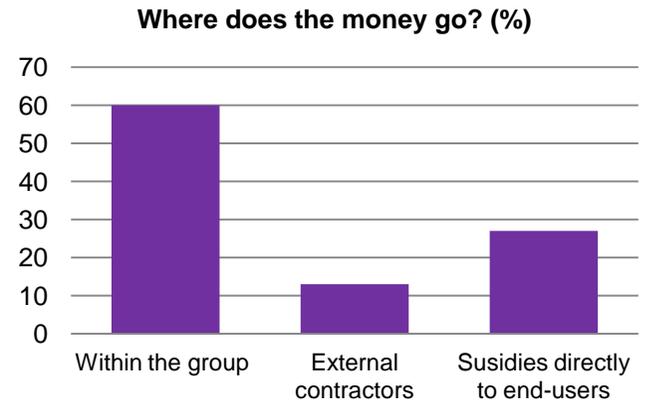
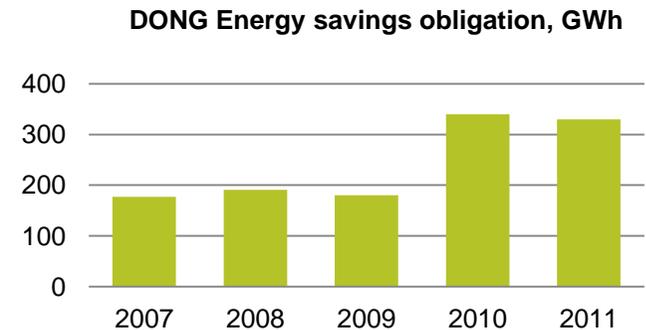


Value 1 signifies that the cost per saved kWh equals the socio-economic energy price

Source: Danish Energy Agency, 2009

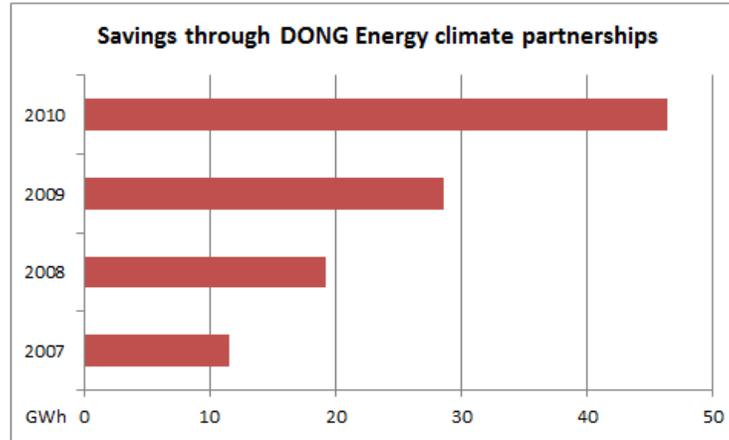
Energy efficiency as a business opportunity

- DONG Energy pursues the opportunity of being positioned as a key actor on energy efficiency by delivering cost effective additional savings together with our costumers
- DONG Energy DSO obligation in 2011: 308 GWh
- By actively embracing energy efficiency we broaden our role from pure energy provider to service provider
- Energy efficiency brings us closer to the final customers

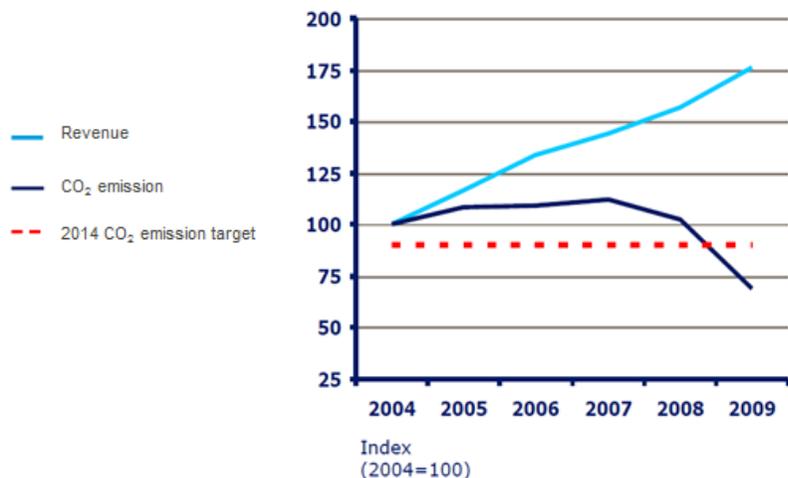


Source: Danish Energy Association,
All energy companies

New market opportunities: DONG Energy climate partnerships



The case of Novo Nordisk



- DONG Energy has assisted Novo Nordisk complete more than 250 energy savings projects with an average pay back time of 2 years
- Enabling Novo Nordisk to reach its 2014-emission target in 2009
- A part of the cost savings from the energy efficiency projects has been used to help finance DONG Energy's offshore wind park at Horns Reef II

Energy Efficiency Directive – a vehicle for energy services

- Maintain the energy savings obligation scheme in article 6. This is key for the directive to deliver
- Include the transport sector in the obligation schemes so that all end-users are included
- Modify the primary energy conversion factor for electricity of 2.5 to mirror increasingly low-carbon and efficient electricity generation
- Curb the negative side-effect of implementation of EED on the CO₂-price by withholding allowances (amending the ETS auctioning regulation) to get the ETS back on track to drive investments