

(Unofficial translation)

The law amending the law on CO<sub>2</sub> allowances<sup>1</sup>  
(Use of credits in the allowance system)

We MAGRETHE THE SECOND, by the grace of God Queen of Denmark, do hereby make known: The Danish Parliament has passed the following Act, which has received Royal Assent.

**§ 1**

Law no. 493 of 9 June 2004 on CO<sub>2</sub> allowances is amended as follows:

1. After "page 32)", the following footnote to the law's title is inserted: "and European Parliament and Council Directive 2004/101/EC of 27 October 2004 amending Directive 2003/87/EC establishing a scheme for greenhouse-gas emission allowance trading within the Community, in respect of the Kyoto Protocol's project mechanisms (see the 2004 Official Journal of the European Union, no. L 338, Page 18)."

2. § 1 is worded as follows:

"§ 1. The objective of the law is to bring about a cost-effective reduction of CO<sub>2</sub> and other greenhouse gases in a cost-effective and economically efficient manner by means of a system of negotiable allowances and credits".

3. § 2 is worded as follows:

"§ 2. The terms used in this law are defined as follows:

- 1) *Biomass*: fuels which, according to Annex 1, have a CO<sub>2</sub> emission factor of 0, as well as similar fuels of biological origin, landfill gas, sludge, etc.
- 2) *CDM country*: a country which has ratified the Kyoto Protocol and which is not listed in Annex B to the Protocol and which therefore, according to the Protocol, does not have quantitative reduction commitments.
- 3) *CDM credit*: a CDM credit is a credit balance for a quantity of CO<sub>2</sub> equivalents, issued pursuant to Article 12 of the Kyoto Protocol and decisions adopted with respect to the UN's Climate Convention or the Kyoto Protocol; referred to in the Amendment Directive as CER.
- 4) *CO<sub>2</sub> equivalent*: amount of greenhouse gas which has the same effect on global warming

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<sup>1</sup> This law implements European Parliament and Council Directive 2004/101/EC of 27 October 2004 amending Directive 2003/87/EC establishing a scheme for greenhouse-gas emission allowance trading within the Community pursuant to the Kyoto Protocol's project mechanisms (see the 2004 Official Journal of the European Union, no. L 338/18).

as 1 ton of CO<sub>2</sub> over a given period of time.

5) *Operator*: the legal or physical person that owns a production unit or operates a production unit on his/her own behalf.

6) *Greenhouse gases*: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFC), perfluorocarbons (PFC) and sulphur hexafluoride (SF<sub>6</sub>).

7) *Emission factor*: emission of CO<sub>2</sub> per fuel assembly per tons of a commodity or similar substance in connection with activities covered by the law.

8) *Executive Board*: The UN organ set up under the Kyoto Protocol for approval of CDM credits.

9) *UN Climate Convention*: the UN's Framework Convention on Climate Change, 9 May 1992 (UNFCCC).

10) *Fossil fuels*: fuels extracted from - or produced on the basis of - fossil, non-renewable organic material, including coal, coke, natural gas and refinery gas, mineral-oil products, peat and lignite.

11) *Fossil capacity*: the electricity- or heat capacity of a production unit with use of fossil fuels. If both fossil and other fuels are used, the fossil capacity is determined pro rata.

12) *Fossil electricity-generation*: that part of electricity generation obtained through use of fossil fuels. If both fossil and other fuels are used, the fossil electricity-generation is determined pro rata.

13) *In operation*: a production unit or part thereof is considered to be in operation as of the first day of the month after it first emits CO<sub>2</sub>. Production units or parts thereof which first emit CO<sub>2</sub> after 31 March 2004 are, however, first considered to be in operation on the first day of the month after they first emit CO<sub>2</sub> in connection with production.

14) *Rated thermal capacity*: an installation's maximum potential amount of incinerated fuel, expressed in MW or MJ.

15) *Investor country*: a country which invests in a project for the generation of CDM- or JI credits, or a country in which the investor in a project for the generation of CDM- or JI credits is domiciled.

16) *JI country*: a country which has ratified the Kyoto Protocol and which is listed in Annex B to the Protocol and which therefore has quantitative reduction commitments.

17) *JI credit*: a JI credit is a credit balance for a quantity of CO<sub>2</sub> equivalents, issued pursuant to Article 6 of the Kyoto Protocol and decisions adopted with respect to the UN's Climate Convention or the Kyoto Protocol; referred to in the Amendment Directive as ERU.

18) *Capacity*: the maximum production capacity per unit of time (see §§ 5-8).

19) *Kyoto Protocol*: climate agreement as part of the Climate Convention, approved on 11 December 1997, with appurtenant interpretation guidelines approved during Conferences of Parties.

20) *Allowance*: legal authorisation to emit a ton of CO<sub>2</sub> in a given period.

21) *Emissions Trading Directive*: European Parliament and Council Directive 2003/87/EC on a system for trading allowances for greenhouse-gas emissions in the Community and on amendment of Council Directive 96/61/EC.

22) *Minister*: the Minister of Transport and Energy.

23) *Production unit*: a technical unit consisting of one or more installations, sharing the same location and at which activities covered by the law are carried out.

24) *Production rate*: Actual production per time unit (for example: tons per hour, or similar).

25) *Process emission*: Emission of CO<sub>2</sub> that is not fuel related and that results from desired or undesired reactions between materials or from their conversion in a process.

26) *Supervisory Committee*: the organ under the Kyoto Protocol established by the UN for

approval of JI credits.

27) *Host Country*: a country in which a project for the generation of CDM- or JI credits is carried out.

28) *Amendment Directive*: European Parliament and Council Directive 2004/101/EC of 27 October 2004 amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in respect of the Kyoto Protocol's project mechanisms (see the 2004 Official Journal of the European Union, no. L 338/18).

4. § 3, paragraphs 3 and 4 are revoked and the following is inserted:

*Paragraph 3.* If several operators at the same location jointly operate several installations which are operationally or physically closely connected, the Minister of Transport and Energy may decide that these installations are considered to constitute one production unit.

*Paragraph 4.* If several physical or legal persons at the same location jointly operate several installations which are operationally or physically closely connected, the Minister of Transport and Energy may decide that these installations are considered to constitute one production unit.

*Paragraph 5.* If a production unit is brought under the law's capacity limits according to §§ 5-8, the Minister may decide that the production unit will continue to be covered by the law.

*Paragraph 6.* The Minister may require operators of installations referred to in paragraph 3 and operators of other production units with several operators or operated by physical or legal persons as referred to in paragraph 4 to appoint an agent who, on their behalf, is responsible for fulfilling the obligations with respect to this law. The operators and the persons referred to in paragraph 4 are jointly responsible for the financial and other obligations deriving from this law.

Paragraphs 5 and 6 now become paragraphs 7 and 8".

5. In § 4, the following is inserted after paragraph 1:

*Paragraph 2.* If the fossil-fuel consumption at a production unit covered by the law amounts to less than 1% of the production unit's overall fuel consumption, the Minister of Transport and Energy may decide to exclude the fossil-fuel consumption when assessing the production unit's relationship to the law. The Minister may set conditions according to which the fuel consumption must be documented."

Paragraph 2 now becomes paragraph 3.

6. § 13, paragraph 1 is worded as follows:

"Each allowance must be unequivocally identifiable and may only be used to cover CO<sub>2</sub> emissions from a production unit in the period for which it has been allocated".

7. In § 19, paragraph 1, "paragraphs 3-7" is changed to "paragraphs 3-8".

8. In § 19, paragraph 4, ": 'fossil' is inserted after "per installed MW".

9. § 19, paragraph 7, is worded as follows:

*Paragraph 7.* In this provision, significant expansion is understood as:

1) For production units covered by paragraphs 3, 4 and 6, an increase in capacity of at least 10 MW rated thermal capacity or an increase in capacity of at least 20% in connection with the

establishment of combined heat- and electricity generation.

2) For production units covered by § 5, paragraph 1, an increase of more than 10% of the installed production capacity before the expansion".

**10.** The following is inserted in § 19 as *paragraph 8*:

*"Paragraph 8. Allowance allocation according to paragraphs 3-7 is conditional on the production unit either wholly or partly using a fossil fuel, the emissions for which the operator must deposit allowances for cancellation according to § 26. If the production unit only partly uses fossil fuels, the allowance allocation is reduced proportionally".*

**11.** The following is inserted after § 21:

*"Credits generated through projects*

**§ 21 a.** CDM- and JI credits may be used to fulfil the obligation in § 26, paragraphs 1 or 2, if they fulfil the related conditions as prescribed in this law.

*Paragraph 2.* CDM- and JI projects carried out to reduce greenhouse-gas emissions in order to generate CDM- and JI credits may only be initiated and implemented by legal or physical persons domiciled in Denmark after the latter have received a permit from the Minister of the Environment or from the competent authority in a EU country which is not a host country for the project (see paragraph 3).

*Paragraph 3.* Projects considered as carried out in Denmark in order to generate JI credits may only be initiated and implemented after receiving a permit from the Minister of the Environment.

*Paragraph 4.* Application to the Minister of the Environment for the permit referred to in paragraphs 2 and 3 must include the necessary project documentation.

*Paragraph 5.* Application for a permit to carry out a project in Denmark may be accepted if the project is considered to be in conformity with Danish climate strategy and if carried out by a physical or legal person not domiciled in Denmark.

*Paragraph 6.* JI projects which directly or indirectly limit greenhouse-gas emissions from production units covered by this law may not receive permits according to paragraph 3.

*Paragraph 7.* The permit referred to in paragraphs 2 and 3 may not be given if the project is considered to be in conflict with Danish law, EU law or international commitments, including guidelines, procedures and modalities adopted pursuant to the UN Climate Convention and the Kyoto Protocol. The permit may be refused if the Minister of the Environment determines that the applicant does not possess the necessary technical or economic requirements and therefore may not be considered as qualified to carry out the project.

*Paragraph 8.* Permits for hydroelectric plants over 20 MW may be refused if the Minister of the Environment considers that the project is in conflict with environmentally responsible or viable development for the host country.

*Paragraph 9.* The Minister of the Environment may set further rules for permits according to this provision, including rules on the information applications must contain and the specific form in which they must be presented, as well as deadlines for application submission".

**12.** § 24 is worded as follows:

**“§ 24.** The Minister of the Environment establishes an electronic registry containing information on the allocation, holding, transfer and cancellation of allowances according to this law. The registry also contains the CDM- and JI credits deposited as requested by their holders.

*Paragraph 2.* Any physical or legal person may have accounts set up in the registry for the registering of allowances or credits.

*Paragraph 3.* The Minister of the Environment may set further regulations on the information in the registry, on the preparation of the registry, on the registry's tasks and execution thereof, including co-operation with other registries, operation of the registry, depositing of allowances for cancellation according to § 13, paragraph 3, as well as on the public's access to information stored therein.

*Paragraph 4.* The Minister of the Environment sets regulations governing the payment of a fee by the registry's account holders. The Minister of the Environment sets further regulations on fees to cover costs related to the allocation of permits according to § 21 a, paragraphs 2 and 3 and in connection with approvals according to § 26 a, paragraph 1".

**13.** § 25 is worded as follows:

"§ 25. The Minister of the Environment must be informed of any allowance or credit trading recorded in the registry; the Minister must register such trading, according to paragraph 4.

*Paragraph 2.* It is a condition for trading according to paragraph 1 that both the purchaser and the vendor have an account in the Danish registry or in a corresponding registry set up in another State. Anyone with an account in the registry may ask the Minister of the Environment to cancel the allowances or credits held in that account.

*Paragraph 3.* Notification according to paragraph 1 must include unequivocal identification of the purchaser and the vendor and of the allowances or credits traded.

*Paragraph 4.* The Minister of the Environment decides if the report constitutes sufficient reason for the registering of the trading. If the Minister of the Environment decides that this is not the case, the registering of the trading is cancelled.

**14.** In § 26, *paragraph 1*, "see § 26 a" is inserted after "production unit".

**15.** In § 26, *paragraph 2*, "see § 26 a" is inserted after "previous years".

**16.** In § 26, *paragraph 3*, "paragraphs 1 and 2" is changed to "paragraph 1 or 2".

**17.** After § 26, the following is inserted:

"§ 26 a. CDM- and JI credits deposited in the Danish allowance registry may, after approval by the Minister of the Environment, be used to fulfil the obligation referred to in § 26, paragraph 1s or 2.

*Paragraph 2.* The approval referred to in paragraph 1 is given unless it is considered to be in conflict with paragraphs 3-4, with other Danish legislation (including limits set for the use of credits), with EU law or international commitments.

*Paragraph 3.* JI credits may first be used to fulfil the obligation according to § 26, paragraphs 1 or 2, as of 1 January 2008.

*Paragraph 4.* CDM- and JI credits from nuclear installations and from land use, land-use change and forestry activities may not be used to fulfil the obligation according to § 26, paragraphs 1 or 2.

*Paragraph 5.* Approval according to paragraph 2 is conditional on all rights to the credit being transferred to the Ministry of the Environment when the approval is given.

*Paragraph 6.* The Minister of the Environment may set further regulations for approval

according to paragraph 1, including regulations on the information applications must contain and on the specific form in which they must be presented, as well as on deadlines for application submission".

**18.** § 30 is worded as follows:

“§ 30. An operator of a production unit covered by the law is responsible for reporting, by 31 March each year, to the Minister of Transport and Energy and to the registry referred to in § 24, the verified CO<sub>2</sub> emissions for the previous year from production units for which he/she is responsible.

*Paragraph 2.* The report to the Ministry of Transport and Energy must include the following information for each production unit:

1) production-unit identification data;  
2) activity data, oxidation factors, emission factors, total emissions and uncertainties for each of the activities covered by the law and carried out at the production unit.

*Paragraph 3.* An operator whose production units CO<sub>2</sub> emissions for the previous year are not verified and reported according to paragraph 1 by 31 March may not sell allowances or credits through the registry referred to in § 24 until this situation is rectified.

*Paragraph 4.* The Minister may set further regulations on reporting according to paragraphs 1 and 2.

*Paragraph 5.* By 20 April each year, the Minister informs the Minister of the Environment concerning changes to the emissions reported by operators according to paragraph 1, and also provides information on any operators who have not reported emissions according to paragraph 3.

*Paragraph 6.* The Minister of Transport and Energy and the Minister of the Environment may, within legal limitations, pass the information on to another public authority."

**19.** § 31, *paragraph 1*, is worded as follows:

“If an operator does not fulfil the obligations specified in § 26, paragraphs 1 and 2, the Minister of Transport and Energy directs the operator to pay a tax to the Treasury. The tax is of an amount corresponding to \_100 for each ton of CO<sub>2</sub> emitted without allowances or credits having been deposited (see § 26, paragraphs 1 and 2 and § 26 a). For allowance shortfalls in 2005, 2006 and 2007, the tax applied is an amount corresponding to \_40 per ton”.

**20.** § 31, *paragraph 5*, is worded as follows:

“*Paragraph 5.* Payment of the tax referred to in paragraph 1 does not release the operator from the obligation to deposit with the Minister of the Environment, by 30 April of the following calendar year, a quantity of allowances or credits corresponding to the emissions resulting in allowance shortfall.”

**21.** The following is inserted in § 32 as *paragraph 3*:

“*Paragraph 3.* For the purposes of administering this law, the Minister of Transport and Energy may retrieve information, including in electronic form, from the State Customs and Taxation Administration”.

**22.** The following is inserted in § 33 as *paragraph 3*:

*“Paragraph 3. According to this provision, unpaid amounts may be collected as is specified in § 31, paragraphs 7 and 8”.*

**23.** In § 35, *paragraph 1*, the following is inserted after “§ 13””: “, 21a”.

**24.** In § 36, *paragraph 1, point 1,* “§ 3, paragraph 4” is changed to “§ 3, paragraph 6”.

**25.** The following is inserted after § 38:

**“§ 38 a.** The Minister of the Environment publishes information on projects covered by § 21 a and in which Denmark participates or allows others to participate.

*Paragraph 2.* The Minister of Transport and Energy publishes reports according to § 30 on production units’ emissions”.

## § 2

*Paragraph 1.* The law enters into force on 1 July 2005 (see paragraph 3).

*Paragraph 2.* Applications or requests received before 1 Juli 2005 are processed according to the regulations in force until that time.

*Paragraph 3.* The Minister of Transport and Energy may decide that the decision referred to in § 1, paragraph 5, will take effect as of 1 January 2005.

*Given at Christiansborg Slot on 1 June 2005*

Under Our Royal Hand and Seal

Margrethe R.

/Flemming Hansen

+++NOTES+++

This law implements European Parliament and Council Directive 2004/101/EC of 27 October 2004 amending Directive 2003/87/EC establishing a scheme for greenhouse-gas emission-allowance trading within the Community pursuant to the Kyoto Protocol's project mechanisms (see the 2004 Official Journal of the European Union, no. L 338, page 18).

While this translation was carried out by a professional translation agency, the text is to be regarded as an unofficial translation based on the latest official Statutory Order no. 387 of 27 April 2006. Only the Danish document has legal validity.

November 2006, GlobalDenmark Translations

*Statutory Order no. 386 of 27 April 2006*

## Statutory Order on application for approvals for projects and approval of JI and CDM credits

The following shall be laid down pursuant to section 21a(9), section 24(4), section 26a(6), section 35(2) and section 37(3) of Act no. 493 of 9 June 2004 on CO<sub>2</sub> allowances as amended by Act no. 410 of 1 June 2005:

### Part 1

#### *Scope and definitions*

#### *Scope*

1. This Statutory Order shall lay down regulations regarding approvals according to section 21a of the Act and regarding approvals according to section 26a of the Act, including regulations regarding fees, regarding the information required in applications, and regarding time limits for submission of applications.

#### *Definitions*

2. The following definitions shall apply under this Statutory Order:

- 1) CDM projects: Projects in CDM countries, cf. section 2, no. 2 of the Act.
- 2) Determination report: Report from an UN-approved accredited independent entity approving the additionality of a JI project.
- 3) JI projects: Projects in JI countries, cf. section 2, no. 16 of the Act.
- 4) JI Track 1 projects: Projects in JI countries, cf. section 2, no. 16 of the Act, that are approved by the UN to be eligible to approve the additionality of projects themselves.
- 5) JI Track 2 projects: Projects in JI countries, cf. section 2, no. 16 of the Act, that are not approved by the UN to be eligible to approve the additionality of projects themselves.
- 6) Project manager: The legal or physical person holding the financial responsibility for a CDM or JI project.
- 7) Additionality of the project: A situation where the reductions will not take place if the CDM or JI project is not carried out.
- 8) Project monitoring plan: Description of the measurements that will be carried out to document the emission reductions resulting from a given project.
- 9) Project host: The enterprise or organisation within which a CDM or JI project is carried out.
- 10) Baseline study: Description of the emission of greenhouse gases that will take place if a specific project is not carried out.
- 11) Validation report: Report from a UN-approved designated operational entity which, in accordance with decision 17/CP.7 from the 7th Conference of the Parties under the UN Framework Convention on Climate Change, approves the additionality of a CDM project.
- 12) Verified monitoring report: Report from an independent UN-approved entity which, in accordance with decision 16/CP.7 or 17/CP.7 from the 7th Conference of the Parties under the UN Framework Convention on Climate Change, approves the measurements of actual emission reductions from a JI or CDM project.

### Part 2



### *Application for approvals for CDM and JI projects abroad*

**3.-(1)** Pursuant to section 21a(2) of the Act, the Danish EPA shall decide in matters regarding approval to initiate and carry out CDM and JI projects abroad.

**(2)** Application shall be submitted by the project manager, if said person (legal or natural) is domiciled in Denmark. Applications shall also be submitted by project participants domiciled in Denmark that, without having formal project responsibility, significantly contribute to the implementation of the project, including delivering expertise or financial support, except in the form of lending on arm's length terms. If more than one person (legal or natural) is required to submit an application under the 1st or 2nd clause, one single application is to be submitted.

**(3)** Applications for approval shall be in writing, in Danish or English, and submitted to the Danish EPA accompanied by the information mentioned in annex 1. Applications must also include

- 1) CV for the persons at the applicant enterprises or authorities who are linked to the performance of the project, and any references from similar projects previously carried out by the applicant enterprises or authorities, and
- 2) the most recent annual financial statements of the applicant enterprises.

**(4)** Approval to initiate and implement the projects mentioned in subsection (1) shall be granted, cf. however subsection (5), unless:

- a) the project is deemed to conflict with Danish law or EU legislation,
- b) the project is deemed to conflict with Denmark's international obligations, including guidelines, methods and procedures adopted pursuant to the UN Framework Convention on Climate Change and the Kyoto Protocol,
- c) the applicant is not deemed to hold the required technical or financial prerequisites for carrying out the task, or
- d) the project is not deemed to involve real reductions in emissions of greenhouse gases.

**(5)** Application for approval for hydropower plants over 20 MW may be rejected, if the Danish EPA deems that the project applied for conflicts with environmentally sound or sustainable development in the host country. With regard to the Danish EPA's assessment thereof, including compliance with the guidelines contained in the World Commission on Dams report "Dams and Development" from 2000, applications for such projects shall, in addition to the information mentioned in subsection (3), contain a report on how

- 1) the parties affected by the project applied for are involved,
- 2) it has been ensured that the plant is in accordance with any development plans for e.g. training, education, environment, demography and commercial development for the country and the area where it is intended to set up the plant, and
- 3) these development plans have been prepared, involving all relevant parties in the host country.

**(6)** The Danish EPA may require further information from the applicant than the information mentioned in subsections (3) and (5).

### Part 3

#### *Application for approvals for JI projects in Denmark*

**4.-(1)** The Danish EPA shall, pursuant to section 21a(3) of the Act, decide in matters regarding approvals to initiate and carry out JI projects in Denmark.

**(2)** Applications for approvals shall be in writing, in Danish or English, and submitted to the Danish EPA by the project manager.

**(3)** The application shall contain a project description with an accompanying baseline study and project monitoring plan, cf. annex 2. The application shall also contain

- 1) a determination report,

- 2) approval of the project by the investor country, cf. section 2, no. 15 of the Act, provided this is available at the time of application,
- 3) CVs for the persons in the applicant enterprise or authority linked to the performance of the project, and any references from similar projects the applicant enterprise or authority has previously carried out,
- 4) the most recent annual financial statements of the applicant enterprise, and
- 5) a report stating how the project is deemed to be in accordance with the current Danish climate strategy.

(4) The Danish EPA may require further information from the applicant than that mentioned in subsection (3).

#### Part 4

##### *Application for approval of CDM and JI credits for use in Denmark*

**5.-(1)** The Danish EPA shall decide in matters of granting approval of CDM and JI credits for use in Denmark, cf. section 26a(1) of the Act.

(2) Applications for approval shall be in writing, in Danish or English, and submitted to the Danish EPA by the holder of the credits stating whether the credits originate from projects approved by the UN.

(3) Applications regarding credits from CDM and JI Track 2 projects shall contain:

- 1) documentation that the project is registered as a CDM or as a JI Track 2 project with the relevant UN body, and
- 2) documentation that the relevant UN body has approved the emission reductions as CDM or JI credits.

(4) Applications regarding credits from JI Track 1 projects shall contain:

- 1) project description with an accompanying baseline study and project monitoring plan, cf. annex 2,
- 2) documentation of the investor country's approval to initiate and carry out the project,
- 3) documentation of the host country's approval of the project as a JI project,
- 4) documentation of the host country's approval of the project's additionality, and
- 5) the documentation that forms the basis of the investor country's approval and the host country's approval, cf. nos. 2-4.

(5) The Danish EPA may require further information from the applicant than that mentioned in subsections (2)-(4), including for example a determination report, validation report or a verified monitoring report.

(6) Applications for approval, including the material mentioned in subsections (2)-(4), shall reach the Danish EPA no later than 15 January in the year the credits are to be used.

(7) Applications for approval that do not contain the material mentioned in subsections (2)-(4) or that are received later than the time limit mentioned in subsection (6) shall be rejected.

(8) The Danish EPA may disregard minor transgressions of the time limit mentioned in subsection (6) arising from minor inadequacies of the material mentioned in subsections (2)-(4).

(9) In matters where the applicant has paid a fee no later than 15 January and has applied on time for approval according to subsection (6), the Danish EPA shall decide no later than 31 March.

#### Part 5

##### *Fees*

**6.-(1)** For treatment of applications for approvals, cf. parts 2, 3 and 4, a fee shall be paid to the Danish EPA. Applications are subject to a fee to be paid when the application is submitted pursuant to parts 2, 3 and 4 and payment of said fee is a precondition for the processing of the application.

(2) If the Danish EPA has not received the fee on receipt of an application, the Danish EPA shall set a time limit for payment of the amount. If the fee is not paid before the expiry of said time limit, the application shall be rejected.

(3) Applications for approvals to carry out a CDM or JI project abroad, cf. section 21a(2) of the Act, shall be subject to a fee of DKK 24,198. However, applications for approvals for hydropower plants over 20 MW shall be subject to a fee of DKK 40,330. Applications for approvals to carry out a CDM or JI project abroad in accordance with the criteria for "small-scale projects" as stated in decision 17/CP.7 from the 7th Conference of the Parties under the UN Framework Convention on Climate Change and relevant decisions made by COP/MOP shall be subject to a fee of DKK 12,099.

(4) Applications for approvals to carry out JI projects in Denmark, cf. section 21a(3) of the Act, shall be subject to a fee of DKK 40,330.

(5) Applications for approval, cf. section 26a(1), of credits from JI Track 1 projects shall be subject to a fee of DKK 40,330.

(6) Applications for approval, cf. section 26a(1), of credits from JI Track 2 or CDM projects shall be subject to a fee of DKK 8,066.

(7) If several applicants apply for approval of credits from the same project for the same year, the Danish EPA shall calculate the fee for each applicant so that it is shared equally between the applicants, and the Danish EPA shall refund any excess fees paid.

(8) Applications for approval of credits from projects from which the Danish EPA has previously granted credits shall be subject to a fee of DKK 4,033.

(9) The fees mentioned in subsections (3)-(6) and (8) shall apply from the entry into force of this Statutory Order and be adjusted annually on the basis of the most recently published PL adjustment rates in the price and wage index of the Danish Ministry of Finance's financial administration guidelines (ØAV). Each year, the Danish EPA shall calculate new fee amounts and publish them on the Danish EPA website [www.mst.dk](http://www.mst.dk).

## Part 6

### *Appeals*

7.-(1) Decisions by the Danish EPA pursuant to section 21a(2) and (3) and section 26a(1) may not be appealed to the Minister for the Environment.

(2) The decisions of the Danish EPA under this Statutory Order may not be brought before any other administrative authority.

## Part 7

### *Entry into force*

8. This Statutory Order shall enter into force on 14 May 2006.

*Ministry of the Environment, 27 April 2006*

CONNIE HEDEGAARD

/ Karsten Skov

## Annex 1

**Applications for approvals for CDM and JI projects abroad, cf. section 3(3), must contain the following information, documentation, etc. stated in items 1-6:**

### *1. General Information on the Project Manager/Project Participants*

If there is more than one project manager and/or project participant, the information in item 1 below must be stated for each of them.

- a) Name
- b) Type of organisation (e.g. government institution/local authority/private enterprise)
- c) Address
- d) Contact person
- e) Phone/fax
- f) Email
- g) Website

### *2. General description of the project*

- a) Project name (self-explanatory title)
- b) Host country
- c) Location of the project (name of project host, city and region)
- d) Project type (greenhouse gases targeted CO<sub>2</sub>/CH<sub>4</sub>/N<sub>2</sub>O/HFCs/PFCs/SF<sub>6</sub>, type of activity e.g. change from coal to biomass, capture of landfill methane emissions, ...)
- e) Project description (key features of the project e.g. background and motive for the project, reason for "small-scale" status, brief description of current greenhouse gas emissions and potential for reduction)
- f) Relevant legal and institutional matters (e.g. energy price trends and adjustment of greenhouse gas emissions)
- g) Expected start date for the project (year and month of initiation of the project and commencement of greenhouse gas reductions)

### *3. The project's technology and additionality*

Description of the following:

- a) The technology implemented and relevant matters at project location, etc.
- b) Possible alternatives to the suggested project activity, including a description of why the project does not represent the most probable baseline study.
- c) Possible obstacles to or bottlenecks for implementation of the project. If any further material is available (e.g. detailed project descriptions, drawings, data sheets, calculations, etc.), this should be included as an annex.

### *4. Greenhouse gas reductions*

Preliminary, but motivated calculation of:

- a) Emissions in baseline study, in tonnes CO<sub>2</sub> equivalents per year (i.e. emissions if the project is not carried out)
- b) Emissions in tonnes CO<sub>2</sub> equivalents per year after completion of the project
- c) Expected reductions in emissions of greenhouse gases per year:

Until 2007: tonnes CO<sub>2</sub> equivalents/year

2008-2012: tonnes CO<sub>2</sub> equivalents/year

2013-2017: tonnes CO<sub>2</sub> equivalents/year

### *5. Preliminary estimate of project costs*

Please provide a preliminary, but motivated estimate of:

- a) Investment and operating costs

- b) Possible project revenue (e.g. sale of energy, reduced fuel costs)
- c) Revenue from sales of CDM and JI credits

#### *6. Implementation and financing of the project*

Brief description of:

- a) The project's current status (how advanced is the project development?)
- b) Other relevant stakeholders besides project participants and status for their participation

The following must be enclosed:

- c) Confirmation from the project host that the host is aware of the planned project and accepts implementation. In addition, any relevant material about the stakeholders, cf. item 6b, e.g. approval of the project by municipal owners, sales agreement with energy supply company and approval by the host country, if this is available at the time of application.

Description of:

- d) Plan for implementation of the project
- e) Plan for financing of the project

## **Annex 2**

**Applications for approvals for JI projects in Denmark, cf. section 4(3), and applications for approvals of JI and CDM credits, cf. section 5(4), shall contain the following information, which is included in the UN standard format for project descriptions (Project Design Document, PDD), Baseline Study (BS) and the Monitoring Plan.**

### SECTION A. General description of project activity

A.1 Title of the project activity

A.2. Description of the project activity

A.3. Project participants

A.4. Technical description of the project activity

### SECTION B. Application of a baseline methodology

B.1. Title and reference of the approved baseline methodology applied to the project activity

B.2. Description of how the methodology is applied in the context of the project activity

B.3. Description of how the anthropogenic emissions of GHG by sources are reduced below those that would have occurred in the absence of the registered CDM project activity

B.4. Description of how the definition of the project boundary related to the baseline methodology selected is applied to the project activity

B.5. Details of baseline information, including the date of completion of the baseline study and the name of person (s)/entity (ies) determining the baseline

### SECTION C. Duration of the project activity / Crediting period

C.1 Duration of the project activity

C.2 Choice of the crediting period and related information

SECTION D. Application of a monitoring methodology and plan

D.1. Name and reference of approved monitoring methodology applied to the project activity

D.2. Justification of the choice of the methodology and why it is applicable to the project activity

D.3. Quality control (QC) and quality assurance (QA) procedures are being undertaken for data monitored

D.4 Please describe the operational and management structure that the project operator will implement in order to monitor emission reductions and any leakage effects, generated by the project activity

D.5 Name of person/entity determining the monitoring methodology

SECTION E. Estimation of GHG emissions by sources

E.1. Estimate of GHG emissions by sources

E.2. Estimated leakage

E.3. The sum of E.1 and E.2 representing the project activity emissions

E.4. Estimated anthropogenic emissions by sources of greenhouse gases of the baseline

E.5. Difference between E.4 and E.3 representing the emission reductions of the project activity

E.6. Table providing values obtained when applying formulae above

SECTION F. Environmental impacts

F.1. Documentation on the analysis of the environmental impacts, including transboundary impacts

F.2. If environmental impacts are considered significant by the project participants or the host Party, please provide conclusions and all references to support documentation of an environmental impact assessment undertaken in accordance with the procedures as required by the host Party

SECTION G. Stakeholders' comments

G.1. Brief description how comments by local stakeholders have been invited and compiled

G.2. Summary of the comments received

G.3. Report on how due account was taken of any comments received

Annex 1

CONTACT INFORMATION ON PARTICIPANTS IN THE PROJECT ACTIVITY

Annex 2

INFORMATION REGARDING PUBLIC FUNDING

Affirmation whether public funding has been used to finance the project including whether official development assistance has been used.

Annex 3

**BASELINE INFORMATION**

Background information used in the baseline scenario.

Annex 4

**MONITORING PLAN**

Background information used for the monitoring plan.