



**Consultation memorandum regarding the long-term renovation strategy to support the renovation of the national stock of residential and non-residential buildings, both public and private**

**Division/Department**  
Centre for Energy Efficiency

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The Danish Energy Agency carried out a consultation concerning the draft for the long-term renovation strategy to support the renovation of the national stock of residential and non-residential buildings, both public and private (LTRS) between 31 January 2020 and 14 February 2020 (inclusive).

The LTRS transposes Article 2a of the Directive on the Energy Performance of Buildings (EPBD) (see Directive (EU) 2018/844 of the European Parliament and of the Council of 30 May 2018 amending Directive 2010/31/EU on the energy performance of buildings and Directive 2012/27/EU on energy efficiency)

The Danish Energy Agency has received consultation responses from the following organisations:

Dansk Affaldsforening (DAF) (Danish Waste Association)  
Dansk Industri Energi (DI) (Danish Energy Industries)  
Danish energy (DE)  
Green Transition Denmark (RGO)  
Danish Construction Association (DB)  
Danske Regioner (Regions) (Regions of Denmark)  
Danish District Heating Association (DFJ)  
Synergi (Synergi)  
Danish Consumer Council (TÆNK)  
Energiforum Danmark (EFD) (Energy Forum Denmark)

**Consultation memorandum**

An account is given below of the key points from the consultation responses, divided into sections according to the LTRS main topics. See also the submitted consultation responses, which are enclosed with this consultation memorandum.

Comments of a general political nature, as well as proposals and comments not relating to the consultation in question, have been excluded from the consultation memorandum.

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The Danish Energy Agency's comments on the consultation responses are listed in italics below.

### **Introduction**

Synergi considers that the following wording on page 3 of the draft renovation strategy should be revised from '*A targeted effort may therefore be considered if the energy consumption of buildings is to be reduced.*' to '*A targeted effort shall be required ...*'.

*The Danish Energy Agency stands by the wording submitted in the consultation draft, as there must be potential for flexibility in the design of future energy efficiency initiatives in connection with the political negotiations related to the climate action plan.*

### **Roadmap for energy efficiency: Overview of existing and allocated support**

DB, DI, Synergi, EDF and RGO note that the draft for Denmark's long-term renovation strategy does not contain new targets or support measures in relation to energy efficiency. Moreover, it is noted that the strategy does not comply with the requirements in Article 2a of the EPBD stipulating that the strategy must contain indicative milestones, indicators and a roadmap for fulfilling the indicative milestones. It is furthermore stated that this will not be enough if Denmark is to fulfil its EU obligations, the Paris Agreement and the 70% target of the Danish Government and its supporting parties. There is therefore a risk that the existing energy saving potential will not be exploited. Synergi notes that a lack of ambition in relation to energy efficiency means there is a risk of Denmark lagging behind other EU Member states, which may affect export opportunities for Danish companies.

Synergi also states that the shortcomings highlighted in the strategy mean that the expectations for goals and support measures regarding future energy efficiency initiatives to be prepared in connection with the climate action plan have grown considerably.

DB also notes that the climate effects of the support measures are not described, even though they should be.

All the consultation parties emphasised in their consultation responses that they would like a dialogue regarding input for new support measures and establishing indicative milestones and proposals for the roadmap; hence, stakeholder involvement is expected in connection with the climate action plan and as part of the follow-up to the climate partnerships.

*The Danish Energy Agency has received consultation responses dealing with the actual framework for the energy efficiency area in general, as well as proposals for the future design of a possible energy efficiency initiative. The Danish Energy Agency has taken note of these proposals, but as these elements form part of the*



*work on the climate action plan, the Danish Energy Agency is not currently providing a detailed consultation response for each of these requests. The Danish Energy Agency also wishes to note that some of the proposals fall under the jurisdiction of the Danish Ministry of Transport and Housing. As reported to the European Commission in Denmark's Integrated National Energy and Climate Plan, Denmark's long-term renovation strategy will thus not contain indicative milestones and indicators and a roadmap for fulfilling these milestones. These will therefore be reported to the Commission after the deadline of 10 March 2020.*

*The Danish Ministry of Climate, Energy and Utilities (KEFM) has initiated a number of climate partnerships in connection with the work on the climate action plan where it will be possible for stakeholders to put forward proposals for a potential future energy saving initiative. The Danish Energy Agency additionally encourages the consultation parties to use other forums to discuss the future design of a possible energy efficiency initiative, e.g. under the direction of the Danish Advisory Board on Energy Saving (Energisparerådet).*

*The remarks above and below therefore constitute the Danish Energy Agency's general response to the remarks received from the relevant consultation parties.*

#### ***Building regulation requirements for renovations***

Synergi and DB acknowledge that major analysis work has been initiated regarding compliance with the requirements in the building regulations, particularly as the data suggests that this is not happening to an adequate extent, which may affect the baseline projection's assumption of a reduced heat requirement up to 2030. EDF also highlights that the potential assessment is based on energy labels, i.e. the calculated consumption and not metered consumption, but analyses indicate major differences between these; hence, the calculated savings potential is not correct.

*The Danish Energy Agency expects the analysis to be completed in the second half of 2020.*

RGO considers that a control system should be developed to determine whether or not building regulations are complied with, and that this could for example be conducted as part of the energy rating scheme.

*The Danish Energy Agency notes the above and will take the results of the forthcoming analysis of compliance with the building regulations into account, which is expected to be completed in the second half of 2020, but also notes that this falls under the jurisdiction of the Ministry of Transport and Housing. The energy rating scheme is the responsibility of KEFM.*

#### ***Energy efficiency in State institutions***

Synergi, RGO, DB and DI note that municipal and regional buildings should also be required to save energy in line with the requirements made of the State; hence, they look forward to the Danish Government's proposals in relation to how public buildings are made greener and more energy efficient. Synergi also considers that Denmark should set a goal of an annual renovation rate of 3% for all public buildings.

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan, including in relation to proposals regarding additional support measures.*

### **Rental accommodation initiatives**

DFJ notes that there should be an initiative to ensure that landlords have an interest in the energy optimisation of buildings, including in relation to the efficient cooling of district hot water and that the costs for this are not imposed on the tenant.

*The Danish Energy Agency notes the above and notes that residential tenancy legislation falls under the jurisdiction of the Ministry of Transport and Housing.*

### **Public housing**

DB and Synergi note that there is a need for a substantial boost in relation to energy renovation and efficiency initiatives in public housing. Synergi therefore believes that the Danish Government should enter into an agreement with the public housing sector and municipalities to contribute with energy savings in 2030 and for ongoing follow-up on the progress made. The agreement should be based on a review of current barriers for energy efficiency and the potential for funds for medium and deep renovations. The Danish Government should also submit proposals on how energy efficiency and renovation in the public housing sector interact with funds in the National Building Fund (Landsbyggefonden). DI and DB also note that more funding should be allocated to the National Building Fund.

*The Danish Energy Agency notes the above, but refers to the initial remarks on the work on the climate action plan, including in relation to proposals for any additional support measures, as this will depend on any political decisions, but highlights that the regulation of the public housing sector and the use of National Building Fund funds falls under the jurisdiction of the Ministry of Transport and Housing.*

Synergi therefore looks forward to the presentation of the Danish Construction, Transport and Housing Authority's analysis of energy and renovation requirements in the public housing sector, which will form the basis for the political negotiations in a forthcoming housing agreement on the size of the renovation framework and the potential for energy efficiency improvements.

*The Danish Energy Agency notes the above, but refers to the fact that this falls under the jurisdiction of the Ministry of Transport and Housing.*

### **Taxes**

DB requests that the Danish Energy Agency explain why taxes have only had a limited effect.

*The Danish Energy Agency does not agree that taxes have had a limited effect, as described on pages 5 and 11 of the consultation draft for the LTRS.*

### **Energy companies' Energy-saving initiative**

DB, Synergi, RGO and DI point out that Denmark's energy saving initiative has been reduced by DKK 1 billion annually in connection with the Energy Agreement from 2018. The parties behind the Energy Agreement are encouraged to strengthen and increase Denmark's energy saving initiative in future, including in the form of additional funding for new funds for energy savings in buildings and businesses in connection with the climate action plans (or a supplementary agreement to the Energy Agreement). This will ensure that Denmark complies with its energy saving obligation (see Article 7 of the Energy Efficiency Directive).

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan, including in relation to proposals regarding additional support measures, as this will depend on any political decisions.*

### **Fund for energy savings in buildings**

DB and EDF note that the funds allocated to the fund are insufficient compared with the expenses for deep renovations, which is why achieving an estimated effect of 1.2 PJ is unrealistic.

*The Danish Energy Agency notes in connection with this that the overall design of the funds in relation to the implementation of energy savings follows from the energy agreement from 2018 and thus the political mandate on which the bill is based. Based on the Danish Energy Agency's technical assessment based on experiences with previous grant schemes, existing knowledge and the funds allocated, it is estimated the fund is anticipated to produce an effect of 1.2 PJ, which is why this is being maintained in the strategy.*

### **Fund for energy savings in business**

RGO states that the business fund must have a stronger focus on the energy renovation of non-residential buildings in general and not only in connection with projects related to process energy. Additionally, energy efficiency improvements with SMEs should be given greater priority so that procurement requirements take this into account.

*The Danish Energy Agency notes the above, but refers to the fact that the overall design of the funds in relation to the implementation of energy savings, including the delimitation in relation to process energy, follows from the energy agreement from 2018 and thus the political mandate on which the bill is based. The Danish Energy Agency also notes that, in connection with determining the detailed conditions of the business fund in the form of an Executive Order, which will be the subject of a public consultation, an attempt will be made to take into account of how it can be ensured that the fund benefits both large companies and SMEs.*

#### **Heat pumps on subscription**

DB supports the measure and states that this should be extended further.

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan, as this will depend on any political decisions regarding additional support.*

#### **Scrapping of oil-fired boilers**

DB supports the measure and states that additional funds should be allocated for this and that oil and gas boilers should be phased out in connection with the sale of homes from 2030.

DE also notes the need to focus on phasing out fossil fuels for heating buildings.

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan, as this will depend on any political decisions regarding additional support.*

#### **Housing-Job scheme**

DB and Synergi propose that provision should be made for saving under the Housing-Job scheme over a three-year period, for example. This would create the potential for the Housing-Job scheme to be used for larger projects and properties with a poor energy rating. It should also ensure that the funds are focused on energy efficiency measures and other measures contributing to the green shift.

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan, as this will depend on any political decisions regarding additional support.*

#### **Loan fund for municipalities and regions**

DB, Synergi and Regions acknowledge the creation of a loan fund of DKK 100 million annually for the energy renovation of buildings during the period 2021-2024 by municipalities and regions, but consider that the DKK 100 million available is insufficient in relation to the potential that exists.

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan.*

RGO, DB and Synergi consider that energy renovations in municipalities should be exempt from the construction ceiling.

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan and that this falls under the jurisdiction of the Danish Ministry of Social Affairs and the Interior and the Danish Ministry of Finance.*

### **Information, education and advice**

DFJ emphasises that there should be a stronger focus on aspects such as the installation, operation and energy optimisation of district heating installations when training ventilation, plumbing, sanitary and refrigeration fitters.

*The Danish Energy Agency notes the above and refers inter alia to the campaigns, information material and guidance that the Danish Knowledge Centre for Energy Savings in Buildings is preparing, including in relation to district heating installations. Regarding the training of ventilation, plumbing, sanitary and refrigeration fitters, this falls under the jurisdiction of the Ministry of Climate, Energy and Utilities.*

### **Data and digitalisation**

Synergi notes that there are existing support measures for data and digitalisation, and that DKK 44 million annually has been allocated during the period 2021-2024 for the overall information and data initiative in connection with the energy agreement from 2018. Synergi does not believe this will be sufficient to exploit and explore the full potential of things such as technical building solutions in relation to reducing energy consumption.

DE and Synergi note that the renovation strategy should include new support measures, including for smart buildings and building automation. DE also argues that there must be a stronger focus on flexible energy consumption, the development of charging station infrastructure and interaction between buildings and the energy system, which will increasingly be based on fluctuating renewable energy.

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan, as this will depend on any political decisions regarding additional support.*

### **Danish Knowledge Centre for Energy Savings in Buildings [Videncenter for Energibesparelser i Bygninger]**

DB notes that this is an important tool as a knowledge base in relation to energy efficiency.



*The Danish Energy Agency notes the above.*

### **SparEnergi.dk**

DB supports the measure and states that this should be expanded further in connection with other support measures.

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan, as this will depend on any political decisions regarding additional support.*

### **Measures to help alleviate energy poverty**

DB states that descriptions regarding heating supplements, individual payments and special support should not be included in the renovation strategy.

*It is a requirement in both EPBD and elsewhere that Member States must describe initiatives and similar measures to tackle energy poverty; hence, these sections have been included in the consultation draft for Denmark's long-term renovation strategy.*

### **Financial instruments**

DB and Synergi note that renewed work should be initiated with the involvement of the financial sector in relation to investments in energy efficiency initiatives, including clarifying any barriers for private investors to perform privately funded energy renovation projects in municipal institutions. DB also highlights that there must be a link to the energy rating scheme.

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan.*

SYNERGI is critical of the following wording in Annex 5 'Implementation overview of the long-term renovation strategy from 2014/2017', where it is stated that '*Following more detailed analysis, the State-led development of new models for carrying out energy renovations with a guarantee was found not to be appropriate.*'. SYNERGI calls for new studies to be initiated in light of the adoption of the 2020 Finance Act, which establishes new opportunities to finance energy renovation in private homes, '*[...] whether the Danish Green Investment Fund (DGIF) within the framework of its objectives, including commercial requirements, can extend its field of activity to include energy renovations in private homes.*' SYNERGI also calls for a new study to include and investigate the climate partnerships' recommendations for financing.

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan.*



**Indirect effects**

RGO, DI, TÆNK and Synergi note that non-energy benefits (NEB) are included in the overall prioritisation of the elements in the long-term renovation strategy, and that extra effort should be made to ensure green and healthy Danish schools and day-care institutions in 2030. Synergi also recommends that indoor climate requirements be introduced, e.g. for air quality, thermal comfort level, daylight and acoustic conditions for all relevant building types, and that the energy rating for public buildings be strengthened and in future contain indoor climate parameters that are made easily accessible to building users so that parents and other people know the school's climate footprint and indoor climate.

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan. Additionally, the Danish Energy Agency notes that NEBs are considered in an external literature study, which is described on page 18 of the consultation draft for the renovation strategy. It is anticipated that this will be published in connection with the notification of the long-term renovation strategy. NEBs are valued based on this study.*

**Climate action plan, energy efficiency and indicative milestones**

Synergi refers to the European Commission's communication to Denmark dated 18 June 2019 stating that Denmark must: '*Substantially increase its ambition towards reducing both final and primary energy consumption in 2030 in view of the need to increase the level of efforts to reach the Union's 2030 energy efficiency target. Propose more ambitious policies and measures that would compensate for the likely effects of substantially lowered funding levels for energy efficiency and for the agreed energy tax decreases, and that would deliver additional energy savings by 2030. Include new measures designed to, and capable of delivering the energy savings required under Article 7 of Directive 2012/27/EU*'. Based on the above and the current draft of Denmark's long-term renovation strategy, Synergi considers the energy saving initiative too unambitious unless new objectives, policies and measures are set. Synergi also notes that Denmark's energy saving initiative in its current form is not sufficient to fulfil Article 7 of the Energy Efficiency Directive with real energy savings.

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan.*

DE considers that milestones are not an effective way of achieving a cost-effective green shift, and that the implementation of any milestones may compromise ambitious climate targets, as there is a risk of promoting energy efficiency measures without any real effect on the climate, which is why Article 2a of EPBD should be implemented as a minimum in relation to indicative milestones.

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan.*

DE also notes that the focus of the strategy should be to phase out the use of fossil fuels for heating buildings.

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan.*

DB, DI, Synergi, EDF and RGO urge the Danish Government to present new support measures and initiatives as soon as possible in connection with the climate action plans, include the recommendations of the climate partnerships and consider Denmark's long-term renovation strategy as an integrated part of the sector strategy for construction and industry and the fulfilment of the European energy saving obligation (see Article 7).

*The Danish Energy Agency notes the above, but refers to the preliminary remarks concerning the work on the climate action plan.*