



Danish Ministry of Climate,  
Energy and Utilities

## **Danish response to the public consultation on the initiative regarding the Renovation Wave**

**Center**  
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Action

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The Danish Government agrees with the Commission that the European Green Deal should be a cornerstone in EU's economic recovery after the COVID-19 pandemic and that the energy sector plays a central part. In this regard, the Danish Government supports the focus in the European Green Deal on energy and resource efficient building and renovation initiatives aligned with the principles of the circular economy.

Recovery measures aiming for reduction of greenhouse gas emissions should take a holistic approach by focusing on energy efficiency, including the Energy Efficiency First-principle, increased use and production of renewable energy and a cost-effective reduction of greenhouse gas emissions. This will enable the creation of jobs across Europe whilst paving the way for climate neutrality in 2050.

For this reason the Danish Government supports that energy efficiency, including the renovation of buildings, should be a priority to support the economic recovery. The Renovation Wave should support mobilisation of private investments, such as ESCO-projects, including considering the possibility for specific funding to be set aside for these types of measures

Furthermore, the Danish Government supports an ambitious implementation of the current energy savings targets and calls on the Commission to put forward proposals to further strengthen energy efficiency on a European level, for example by strengthening EU legislation regarding eco-design. The Commission should work towards a framework that ensures the Renovation Wave delivers reductions of greenhouse gas emissions thereby contributing to the EU's reduction target for 2030 and the objective of reaching climate neutrality by 2050 at the latest.

Lastly, the Danish Government fully supports efforts focused on exploring effective ways to target public buildings. Denmark's Climate Action Plan for energy and industry sets ambitious targets for energy efficiency in buildings both owned and used by government institutions.

The Danish Government would like to highlight the following elements in need of further elaboration as well as relevant observations from a Danish context:



### **Financing and institutional setup**

It is important to keep in mind the Energy Efficiency First-principle and respect the purposes for which earmarked funds for associated programs and how they contribute to achieving our common targets for 2030 and beyond. In order to have a clear understanding of the financial framework and funding sources for the Renovation Wave, the Commission should clarify the institutional setup and which EU programmes, in particular, it would be relevant to channel funds from before publishing the Strategic Communication and Action Plan expected in the third quarter of 2020.

Adhering to the European Court of Auditors Special Report 11/2020 on Energy efficiency in buildings, the Commission should as a core priority ensure that cost-effectiveness guides EU spending on the Renovation Wave across all relevant programmes in order to reduce greenhouse gas emissions and deliver higher energy efficiency and other benefits at lower cost. This should include using improved indicators to measure energy savings and greenhouse gas emission-reductions and rewarding measures that deliver on these priorities in the most cost-effective way.

### **“Industrialization” and smart technologies in buildings**

There is a huge potential for increasing the use of digital tools in order to ensure optimal operation of buildings and maintenance of building systems as well as integration of renewables in buildings. Also, fostering the “industrialisation” of building renovation - including as part of larger approaches, e.g. at district level - should be pursued while taking into account the different nature of the building stock in the various Member States. The Commission should ensure that the Renovation Wave supports promoting and strengthening the use of digital tools and carrying out more efficient district approaches, while adopting a holistic and pragmatic approach to “industrialization”.

### **Energy poverty**

In Denmark, energy poverty is a social issue and consequently addressed through social policy. Green renovations is a priority in the social housing sector, where the Danish National Building Fund's support system in the future will contain a new green support criterion, a new green guarantee and a fund for experiments. This will improve energy efficiency of buildings in the social housing sector while also improving energy efficiency, creating green jobs and securing both healthy and contemporary social housing. The Commission may consider a possible focus on energy poverty in the Renovation Wave, but this should neither restrict nor demand that the Member States set up specific measures targeting energy poverty via their national policies on energy.

### **Regulatory barriers and state aid**

The Danish Government would like to take this opportunity to highlight matters related to state aid. The revision of the EU's state aid rules should continue to support a cost effective green energy transition towards climate neutrality in the EU.



The Commission should ensure that the revision of the EU's state aid rules continues to support a cost effective green energy transition towards climate neutrality in the EU and in that context both ensure alignment with newly revised EU energy legislation and take account of the development of new green technological solutions.

**Awareness and communication**

It is important to ensure focus on creating awareness on the benefits of energy efficiency measures in the coming efforts related to the Renovation Wave. The Commission should work towards a clear message when communicating to the European public about the multifaceted benefits of building renovation such as improved indoor climate etc.