Country Sections

Denmark

Handbook Update CLR II

Support service for citizens led renovation projects - ENER/2023/OP/0036

DIRECTORATE-GENERAL FOR ENERGY

Directorate B – Just Transition, Consumers, Energy Efficiency and Innovation Unit B1 - Consumers, Local Initiatives, Just Transition

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Introduction

This country section focuses primarily on citizen-led renovation of residential buildings, including single-family homes, housing cooperatives and owner-occupied multi-unit buildings. Denmark's building stock offers considerable potential for citizen-led renovation: many houses built before modern standards (especially single-family homes from 1950-1990) still rely on outdated insulation, heating systems and envelopes. To accelerate the transition, the Danish government has combined regulatory, financial and advisory tools to support owners and communities in upgrading their homes. For example, the so-called "building pool" subsidy scheme (2021-25) allocates over DKK 1.6 billion from national funds, plus an additional DKK 565 million through the RRF, to support renovation of private year-round housing, including insulation, envelope retrofit and conversion from oil/gas boilers to heat pumps.[1]

A major element of the strategy is combining one-stop-shop advice, standardised renovation packages, and integration of renewable systems (heat pumps, ventilation with heat recovery) into renovation projects. The "BetterHome" (BedreBolig) scheme is a notable example: launched around 2014, it offers digital advice, coordinated renovation packages and a network of installers, targeting older homes.[2] These approaches are aligned with EU Renovation Wave objectives, which emphasise one-stop-shops, deep renovation packages and integration of renewable energy and efficient systems.

For citizen-led renovation, this means that private homeowners, housing associations and cooperative groups have access[3] to: (i) professional advice and standardised packages; (ii) subsidies/tax deductions for energy improvements; (iii) a regulatory environment where major renovations trigger modernisation of performance (via the Danish Building Code BR18).[4] In particular, major renovation works trigger requirements to upgrade building components to contemporary energy-performance standards under BR18.

In practice, the renovation workflow for a citizen group or cooperative might include: obtaining an energy label (to assess baseline), applying for subsidy under the building pool, selecting a package of measures (insulation, windows, ventilation, heat pump), appointing a coordinator/contractor, executing the works and verifying the savings. Given Denmark's relatively mature infrastructure and advisory support, citizen-led renovation is feasible, but still faces barriers such as financing, decision-making among owners, and aligning renovation with renewable integration. Affordability and access to upfront financing remain key concerns, particularly for lower-income homeowners and cooperative members, despite Denmark's relatively strong subsidy and advisory landscape.

[1] Energy efficiency in the Nordics – Link

[2] BetterHome: A One-Stop-Shop for energy renovation supported by digital tools - ManagEnergy – Link

[3] The Danish approach: Six ways to accelerate energy efficiency in buildings – Link

[4] Executive order on building regulations – Link

Energy Communities in Denmark

Denmark has a longstanding tradition of community ownership in the energy sector (e.g., wind-cooperatives). According to the International Energy Agency (IEA), Danish policy "community ownership of renewables" has enabled citizens' co-investment and shared benefits.[5] This model is often cited as a best practice example of community participation in the energy transition.

In the context of building-scale citizen-led renovation, the energy-community dimension involves groups of homeowners or cooperative housing residents who not only renovate their buildings but also collectively invest in shared generation or storage (e.g., rooftop PV, shared heat pumps) and may share surplus energy or coordinate demand. Establishing internal energy-sharing or peer-to-peer frameworks remains more nascent in Denmark compared to larger cooperatives, but recent interventions point to increasing interest and activity. For example, a citizens-driven energy conference in December 2023 highlighted that many local citizen energy projects are "held back by bureaucracy and complex regulations".[6]

On the regulatory side, while Denmark has enabling frameworks for community involvement in renewables and for demand-side flexibility, specific regulations for micro-grid sharing within citizen groups are still emerging. As a result, most citizen-led energy initiatives linked to renovation currently focus on collective investment rather than real-time energy sharing between dwellings. From the building-renovation vantage, citizen groups can benefit from aligning their renovation programme with generation/storage and community energy models — thereby maximising value (lower energy bills, potential revenue from surplus, community engagement). Additionally, the digitalisation of building data and enabling platforms (e.g., the DanRETwin project) supports deeper renovation plus community energy services.[7] Such tools can support citizen groups in assessing renovation scenarios, evaluating payback periods and coordinating energy measures at building or neighbourhood level.

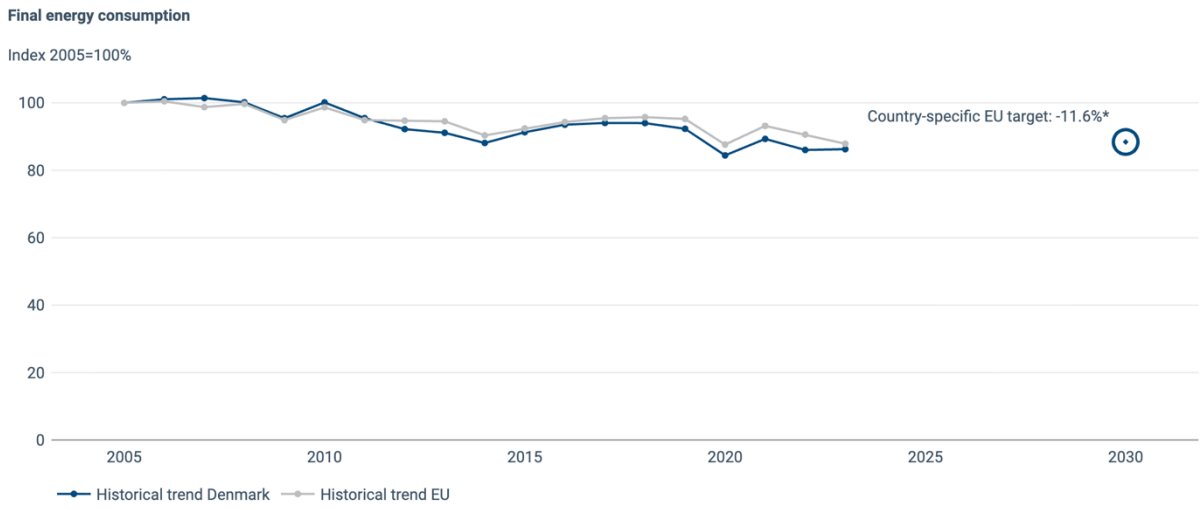

Fig. 1 Croatia's share of renewable energy in final energy consumption. Current levels have already reached the 2030 target/objective[8]

[5] Denmark community ownership of renewables – Policies - IEA – Link
[6] Energy conference with citizens in focus - Green Transition Denmark – Link
[7] Making and Decarbonization of the Danish Building Stock | MDPI – Link
[8] Denmark | Country profiles | Europe's environment 2025 (EEA) – Link

Denmark offers a favourable backdrop for citizen-led renovation with an energy-community component, but citizen groups should pay close attention to governance, financing, regulatory eligibility, and the practical integration of generation/storage into renovation workflows.

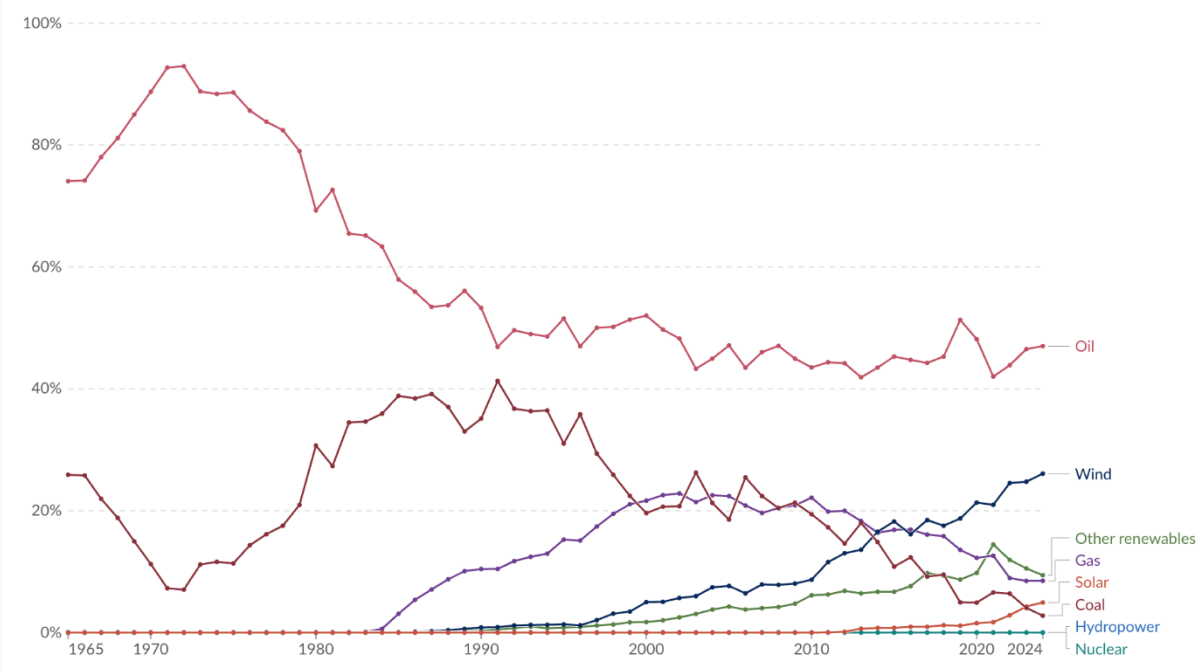

Fig. 2 Denmark's share of energy consumption by source, measured as a percentage of primary energy, using the substitution method.[9]

[9] Denmark - Energy Country Profile - Our World in Data – Link

Country specific information on energy communities

In Denmark, citizen-led energy activities often take the form of cooperatives (and housing associations) where members (homeowners or tenants) hold participatory rights, share benefits and govern decisions collectively. The model of community ownership in renewables (e.g., wind cooperatives) provides precedent.[10] For building-level renovation, a housing cooperative or owner-community can act as the contracting entity, approve renovation works in meeting, manage procurement and monitor outcomes. Decision-making thresholds, voting rights and cost-sharing mechanisms depend on the statutes of each cooperative or housing association and should be clarified early in the renovation process.

Citizen groups engaging in shared generation or energy-sharing should address:

- baseline energy label and audit (required for subsidies)[11]
- eligibility for subsidies (buildings rated D-G may qualify)[12]
- metering and generation connection (while not always clearly legislated for intra-community sharing, the broader demand-side flexibility frameworks are evolving).[13]

Citizen-led renovation projects that integrate envelope improvement, efficient systems and shared renewables/storage generate higher benefits. For instance, the Danish Technological Institute's project "Energy & greenhouse gas optimized building renovation (Annex 56)" provided guidelines and tools for cost-effective "deep renovation" of existing buildings in Denmark.[14] In Danish practice, deep renovation typically refers to coordinated measures that substantially reduce energy demand and enable integration of efficient heating and renewable systems.

Citizen-led groups face potential barriers such as: complex subsidy rules, synchronising decision-making among multiple owners, securing finance, coordinating installers/contractors, and ensuring that generation or sharing components comply with regulation. On the facilitator side, Denmark offers strong advisory frameworks, digital tools (e.g., one-stop-shop models) and proven renovation schemes; the key is to combine renovation, generation/sharing and community governance as part of a structured process. Successful projects typically adopt a phased approach, allowing renovation and energy investments to be sequenced according to financial capacity and regulatory conditions.

[10] Denmark community ownership of renewables – Policies - IEA – Link

[11] Your guide to energy renovations - ProjectZero – Link

[12] Ibid

[13] Ecosystem for Demand-side Flexibility Revisited: The Danish Solution – Link

[14] Energy & greenhouse gas optimized building renovation (ANNEX 56) - Danish Technological Institute – Link

Relevant legislation

Renovation-related legislation

- Danish Building Regulations (BR18 / Bygningsreglementet 2018)[15]**:** sets minimum standards for building components (windows, insulation, ventilation systems) and increasingly emphasises energy performance in "major renovation" works.[16] The regulation applies both to new construction and to major renovations of existing buildings.
- Energy Labelling of Buildings scheme & energy performance certificates (EPCs)[17]**:** buildings when sold or rented must have an energy label; buildings undergoing major renovation often must upgrade to a higher energy class or meet performance requirements. The labelling process is digital and accessible.[18] An up-to-date energy label is also a prerequisite for accessing most renovation subsidy schemes.
- Subsidy/support regulation (e.g., Executive Order on Subsidies for Energy Savings and Energy Efficiency Improvements)[19]: Governs the building-pool subsidy scheme for energy renovation of dwellings (e.g., insulation, heat pumps).[20] These executive orders are periodically updated to reflect new funding rounds and eligibility criteria.

Legislation on engagement of neighbours and volunteers in the renovation

While Danish law does not define a single "volunteer engagement act" specific to energy renovation, citizen groups typically engage via cooperatives, housing associations and local initiatives operating under general association law. Decision-making in these groups must respect each association's bylaws and relevant property co-ownership statutes. For building-level renovation, the owners' meeting (and in housing cooperatives the general assembly) is central to approving works, selecting contractors and monitoring outcomes. Construction and installation works must be carried out by licensed professionals, volunteers may only support non-technical activities such as coordination, outreach or administration.

Furthermore, facilitating citizen-led community energy initiatives (generation, sharing) interacts with broader legal regimes on energy markets, demand-side flexibility and grid access; groups should ensure compliance, especially when surplus generation or sharing across parties is involved (see demand-side flexibility reforms).[21]

[15] BR18 – Link
[16] The Danish approach: Six ways to accelerate energy efficiency in buildings – Link
[17] Consumption and energy labels buildings - Link
[18] Energy efficiency in the Nordics – Link
[19] Notification Detail | TRIS - European Commission – Link
[20] Subsidy | Clean energy for EU islands – Link
[21] Ecosystem for Demand-side Flexibility Revisited: The Danish Solution – Link

Funding bodies and schemes

Funding bodies in Denmark

Several agencies and financial institutions support building renovation and energy-community projects:

- Danish Energy Agency (Energistyrelsen): national energy authority responsible for setting frameworks, providing advice, administering subsidies for energy savings and renovation.[22] The agency also publishes guidance materials and maintains online portals for homeowners and citizen groups.
- Housing social funds / National Building Fund: funds renovation of social & affordable housing, including energy-efficient upgrades.[23]
- Local banks, credit institutions and housing associations: play a role in financing citizen-led renovation through loans and partnerships (for example combined with advisory services).[24]

Funding schemes in Denmark

- Energy Renovation Pool (Energirenoveringspuljen / Building Pool**):** Subsidy scheme targeting energy renovation of residential buildings, including insulation, conversion to heat pumps, and operational optimisation. According to IEA, the policy is "in force" and may remain active until 2026.[25] Funding is allocated through competitive application rounds, and demand often exceeds available budgets.
- Building Pool (RRF-enhanced): As part of Denmark's Recovery & Resilience Plan (2021-25)[26], the Building Pool has been expanded to include DKK 1,623 m + DKK 565 m RRF support, with subsidies for insulation and heat-pump conversion projects (especially outside district-heating areas) up to a maximum of ~27.5% of estimated market price. This expansion is time-limited and linked to Denmark's Recovery and Resilience Plan timeframe.
- One-stop-shop[27] / advisory models (BetterHome / BedreBolig): While not a direct subsidy, this model reduces transaction costs and supports homeowner decision-making, thereby enabling citizen-led renovation uptake. These services are particularly valuable for citizen-led groups with limited technical expertise.

Special grants for vulnerable households in Denmark

While Denmark does not appear to have a dedicated nationwide "vulnerable-household renovation grant" labelled as such, many subsidy schemes prioritise homes with poorer energy-labels (D/E/F/G) and low performance buildings, thereby implicitly supporting households with greater need. For example, subsidy schemes favour homes with the poorest energy performance certificates.[28] While not explicitly framed as energy-poverty measures, these criteria indirectly target households with higher energy costs and lower building efficiency. Local municipalities may also provide additional

[22] The Danish approach: Six ways to accelerate energy efficiency in buildings – Link
[23] The National Building Fund · Housing Europe – Link
[24] Energy Cities – Link
[25] Energy Renovation Pool – Policies - IEA – Link
[26] Denmark's recovery and resilience plan accelerating the green transition – Link
[27] BetterHome: A One-Stop-Shop for energy renovation supported by digital tools - ManagEnergy – Link
[28] Comparing Building Decarbonization – Link

support or loan-guarantees for renovation in lower-income areas. Support for vulnerable households may therefore depend on a combination of national subsidies, municipal initiatives and access to affordable financing.

Useful tools

- Energy transition guides for homeowners: For example, ProjectZero (in Denmark) publishes "your guide to energy renovations," including steps to get an energy label, apply for funding and use the craftsman-deduction.[29] Such guides typically explain renovation sequencing, financing options and coordination with installers.
- Digital advisory platforms and one-stop-shop portals: The BetterHome model provides an online/in-person combined service linking homeowners, installers and finance to streamline renovation.[30]
- Policy & subsidy information portals: The Danish Energy Agency website provides details of subsidy rounds (the Building Pool, heat-pump funds) and required documentation.[31]
- Building performance/renovation tools and case studies: Projects like DanRETwin (digital twin solution for building retrofit decision-making) provide tools and insights for citizen groups trying to optimise renovation outcomes.[32]
- Energy labelling & technical compliance tools: Homeowners need to secure an energy label (EPC) and review technical requirements under the Building Regulations (BR18). The EPC system guides upgrade options.[33]

These tools assist citizen-led groups in benchmarking baselines, planning renovation packages, applying for subsidies, structuring procurement and monitoring results.

This country section reflects the Danish regulatory and funding framework as of 2025. Subsidy schemes and eligibility criteria may evolve and should be verified with official sources.

[29] Your guide to energy renovations - ProjectZero – Link

[30] BetterHome: A One-Stop-Shop for energy renovation supported by digital tools - ManagEnergy – Link

[31] Subsidy (Subsidies for Energy Savings and Energy Efficiency Improvements) | Clean energy for EU islands – Link

[32] DanRETwin: A Digital Twin Solution for Optimal Energy Retrofit Decision-Making and Decarbonization of the Danish Building Stock | MDPI – Link

[33] The Danish approach: Six ways to accelerate energy efficiency in buildings – Link