



NATIONAL ROUNDTABLE ON ENERGY EFFICIENCY IN DENMARK



17 - 18 March 2021

Online Event



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DISCLAIMER

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INTRODUCTION AND PURPOSE

The national roundtable aimed to bring together key players for a dialogue on financing energy efficiency in buildings and businesses in Denmark, with a view to discuss the needed supportive framework for the efforts and identify potential concrete measures to put in place. The roundtable built on the conclusions from the last national roundtable under the EU initiative [Sustainable Energy Investment Forums](#), which took place on 14 May 2019 and gathered stakeholders from both the energy sector and the financial sector. Reporting from this event can be found via this [link](#).

In the period 2016 - 2019, Sustainable Energy Investment Forums has conducted more than 30 events in 15 Member States. In the period 2019 - 2023, the initiative will implement a new series of events in 10 Member States. Information about held and planned events can be found on the SEI Forums [website](#).

In relation to some of the Member States where SEI Forum events were held in the period 2016 - 2019, the EU has chosen to continue the efforts in several new EU-supported projects within the Horizon 2020 program, all aimed at building some more permanent stakeholder forums at national level. The efforts in Denmark, Poland and Latvia are now continued through the H2020 project "RoundBaltic", which aims to promote financing / implementation of energy efficiency in buildings and businesses in Denmark. The RoundBaltic project will implement roundtables and related activities at national and regional level with a focus on facilitating efforts within private housing, public housing and the SME / business area.

In Denmark, the RoundBaltic project is implemented by EC Network and GATE21 as well as the Central Denmark Region and the Southern Denmark Region. EC Network is also a part of the Team that assists the EU in the implementation of SEI Forums in the new period (2019 - 2023).

This first national roundtable in Denmark within the RoundBaltic initiative was divided into a plenary session and three topic sessions:

Topic Session 1 - 18 March 2021, 09:30 – 12:00: Private Housing

Topic Session 3 - 18 March 2021, 13:00 - 15:45: Business / SMEs

Topic Session 3 - Postponed to Autumn of 2021: Social Housing

Each session was initiated with presentations from invited speakers and had a moderator to facilitate an interactive discussion. A rapporteur has been involved in extracting the main conclusions and recommendations from each of the three sessions conducted.

In addition to the national focus, this follow-up roundtable also had a focus on possible concrete initiatives at regional level. The national roundtable will thus be followed up by regional roundtables in the Central Denmark Region, the Region of Southern Denmark and in Eastern Denmark, which will facilitate concrete actions at the regional level in interaction with national frameworks and initiatives.

PLENARY ON INVESTMENT FRAMEWORK

Session moderated by Kaj Leonhart Petersen and Nils Daugaard, EC Network

AGENDA

- 09:00** **Part 1: Political and administrative investment framework**
- What is happening at EU level of relevance to the Danish energy saving sector - by Claus Bugge Garn, Vice President, Rockwool International
 - What is happening on the Danish scene, with the climate plan and the promotion of investments?
 - Helle Agerdal Olsen, Office Manager in the Center for Energy Efficiency, The Danish Energy Agency
 - Per Heiselberg, Council member, Climate Council
 - Debate, including how to create the best possible connection between what is happening at European and national level in terms of investment frameworks
- 10:00** **Break**
- 10:15** **Part 2: Engagement of the financial sector**
- Initiatives from the financial sector, including Forum for Sustainable Finance, climate partnership, taxonomy / common and transparent rules of the game for sustainability - by Peter Jayaswal, Director of Real Estate Financing, Finance Denmark
 - Views and needs / development in the energy saving market - by Katrine Bjerre M. Eriksen, Director, SYNERGI
 - Debate on how to optimize the interaction between the financial sector and the energy efficiency market
- 11:15** **Wrap up and follow-up activities**
- 11:30** **End of session**

INTRODUCTION TO THE PLENARY SESSION

Kaj Leonhart Petersen and Nils Daugaard welcomed the participants on behalf of the RoundBaltic project. RoundBaltic works within the framework of the EU Green Deal and the target of 55% CO₂ reduction by 2030 (and CO₂ neutrality by 2050) for the whole EU with a focus on promoting funding, including a significant increase in the use of private funding, which is necessary to meet EU objectives.

The project is implemented in interaction with, and as a follow-up to, the EU initiative Sustainable Energy Investment Forums (SEI Forums) 2016 - 2023, which i.e., has EC Network as operator and which organizes several events throughout the EU that disseminate best practice and bring together actors from the energy efficiency sector and the financial sector in order to create momentum around the financing of energy efficiency measures in the building and business sector.

RoundBaltic strives for dialogue with the Danish key players to find the best viable solutions for financing and implementing increased energy efficiency due to the recognition that financing is typically only part of the solution, i.e., solutions must be found in interaction with other barriers and opportunities.

PART 1: POLITICAL AND ADMINISTRATIVE INVESTMENT FRAMEWORK

What is happening at EU level of relevance to the Danish energy saving sector?

Claus Bugge Garn, Vice President, Rockwool International

Presentation [here](#).

The presentation touched upon the current policies and funding initiatives from the European Commission which Claus Bugge Garn on behalf of Rockwool is following closely. Claus initially expressed that he would take a slightly provocative approach by saying that he believes the EU system works significantly more competently than it is discussed in the public Danish debate.

The new Commission, established in the Autumn of 2020, has increased the climate target to CO₂ neutrality by 2050 and a 55% reduction in greenhouse gases until 2030. As a result, several initiatives are taking place, of which the EU 'Green Deal' and 'Renovation Wave' are among the most important. In parallel, the EU has adopted a 750 billion € 'recovery fund' in response to the COVID-19 situation, which comes on top of the rest of the EU budget of € 1,100 billion. As a result of the increased climate targets, the Commission has started updating the regulatory framework, including the Energy Efficiency Directive (EED) and the Building Directive (EPBD), which is expected to be completed in 2021.

Of the funds under the 'recovery fund', DKK 672 billion EUR are allocated for recovery investments and reform in the green and digital transition in the period 2021-2023, of which 312.5 billion euros will be in the form of grants. The expectation is that the funds will be converted into concrete investments by 2023. A table was shown indicating how the funds are distributed among member countries, from which it appeared that DKK 1,554 billion Euro or just over 11.5 billion DKK is

allocated to Denmark. Claus Bugge Garn called for a Danish debate on and plan for how these funds can be used most appropriately, corresponding to that i.e., Italy and Germany have laid such plans.

What is happening on the Danish scene, with climate plan and promotion of investments?

Helle Agerdal Olsen, Head of Office in the Centre for Energy Efficiency, the Danish Energy Agency

Presentation here.

Helle Agerdal Olsen initially stated that the Danish effort is closely linked to our EU obligations. EU obligations include the Energy Efficiency Directive (EED) incl. an overall 2030 target for energy efficiency of at least 32.5 per cent. and the Building Directive (EPBD), where an essential element is the elaboration of a long-term renovation strategy that will help meet the EU's long-term goal for 2050 of reducing greenhouse gas emissions by 80-95 per cent. compared to 1990. As stated in the previous presentation, 'Renovation Wave' and the increased climate goals entail further initiatives in the future.

Helle then summarized the content of the latest political agreements within the building area. The political agreements are the energy agreement from 2018, the green housing agreement from 2020, the climate agreement for energy and industry, etc. 2020 and the latest Finance Act for 2021, each of which contains several initiatives and subsidy schemes that, among other things, shall promote the phasing out of oil and gas boilers.

With the energy agreement from 2018, a subsidy pool was introduced for energy savings in the business sector (Erhvervspuljen) and for energy savings in buildings (Bygningspuljen). In addition, the Scrapping Scheme was established, which provides subsidies for the installation of individual heat pumps in connection with the scrapping of oil boilers. The subsidy pools were adjusted, brought forward to 2020 and added more funds via the climate agreement. The climate agreement contains a total support framework of DKK 22.5 billion (see presentation). In addition to the initiatives described, in 2021 the Danish Energy Agency will prepare a survey of municipal and regional buildings 'oil and gas boilers and prepare an analysis of the possibilities for phasing out oil and natural gas in households' heating.

With the total effort to phase out oil and gas boilers and expected development, it is estimated that most oil boilers and approximately one third of the gas boilers will be replaced in 2030. The measures for phasing out oil and gas boilers agreed with the climate agreement and the Finance Act 2021 are expected to reduce CO₂ emissions by 0.7-0.8 mill. tons in 2030.

Energy efficiency in the building sector

Per Heiselberg, Professor at Aalborg University and member of the Climate Council

Presentation here.

The Climate Council's role is to monitor how it progresses in meeting the Danish climate goals and in February 2021 published its status report on climate efforts. This shows a significant shortcoming from the measures adopted so far by the government and what it takes to meet the 70% CO₂

reduction target. It also shows that there is a significant risk associated with securing the last necessary reductions in the light of barriers and the need for technological development.

Buildings use a lot of energy, corresponding to 41-44 per cent. of Danish energy consumption. This presupposes governmental promotion of energy renovation, although it is not necessarily related to a large CO2 reduction potential. At the same time, one must be aware that the effort must often be driven by purposes other than climate (comfort, indoor climate, economy).

The Climate Council sets out the following benchmarks for future climate efforts in construction in the form of opportunities for further energy efficiency and CO2 reduction:

- Uniform greenhouse gas tax
- Higher valuation of CO2 in socio-economic calculations
- Reintroduce an agreement scheme for energy-intensive companies
- Enforcement of the building regulations' energy efficiency requirements for conversions
- Requirements for municipalities and regions on energy renovation of buildings
- Climate strategies in municipalities and regions, including for climate-friendly construction
- Promotion of financing solutions through energy service companies (ESCO) (guidance and cases)
- Requirements for contractors for major construction work regarding. construction site and machinery

PART 2: ENGAGEMENT OF THE FINANCIAL SECTOR

Initiatives from the financial sector

Peter Jayaswal, Director of Real Estate Financing, Finance Denmark

Presentation here.

Peter Jayaswal initially declared that *Finance Denmark* desires an ambitious and sustainable transition and that the financial sector plays a significant role in this, since sustainability and climate are high on the political agenda. Against this background, Finance Denmark has launched initiatives such as the Forum for Sustainable Finance with 20 recommendations for the involvement of the financial sector, the Green Business Forum and the Climate Partnership set up by the Government, which has resulted in a roadmap for financing the challenges. Banks and mortgage-credit institutes have already financed green initiatives for DKK 400 billion. DKK - most of which is lending to green buildings - which is expected to increase to DKK 700 billion. DKK towards 2030.

Energy-efficient buildings are central to the green transition. In Denmark, almost every third home is in poor energy condition and 40 per cent. of Denmark's energy consumption is consumed in buildings, which represents 20 per cent. of Denmark's CO2 emissions. A key point is that Danish homeowners overestimate the energy condition of the home, as less than 10 per cent. of the homeowners believe that their home is in poor energy condition, where the real picture is 31 per cent.

Thus, there is a need for increased awareness and knowledge, where banks and mortgage credit institutions can play a significant role, e.g., when in contact with customers such as homeowners and businesses. There was a demand for the design of a better energy labelling scheme and tools to help customers further in the energy renovation journey, including the need for an expanded energy label, digitization and better accessibility to data as well as the development of subsidy schemes that increase building owners' opportunities to energy renovate. Furthermore, there is a need for more risk capital or targeted subsidy schemes, e.g., in rural areas.

In collaboration with the Danish Energy Agency, Finance Denmark has been involved in creating the campaign 'Rebuild so that it can be felt', including a joint webinar on energy renovation to better equip bank advisers for the green dialogue. This is complemented by a toolbox that increases bank advisers' knowledge and equips them for better dialogue with the client and focus on subsidy schemes that bank advisers can refer to in the dialogue with the client.

As the last point, Peter Jayaswal called for Denmark's work on sustainability to be seen to a significant extent in connection with the work in the EU. Finance Denmark is involved in creating a common taxonomy with a view to ensuring transparency, uniformity and credibility, while at the same time making it applicable in practice. It also supports 'Renovation Wave' and its initiatives and means to energy renovate the building stock in Europe.

Perspectives on energy saving efforts in relation to the financial sector

Katrine Bjerre M. Eriksen, Director, SYNERGI

Presentation here.

Katrine Bjerre M. Eriksen first came to terms with the challenges we face in energy efficiency. Today, we waste 1/3 of our energy and the renovation rate in Denmark is the EU's second lowest, while 40% of our buildings have a poor energy label (E-F-G). Katrine showed a map of how the homes with energy label E-F-G are distributed as a percentage in the country. Thus, one will not reach the goal without a more efficient energy renovation of the building stock, just as it will make the green conversion 120-160 billion. DKK cheaper if energy efficiency is improved.

Synergy welcomes the goals of the 'Renovation Wave' and 'recovery fund' of doubling the rate of renovation and energy renovation of 35,000,000 buildings by 2030. This will be done by setting requirements for existing private buildings and public buildings and increasing the EU's energy efficiency targets and energy saving commitment. At the same time, it is important to make buildings a more interesting green investment topic in taxonomy.

Bids were made on how to get the market going further in the form of securing incentives via economically advantageous loans / loan frameworks and opening up data to the market in order to achieve increased commercialization. Furthermore, a state guarantee is required for the largest risks, which i.e., awaits experience from the Green Guarantee scheme in the green housing agreement from 2020.

At the same time, it was asked whether one dares to politicize the area through taxation, just as is seen within the car industry. Or by making demands on existing buildings and thus making the regulation binding.

Finally, Katrine got into what the financial sector can get out of it. The building stock is the single largest value in Danish society and where greater maintenance and more energy renovation will increase the value of the buildings and create more activity in society. The sector was encouraged to show the way forward in Denmark and export the Danish model to the rest of the EU.

Debate

The debate was basically focused on how to optimize the interaction between the financial sector and the energy efficiency market. The need for a more open Danish debate on the use of the EU recovery fund was emphasized, including how these funds can be used most appropriately in the Danish context.

It was further argued that the interaction between the financial sector and the market should largely focus on the motivation of building owners / users and the necessary documentation to finance the various initiatives, including data requirements. In this connection, the need for an improvement of the energy labeling scheme was discussed, including further development of data collection associated with the scheme. An extension of the scheme is planned, so that it will also focus on measures that can improve the buildings' indoor climate. In connection with the motivation of building users, the need to create incentives among private property owners was highlighted as a particular problem.

Generally, there is a need for closer coordination in relation to the various initiatives launched by the state and the financial sector, including coordination with strategies and actions at the regional and municipal level.

The ongoing implementation of heat pumps was also a point of discussion, including that this should be done in connection with energy savings so that investments are reduced, and operation becomes cheaper. Further the installation of heat pumps should be balanced with the smart grid system.

SESSION 1 ON PRIVATE HOMES

Moderator: Tommy Olsen, Gate 21

Rapporteur: Nils Daugaard, EC Network

INTRODUCTION AND SCOPE OF THE SESSION

At the most recent [SEI Forums Roundtable](#), May 2019, a main conclusion was that the 'one-stop-shop' concept, where homeowners are offered a comprehensive package for financing and quality in execution, can be a key driving force in creating momentum in energy renovations of private homes in Denmark. On that basis, a primary goal of the session was to investigate and discuss how to create the best possible set-up for one-stop shops (OSS), which RoundBaltic will subsequently work on putting into scene in the Central Denmark Region, Southern Denmark Region and Eastern Denmark. Essential aspects of this are how to ensure the right motivation among homeowners as well as optimize the financial conditions surrounding the energy renovations. The session included presentations that can provide knowledge and inspiration about these aspects, including the represented banks gave their examples and views on the possibilities. The discussion came about related models that can help to scale up the effort by reducing transaction costs and at the same time ensure dynamics and proximity in order to involve the homeowners.

Key questions

1. What can be learned from the speaker contributions in relation to optimizing the one-stop-shop organisations to be established in Central Region, Southern Denmark and Eastern Denmark? This can be supplemented with short pitches by the representatives of Central Region, Southern Denmark about how they see the challenges and a follow-up reflection from Gate 21 on the perspectives in Eastern Denmark.
2. How is the interaction with the financial sector optimized? At first glance, it is a win-win if the banks want to spread attractive climate loans and they can use RoundBaltic / OSS and related initiatives as a platform for that, but how should it be unfolded in practice? In addition to being integrated into the further work of establishing OSS, the outcome of this discussion may also be how to get housing renovations better integrated in the banks' customer advice.
3. What other aspects are important for increasing the volume and quality of home renovations with an energy-saving dimension? The discussion may revolve around the various aspects such as the regulatory, market and financing conditions that are important to create dynamics in this area.

SESSION AGENDA:**09:30 Welcome and introduction**

By Gate 21 / EC Network

- Welcome to all and tour de table among the participants
- Brief summary of the conclusions from the last roundtable in May 2019 and other background for the session
- Brief introduction to today's roundtable

09:45 One-stop-shop (OSS) organisation in Eastern Denmark

Presentation by [Gate 21](#)

A presentation on how a one-stop shop organisation can be approached in the eastern part of Denmark (Zealand and the Capital Region). Will get around how to reach the homeowners in interaction with municipalities and other actors and how the financial challenge can be handled.

10:10 Motivation of homeowners

Presentation by [iNudgeyou](#) via the Interreg project Stronghouse and other project experiences

An input on how to motivate homeowners based on experience in how to address the behavioural aspects of home renovations in conjunction with the other factors that come into play when homeowners are making decisions.

10:30 Attractive financing

The perspective about how the financial sector in these years increase its focus on green investments, including home renovations aimed at energy savings. This includes which measures can be taken to make loans more attractive and find the best possible financing solution given the economic situation of homeowners. Organized as short presentations from the participating financial institutions.

10:50 Break**11:00 Discussion****11:45 Wrap up and follow-up activities****12.00 End of session**

PRESENTATIONS

One-stop-shop (OSS) organisation in Eastern Denmark

Tommy Olsen, Gate 21

Presentation [here](#).

The intention with a One-stop-shop is to make it easy for the homeowner to get through the various steps in an energy renovation. In this regard there can be drawn on experience from the national Better Housing Scheme in terms of how to get through the various steps, including financing. One question is whether an OSS is best organized through a company or in the form of a collaboration / partnership between many actors. In Gate 21, the last option is the most accessible, with the addition that you go for a model with the municipality as facilitator, as experience has shown that homeowners see the municipality as a credible party.

Gate 21 is currently working on the Interreg project Stronghouse in collaboration with iNudgeyou, the municipalities of Fredensborg, Roskilde and Albertslund as well as Project Zero in supporting the homeowner in the flow from recruitment / motivation, initial dialogue, clarification / decision, execution and follow-up of energy renovations. In each of these steps, several types of actors and services must come into play.

Tommy Olsen asked if there are any untested possibilities in the model, how to further develop / modernize solutions and what it takes for all actors to work together. In the further course under RoundBaltic, tests of solutions can be carried out, preferably in interaction with the Stronghouse project. The next step in RoundBaltic is to gather players in Eastern Denmark into a regional roundtable in order to create dynamism around the launch of a One Stop Shop. One possibility is to apply for funding from the European ELENA program as part of establishing a regional platform.

Supplement from the Central Denmark Region *by Lea Munkholm*

The Central Denmark Region has experience with an EU ELENA project, which had most focus on district heating supply, but which also had a dimension of motivating homeowners to energy savings, including via data management and business models such as leasing. The region has also started on the national DK2020 project, which also has as one of its purposes to motivate homeowners. The region does not have direct contact with homeowners in residential areas but facilitates processes through various actors.

Supplement from the Region of Southern Denmark *by Anders Bræstrup*

The overall driver is to reduce CO2 in accordance with the regional strategy. The Region of Southern Denmark has recently been involved in an application for the EU's H2020 program focusing on the conversion of homes with heating of oil and gas boilers for heat pumps. The applied focus was to establish one-stop-shops in the region in collaboration with actors such as municipalities, Project Zero, Business Hub Fyn, EC Network and the Danish District Heating Association. The application

received a good evaluation but lacked the last piece to find support in the tough competition. The intention is to continue working with the partner consortium to find other opportunities that can support the development of one-stop-shops, including future EU programs. One could also look at the possibilities in Danish recovery funds, which were discussed at the plenary session of the roundtable and within the DK2020 project collaboration.

Using behavioural insights to increase motivation among homeowners to renovate for energy efficiency

Ida Boisen, iNudgeyou

Presentation [here](#).

There are several behavioural barriers to hinder energy renovations such as limited available information, perception of high complexity and uncertainty as well as low expectation of benefits associated with the renovation. Most importantly, however, homeowners and buyers are not aware of the possibility of energy renovation, as there are rather few natural decision points. Thus, there is a need to introduce more decision points that are relevant to the homeowner, which in turn means that time, place and condition must be governing for the selection of target group and communication channel.

If financial institutions want to use behavioural insights to promote green loans, it is about making it safe for the bank adviser to talk energy renovation during the customer meeting and that the conversation is anchored in a concrete, behaviour-optimized tool. Ida showed an example of what such a one-pager can look like and serve the basis for a customer dialogue in a one-stop-shop context. A survey has shown that eight out of ten bank advisers indicate that the customer was either interested or extremely interested in hearing about the one-pager and the suggestions during the meeting.

The main message is that the customer meeting at the bank is an obvious and unused touchpoint, where the homeowner can be made aware of the possibility of energy renovation. The conversation about energy renovation must be anchored in a concrete and action-oriented tool that can be a behaviour-optimized version of the energy labelling report and presented as a one-pager.

Supplement from Nordea by Jette Sønnerby

Jette Sønnerby supplemented the iNudgeyou presentation with Nordea's experiences. Jette referred to research of potential, current solutions and partner collaboration that shows great potential (approx. 400,000 energy sources for potential replacement in terms of green heating), but also that it is an area of low interest among customers (high friction) and that the homeowners' awareness of the energy state is low. There are many types of concepts, but few take the customer by the hand all the way through an energy renovation.

Nordea has valuable experience in a collaboration with "Bolig Energi", which helps homeowners to install environmentally friendly heating solutions easily and cheaply. Among these, it is important

to have personal meetings and that the customer is held in the hand all the way, incl. the paperwork, in the process.

Attractive financing

This point on the agenda was addressed in such a way that representatives of financial institutions were given the stage to provide information on how to increase the focus on green investments, including home renovations aimed at energy savings, and the associated considerations in this regard.

Katrine Havemann Olsen

Nykredit is involved in several initiatives where the calculator facilitated by Totalkredit is a good way to provide customers with more knowledge. It is about supporting the customer throughout the entire process, as the previous speakers have also shown, and Nykredit tries to support this. At the same time, the loan terms have been improved, first for electric cars and recently (since end of 2020) extended to e.g., home renovations that include offers of energy checks, which has been of great interest.

Karsten Beltoft

Forenet Kredit does not have direct customer contact but can support Nykredit and Totalkredit in their financing efforts. As part of this, a pool of DKK 200 million has been set aside, which i.e., can support energy checks. There are also projects in the pipeline aimed at homeowners' behaviour, ie. where the promotion is more oriented towards emotions than to the wallet alone and including getting around conditions like comfort and indoor climate. There is also a focus on challenges in rural areas, where in some types of housing under the current conditions it is difficult to obtain funds for energy renovations.

Hanne Mousing

In the autumn of 2020, Jyske Bank introduced energy loans to private individuals and has invited to webinars with a housing economist in collaboration with Botjek, which has led to subsequent inquiries from customers to both Jyske Bank and Botjek. Furthermore, they support the Danish Energy Agency's campaign 'Byg om så det kan mærkes' (Rebuild so that it can be felt). Following the launch of the new government subsidy pools, internal webinars have been organised to equip the bank's advisers to assist in this context.

As the latest example, Jyske Bank has launched an [Energy and Housing Inspection](#) in collaboration with Botjek. It involves an offer for energy assessment of the home, which results in concrete proposals in order of priority and the bank makes a financial offer accordingly. A short video about this initiative was shown.

Peter Jayaswal

Finance Denmark is pleased that the banks are becoming increasingly involved in promoting energy renovations. A focus for Finance Denmark as branch organization is to make the energy label easier to understand and more action oriented. This is done in dialogue with the Danish Energy Agency in

connection with ensuring greater use of the energy label. Another focus is efforts in rural areas, including whether there is a need for supplementary financing offers that match the challenges in this field. There is work ongoing on proposals for offers via subscription schemes where the supplier take the investment risk (ESCO-like), but risk capital may be needed to initiate such a market. It is possible that the national Green Investment Fund can provide such risk capital based on the political objectives behind the fund. Furthermore, a proposal has been made in collaboration with Landdistrikternes Fællesråd (rural council) on how to pave the way for green investments in rural areas, which can be found in this [link](#) (in Danish).

DISCUSSION

Tommy Olsen set the scene for the discussion with a focus on how to motivate homeowners to start on energy renovations and subsequently provide the advice and other support needed to help homeowners through a renovation process. A third point of discussion focused on the financial aspects of energy renovations of private homes. The discussion was organized in such a way that a participant was appointed to give an introductory pitch to each point and that there was free discussion from there, where you could practically intervene in chat or raise a hand in Teams to get speaking access. In addition, one could make suggestions in the interactive Mural.

Motivation for energy renovations

Carsten Vejborg gave the pitch to this point. The energy service centres has used a tool that enables households to assess CO2 emissions and prioritize through them, which has been a good eye opener. The direct contact with the homeowners is important. One has experienced an advantage in reaching homeowners as a community, i.e., at the village level, which can be motivating.

A view in the debate was that one should differentiate geographically because homeowners' economic situation varies, which has an impact on the banks' role as a motivator. It is important to look at whether the economy is a barrier, but creating the motivation comes before that.

Advice for homeowners, including energy labels

Line Nørmark from Transition gave the pitch to this discussion. It is important to be aware of the different interests of homeowners, meaning that target audience considerations are important. Furthermore, follow-up is important, often you see homeowners return several years later when the renovation project suits their life stage. At the same time, personal advice is often required on how to proceed with the project, ex. by having to choose from several renovation offers. Experience in the current COVID-19 time is that about half of homeowners are interested in doing energy checks digitally, and where the other half want to wait until physical energy checks have reopened. A list of options is required to reach out to all types of homeowners.

The energy label is important, but only every third home has it. Should it be done for free to get more momentum in home renovations and who should pay for it? Can it be done digitally? The experience is that there is not great willingness among homeowners to pay for energy checks. There lies a task in getting the energy label activated for the homeowner, it should be communicated

better. Could be beneficial if the bank to a greater extent took up the recommendations in the reports.

It is a recognition in the national Climate Partnership that the energy label is not sufficiently widespread, that doing something about it can be linked to an effort to improve building data and at the same time ensure that these figures are updated. Such effort could be linked to the Housing Job scheme by making energy checks deductible. A one-pager version of the energy label could be a good complement to the established energy labelling scheme. At the same time, it is important to make it clear to homeowners what they get for their money.

Financial aspects

In his pitch, Morten Veis Donnerup touched on Suntherm's experiences of expanding subscription schemes for heat pumps. The national Green Investment Fund has helped to make the financing model coherent. The offer is linked to a 10-year guarantee to provide security for the annual heating cost for the homeowner. Some customers want to own the heat pump and therefore both options are offered.

It was asked about practice with subscription schemes, what does the homeowner commit to? This refers to the Purchase Act, i.e., that the commitment is valid for six months, after which the customer has the option to terminate with one month's notice corresponding to a mobile phone subscription, but at the same time the customer must pay for the abolition of the system or buy the heat pump (for which there is no fixed formula). There is a study underway of what 'convenience' means for homeowners in choosing between such solutions.

One comment was that there is a need for diversity of offers to boost the development. The experience from a project with "Energi Fyn", where the heat pump is repaid via the electricity bill and thus makes it easy for the customer, is an example of another type of offer.

Another comment was that there is a need to find a good balance between how both heat pumps and energy renovation can be offered as part of making the homes green, including the financial aspects of this. Furthermore, there was a proposal that the good experiences with the EU's ELENA scheme for generating investments could inspire a similar Danish scheme as part of the fulfilment of the Danish climate goals.

SUMMING UP

Nils Daugaard thanked for good presentations and discussion. RoundBaltic will follow up with regional roundtables to make ideas and recommendations even more concrete and translate these into an effort to promote energy renovation of private homes in interaction with other projects and initiatives.

CONCLUSIONS AND FORWARD-LOOKING RECOMMENDATIONS

One-stop-shop establishment and organisation

- Organization of one-stop-shops (OSS)
 - RoundBaltic will aim at establishing one-stop-shops in the regions of Central Denmark, Southern Denmark and Eastern Denmark and will in this connection use ideas and recommendations from the session.
 - The focal point of one-stop-shops is to be able to accommodate the diversity among homeowners and the challenge is to create momentum taking the various barriers into account. An OSS must thus create an appropriate interface for homeowners and ensure the connection of the actors and tools that can ensure the desired volume and quality of energy renovations.
 - The further course under RoundBaltic will seek to uncover these aspects in interaction with other projects and initiatives.

- Motivation of homeowners
 - A common viewpoint in presentations and discussions is that there is a need to make it as visible as possible to the homeowner what gains can be achieved and that they are 'hand-held' in the energy renovation process.
 - What it takes to motivate can be differentiated geographically and in relation to housing segments, so for instance there can be offers dedicated to housing with families, just as there can be differentiation between an individual and common approach. Likewise, joint campaign material can be made with the possibility of local adjustments.

- Advice for homeowners
 - There is often a need for personal advice and to make it simple and safe for homeowners to find the right renovation solution.
 - There are now good tools such as [Totalkredit's calculator](#) that can support the process. However, there is still a need to qualify the advice, including equipping bank advisers in interaction with other actors around advice.
 - A related discussion point was around the energy label. There lies a task in getting the energy label more widespread and activated for the homeowner. A one-pager version of the energy label could be a good complement to the established energy labeling scheme. At the same time, it is important to make it clear to homeowners what they are getting for their money, which can be linked to efforts to improve building data and at the same time ensure that these figures are updated.

- Financial aspects
 - A key point of discussion was that the customer meeting at the bank is an obvious touchpoint where the homeowner can be made aware of the possibility of energy renovation in a motivating way.
 - A boost is needed to develop this area. Speaker contributions and discussions show that a personal and proactively effort is needed, which requires resources. The EU ELENA program has proven effective in generating investment in other areas and could be applied for, including within the framework of one-stop-shops. Likewise, a good opportunity could be to opt for establishing a Danish scheme according to the same principles as ELENA, i.e. based on Danish recovery funds (cf. yesterday's plenary session).

Interaction with the financial sector

- The representatives from the financial sector showed great interest in increasing the commitment and several examples of concrete initiatives were presented.
- The challenge onwards is to optimize how the financial sector's offers can come into play for homeowners in interaction with campaigns, energy checks and what else is needed to activate energy renovations, combined with promoting the installation of heat pumps. RoundBaltic can help test models in the context of establishing one-stop-shop in coordination with other initiatives and projects.
- There is a need to develop more models for financing home renovations. A subscription scheme was presented as an option that can be further developed. Furthermore, risk capital is needed to activate this market and one proposal is to find out whether the national Green Investment Fund can contribute to it.

Framework conditions and energy labelling

- There is need for governmental regulation and support schemes to ensure the desired boost of the market for energy renovations of private homes. The session has shown that the banking sector is ready to follow up on support schemes by advising and lending to homeowners. Strengthening the structures to reach homeowners through the establishment of a one-stop-shop can further strengthen the dynamics in the area.
- As part of strengthening the regulatory framework, it is important to ensure as efficient and action-oriented energy label as possible. There is already a dialogue between the Danish Energy Agency and Finance Denmark, which can be followed up in the further work under RoundBaltic and related initiatives and projects.

SESSION 3: SME/INDUSTRY SECTOR

Moderator: Erik Gudbjerg, Yourenergy

Rapporteur: Kaj Leonhart Petersen, EC Network

INTRODUCTION AND PURPOSE

The last [SEI Forums Roundtable](#) in May 2019 concluded a need to promote a one-stop-shop concept at the municipal or inter-municipal level that can assist SMEs throughout the value chain. This could be through a consultant who possesses business, process and technical understanding. The consultant must ensure:

- building a relationship of trust with the SME
- Making the process easy and manageable for the SMEs in relation to the preparation of business plans and other necessary documentation in connection with financing

Furthermore, the last roundtable concluded a need to sell energy efficiency to SMEs in relation to a more holistic approach that also takes side benefits of energy savings into account (Non-Energy-Benefits such as for example productivity, better quality, a greener profile, better working environment etc). In this connection, there is a need for knowledge building among advisers and technicians who need to be better at understanding what they are selling, including advising on what is important to the companies. This is most often related to proposals that improve companies' productivity and competitiveness and which are indirectly linked to energy savings (business drivers).

On the financial side, many companies have their own funds available and good creditworthiness in relation to applying for financing in financial institutions. This is especially true for larger companies (with more than 50 employees). However, there is a need to provide a suitable basis for decision-making, both in relation to the use of equity and in relation to raising external private financing. Further, according to BDO's SME Barometer presented at the last national roundtable, there are a considerable number of small and medium-sized enterprises that have completely given up applying for funding in financial and mortgage institutions. Thus, there seems to be a need, together with the financial sector, to identify information and criteria needed in connection with the financing of energy efficiency improvements in small and medium-sized enterprises.

The session built on the above conclusions, including defining and discussing further needs to organize a collaboration between municipalities around facilitating energy-saving initiatives in SMEs, which may ideally function as a one-stop-shop (including ownership questions).

Key Questions for the Discussion

The presentations were followed by discussions on how best to promote the financing of energy-efficient initiatives in SMEs. There was a focus on initiatives at regional and inter-municipal level in interaction with the national framework. Later, in collaboration with the regions, regional roundtables will be followed up in addition to supplementary national roundtables.

1. How can we strengthen the inter-municipal cooperation to promote energy efficiency in SMEs, including in the three RoundBaltic regions: Central Denmark Region, Southern Denmark Region and Eastern Denmark - and ideally paving the way for the development of a one-stop-shop concept that guides companies throughout the journey in the value chain from seeing the possibilities and understanding the value to implementation and operation?
 - Which services must the collaboration provide, and which actors must be included?
 - Who will provide the services?
 - Can this collaboration bring some further benefits such as sharing resources and capacity, exchange of experiences, standardization of processes and project documentation, etc?
 - How could this interact with the national level, among other things around standardization and documentation of projects?
 - How could the collaboration / partnerships be financed?
2. Which are the key business drivers that can promote the implementation of energy efficient initiatives in SMEs? How can the benefits of focusing on business drivers be marketed to SMEs, such as improved climate accounting and higher productivity, etc.? Is there a need for sectorial analysis for the purpose of identifying and quantifying business drivers? How are business drivers integrated into the consulting process and into the decision basis?
3. How is the interaction with the financial sector optimized in relation to the need for additional financing? What information do they need and in which form should it be presented to finance the projects, in addition to creditworthiness requirements (in relation to the companies that cannot finance the initiatives through their equity). Can a recognized clear standard methodology and checklist developed in collaboration with auditors and financial actors, bring more dynamism into the process? Should other financial instruments be brought in play - guarantee schemes, leasing, ESCO solutions, etc.?

SESSION AGENDA

13:00 **Welcome and Introduction**

Presentations by Erik Gudbjerg, YourEnergy / Kaj Leonhart Petersen, EC Network

- Welcome to all and short presentation of the panel
- Brief review of the conclusions from the last roundtable in May 2019
- Brief introduction to today's roundtable

13:15 **National Framework for promotion of Energy Efficiency in SMVs**

Presentation by Jon Trap Jespersen, Team Leader, Danish Energy Agency

Introduction to the new subsidy scheme for green transition in industries and SMVs, and preliminary experience with this

13:30 Challenges in relation to optimising the energy saving efforts in SMEs

Presentation by Peter Rosenkrands, CEO, Knudsen Extrusion Aps – a SMV from the Municipality of Præstø

13:45 Development of green business models for SMEs - examples inter-municipal cooperation

Presentation by Henrik Westerby, Project Manager, the [ECSMV](#) project in Central Denmark Region

Presentation by Lise Lotte Schmidt-Kallesø, Project Manager, [Sustainable Bottomline 2.0](#) in East Denmark

ECSMV Sustainable Bottomline 2.0 are examples of regional initiatives promoting implementation of green and circular business models across municipalities

14:15 Use of ESCO / EPC Models within the SME-segment

Presentation by Thomas Brændgaard Nielsen, Sales Manager, Siemens

Use of the ESCO / EPC-concept within SME-projects and related challenges

14:30 Break

14:35 Discussion

15:35 Summary and follow up activities

15:45 End

PRESENTATIONS

National framework for promotion of energy efficiency in SMVs – The new subsidy scheme for energy efficiency in industries and SMVs

Jon Trap Jespersen, Team Leader, Danish Energy Agency

The business subsidy for energy efficiency improvements in companies is part of the Danish Energy Agreement from 2018 and the Danish Climate Agreement for Energy and Industry from 2020. DKK 200 million has been allocated for 2020 and a total of approx. 3.5 billion DKK towards 2030.

The scheme applies to privately owned production, trading and service companies and the subsidy can cover up to 50% of the project costs. The percentage depends on the size of the company. Measures that promote conversion from fossil energy to electricity have been awarded a benefit in the pool. For example, subsidies can be granted for heat pumps, LED lighting, heat recovery and energy optimization of industrial process plants.

The allocation of the funds in the grant scheme is based on a competition-based model, where the applications are ranked according to the lowest grant price per. saved kWh.

The Danish Energy Agency has received a total of 347 applications for grants in the first application round in 2021 (for approx. DKK 110 million). In total, approx. 63 pct. of the allocated funds of the application round. In 2020, 225 applications were received (for approx. DKK 145 million).

Currently the Danish Energy Agency is improving the scheme in collaboration with the business community. Amongst other things, this aims at meeting a need among particularly smaller companies to make it easier to apply for the grants in terms of administration and documentation. Approximately 20% of the applications received have been from smaller companies.

Challenges in relation to optimising the energy saving efforts in SMEs

Peter Rosenkrands, CEO, Knudsen Extrusion Aps – a SMV from the Municipality of Præstø

Presentation [here](#)

Knudsen Extrusion ApS extrudes hoses, pipes, flat strips and profiles in thermoplastic, and offers a wide range of traditional and special plastic materials.

The company was established in 1959, it has 35 employees and over 300 customers. 60% of the company's market is based on exports to 25 countries on all continents. In its strategic direction, the company puts great emphasis on professionalization, and standardization, including a well-defined CSR policy focusing on meeting UN sustainable development goals. Further on energy optimization and environmental improvement to reduce resource consumption.

As to the latter, the company focuses on mapping opportunities and potentials, in relation to Process Water (implemented); Equipment time management (implemented); Optimization of premises (implemented); Heating; Lighting (under implementation); and energy efficiency in production lines.

In relation to all these ambitions and initiatives, the company continuously focuses on identifying opportunities for grants / financing, among other things via:

- The Danish Energy Agency - for energy efficiency improvements and savings (Erhvervspuljen – The Danish Business Grant Scheme)
- Funds
- Bank and mortgage credit

The challenges for the company are related to various requirements from customers and authorities. In general, there is a lack of resources and in-house knowledge about energy optimization as well as subsidy and financing options. Among other things, the application for the Danish business grant scheme was a major challenge for the company in terms of procedures and time consumption. Approximately 100 hours were spent on an application of approximately DKK 45,000.

Peter Rosenkrands emphasized that the company needs both good solutions and capacity to deal with all challenges.

Development of green business models for SMEs - examples inter-municipal cooperation

Henrik Westerby, Project Manager, the [ECSMV](#) project in Central Denmark Region

Presentation [here](#)

The ECSMV project - Energy efficiency and CO₂ savings in companies in the Central Denmark Region "- aims to increase energy efficiency and reduce CO₂ emissions among small and medium-sized companies in the Central Denmark Region. The project covers all municipalities in the region and is led by Ringkøbing-Skjern, Skive and Aarhus Municipalities. Ringkøbing-Skjern has the role as project manager. Each municipality participates with a local contact person and one or more executive screening agents. The project is supported by the Central Denmark Region, the Danish Business Authority and the EU Regional Development Fund.

Companies participating in the project can receive up to DKK 57,375 in grants for advice on developing a green business model that indicates specific potentials for energy and material savings and for CO₂ reduction in the company and within its value chains. Subsequently, companies that have developed a green business model can receive up to DKK 200,000 in investment grants (max. 32% of the investment sum). Within the project, there is also the possibility that two or more companies that want to develop a common green business model can receive up to DKK 200,000 in grants for advice in long-term restructuring processes. Within the project, which runs until the end of 2022, so far 229 screenings have been conducted, which are conducted by municipal screening agents. The consultancy work is conducted by pre-qualified consultants. A total of 10 consulting firms and approx. 60 consultants are associated with the project.

As such, ECSMV is a concrete example of organized inter-municipal cooperation in promoting energy efficiency in SMEs.

As challenges in the collaboration, Henrik Westerby highlighted a lack of clarification of the division of roles in relation to the business promotion reform, including the municipalities' role in relation

to the sub-regional business advisory centres. Another challenge is related to advising companies that focus more on energy savings than non-energy benefits, including how they can become sustainable. This is partly due to the process of involving screening agents and advisers, who need to have a greater focus on other things than identifying energy savings in the companies, and thus have a need to develop competencies in relation to this.

Other challenges are related to a need for the future financing of the inter.municipal set-up, and the further financing of sustainable initiatives in the companies.

As advantages, Henrik highlighted an effective mobilization of companies, including the local 1: 1 dialogue with the companies, and a building of common knowledge and experience through networking across municipalities.

The project's screening concept, which is based on stakeholders with knowledge of the local business community engaging in dialogue with the companies, has proved to engage more companies with greater potential for developing green business models than expected.

The collaboration has been effective in motivating SMEs and realizing their potential for energy savings. At the same time, such collaboration is associated with cost efficiency via saved transaction costs related to the harmonized and standardized municipal approach.

The ECSMV project is to be regarded as a model for local anchoring of green transition in the SME segment. There is an ambition to anchor the platform so that the collaboration and experience built up during the project can sustain after the end of the project. Among all participating municipalities, there are great ambitions to develop a greener business community.

Development of green business models for SMEs - examples of inter-municipal cooperation

Presentation by Lise Lotte Schmidt-Kallesø, Project Manager, [Sustainable Bottomline 2.0](#) in East Denmark

Gate 21 has been working on energy savings for SMEs since 2011 through four projects

- Carbon 20 - 119 mainly SMEs
- Control Energy 2.0 - 45 SMEs
- Sustainable Bottom Line 1.0 - 27 SMEs
- Sustainable Bottom Line 2.0 - currently 25 SMEs

Sustainable Bottom Line 2.0 is based on a collaboration between seven municipalities, three knowledge institutions, three industrial organizations and two energy consulting organisations. The goal is to assist up to 100 small and medium-sized companies in the Capital Region of Denmark to develop green and circular business models.

As in the ECSMV project, companies are offered energy screening. The companies can then move on to one of two different tracks - a track focusing on individual theme-specific initiatives or a track focusing on developing a circular business model that involves the entire company's value chain.

Lise Lotte Schmidt-Kallesoe presented the challenges associated with the collaboration, including:

- It is particularly the smaller SMEs (max 50 employees) that lack support, time and finances to plan and implement the proposed initiatives
- It is particularly in manufacturing companies and trade that savings can be achieved
- It is necessary for energy projects to be co-operated by stakeholders around the company who speak the same language (consultant fear among SMEs)
- The companies have a lack of understanding that energy savings provide a better bottom line also in relation to non-energy benefits
- Companies' energy consumption is often too low for them to "bother" to work with the area
- There is often a priority in investing in production and other operating areas instead of energy efficiency measures
- Companies lack financing opportunities (payback times 8-9 years)
- Companies lack the necessary technical knowledge

In relation to how SMEs can be motivated to identify and implement energy efficiency measures, Lise Lotte presented the following points - and in relation to the project's experiences.

- Talk energy efficiency measures into a larger business framework such as the World Development Goals and speech sets to a much greater extent non-energy benefits
- Companies need assistance from start to finish - also to apply for subsidies and financing
- New financing offers should be developed that are easy to access (the new grant scheme is a good initiative, but for some it can be complicated to access)
- There are several options for leasing models that can be put into play
- The municipalities should have an active role in relation to businesses - they can with advantage facilitate and initiate initiatives. Industrial organisations can do the same.
- Preferably higher energy prices, e.g., increased taxes, so that it becomes more economically advantageous to optimize
- More information about where and what can be saved, e.g., a continued focus on knowledge via craftsmen

Use of ESCO / EPC Models for the SMV segment

Thomas Brændgaard initially presented various advantages of the EPC model, including

- The EPC model represents a guaranteed business case
- There is no risk for the client (in relation to energy savings and investments)
- Energy management on transparency and energy consumption
- The presence of a contractual partner throughout the project phase.

Furthermore, he gave examples of various initiatives with industrial customers, such as HVAC, refrigeration systems, pumps, LEDs, climate screens, PVs, etc. Solutions also include charging stations for electric vehicles, charge management, supply, energy procurement, the ability to provide flexibility to the electricity grid, etc.

Siemens also works with intelligent energy utilization, so-called virtual power plants where buildings can consume electricity, flexibly adjusted to the needs of the electricity grid - and be paid for it. For the building owner, energy renovation together with this solution will therefore be both cheaper and greener.

Thomas emphasized that the Siemens ESCO model is generally not relevant for SMEs, and especially not the small SMEs. But partly Siemens' experiences from larger companies are also scalable ('downwards'), and partly the model can provide less risk and thus greater opportunity for external financing.

DISCUSSION

Erik Gudbjerg set the stage for the discussion with a focus on how to establish an inter-municipal collaboration, motivate SMEs to invest in energy-efficient initiatives and subsequently provide the necessary advice and support needed to help SMEs through a project. A third point of discussion focused on the financial aspects of energy efficiency measures in SMEs.

Inter-municipal cooperation on assisting SMEs in energy efficiency efforts

Inter-municipal co-operation was generally highlighted as beneficial in relation to assisting SMEs in planning and implementing energy efficiency measures. Ideally, this can serve as a one-stop-shop that guides SMEs throughout the value chain from screening to commissioning and monitoring.

The close contact between the municipalities and the SMEs is important in relation to motivating the SMEs. SMEs think locally and are motivated by local initiatives. The municipalities have a profound knowledge of the local business community and have a general interest in strengthening this and preserving local working places.

In order to function most effectively, there is a need for continuous assistance to the companies through a permanent process consultant who can guide them throughout the value chain in collaboration with suppliers of services and products, and who can also assist with the implementation of the identified savings measures in dialogue with amongst other financial institution.

The inter-municipal cooperation would also bring benefits in the form of shared resources and capacity, exchange of experiences, standardization of processes and project documentation, etc. Standardization was highlighted as a key point in relation to SMEs.

In general, there will be a need for developing competencies among advisers and municipalities in relation to assisting companies on a holistic approach that, in addition to energy savings, also focus on circularity and side benefits of energy savings (including business drivers).

There is a need to develop financing models that can ensure the future operation of inter-municipal collaborations / one-stop shops. This can, for example, be a mix of public funds and contributions from the various actors involved throughout the value chain.

In general, there is a need for the involvement of a broad circle of actors around the projects both in terms of advice and guidance but also regarding knowledge acquisition, exchange of experiences, etc. which, overall, can help SMEs through the project processes in the most appropriate way.

Further it was emphasized that the process with the SMEs needs to be coordinated with the municipal heat planning process, which is not sufficiently in contact with the companies in relation to the utilization of surplus heat.

Motivation of SMEs

Motivation of SMEs was discussed extensively at the previous roundtable and was thus not a major point of discussion.

However, it was reaffirmed that a more holistic approach is needed, which also includes side benefits of energy savings.

This is most often related to proposals that improve companies' productivity and competitiveness and which are indirectly linked to energy savings. Sustainability requirements, including the development of green and circular business models, will also have an increasing impact on companies' competitiveness.

As mentioned above, there is a general need for competence building among municipalities, advisors and other actors in relation to this.

Financial aspects

The representatives of the participating banks unanimously concluded the traditional credit rating is the most crucial factor when SMEs apply for energy efficiency loans. However, the credit rating will be seen in the context of the proposed project, including the project's impact on the company's cash flow. The latter requires good project documentation.

Furthermore, it was pointed out that the general requirements for green conversion will increasingly influence the banks' lending policy in connection with the financing of energy efficiency measures in SMEs. It is important that companies generally have well-developed strategy plans, which also consider sustainability.

The banks have recently had the most focus on financing energy efficiency in private homes but will increasingly also focus on sustainability and energy efficiency in businesses.

As has been learned from the previous roundtables and in the various projects, there are reportedly many smaller companies that are having difficulty obtaining financing in the private financial sector. Therefore, there may be a need to use government funds and funds to supplement private sector loans with government guarantees. This can possibly be combined with standardization of solutions and procedures in relation to the financial instrument such as e.g., guarantee funds.

In general, the realization of the potentials requires a knowledge base that is often not available to SMEs, their financial auditors and financial institutions. As in the previous roundtable, financial auditors were highlighted as an important player in the decision-making process. They have a

detailed knowledge of the companies' finances that can benefit the banks, but in general lack knowledge about the economic effects of sustainable and energy measures in the companies. A previous initiative from the Municipality of Aarhus was highlighted, which included courses for auditors and financial staff and for board members. Reference was also made to a previous project that has prepared an energy handbook for auditors.

Regarding the potential use of the EPC model, a bundling (aggregation) of projects was mentioned as a solution, for example in relation to sectors and / or geography. Challenges associated with this can be different creditworthiness among SMEs, small project sizes, unequal project types and lack of background knowledge in the financial sector.

Leasing models can also be considered, for example where measures are repaid via energy bills.

SUMMING UP

Kaj Leonhart Petersen thanked for good presentations and discussions. RoundBaltic will follow up with regional roundtables in order to make ideas and recommendations even more concrete and translate these into an effort to promote energy efficiency in SMEs in collaboration with other projects and initiatives.

CONCLUSIONS AND FORWARD-LOOKING RECOMMENDATIONS

Establishment of inter-municipal cooperation structures / One-stop-shop

- Organization of one-stop-shops (OSS)
 - RoundBaltic will work to promote and strengthen inter-municipal collaborations on financing energy efficiency measures in the Central Denmark Region, Southern Denmark Region and Eastern Denmark. In this context, ideas and recommendations from the session will be used in relation to the regional and local needs.
 - Ideally, this collaboration will function as one-stop-shops that assist SMEs throughout the value chain and through a permanent local process consultant who regularly visits and guides companies throughout the process (referred to as boots on the ground). An OSS set-up must create an appropriate interface for SMEs that can motivate and facilitate the implementation of measures, including ensuring the connection of all relevant actors, as well as the use of the necessary tools and documentation that can ensure implementation and quality of energy efficiency measures in SMEs.
 - A cooperation between municipalities will be an essential starting point, but overall, it is important to ensure effective coordination between all relevant actors and throughout the value chain.
 - There will also be a need to coordinate national efforts with regional initiatives. This can be in relation to strategic considerations, but also in relation to documentation and standardization.

- Furthermore, there is a need for coordination with initiatives in relation to the district heating sector and the strategic municipal energy planning, including the ongoing expansion of the district heating network and utilization of surplus heat from industrial processes.
- It is also important to focus on how inter-municipal cooperation, including one-stop shops, can be continuously financed.
- The further course under RoundBaltic will seek to uncover these aspects in interaction with other projects and initiatives.
- Motivation and advice of SMEs
 - Overall, there is a need to make it as visible as possible to SMEs what benefits and gains they can achieve. There is a need for a more holistic approach, which also includes side benefits of energy savings, including business drivers, as well as the increasing demand for sustainability.
 - There is a general need for competence building among the SMEs and their financial auditors as well as with the local municipalities and the advisers and banks that are to assist the SMEs.
 - SMEs are most effectively advised by a consultant who continuously visits the companies from start to finish in a project process.
 - The inter-municipal cooperation provides a good opportunity for reduction of transaction costs via standardization of procedures and documentation, etc. It may be possible to synchronize with the standard assumptions and methods used nationally in connection with the Danish business grant scheme.
- Financial aspects
 - Involvement of the banks in the process, in cases where additional funding is needed, was a key point of discussion, including their general requirements for documentation and creditworthiness. In general, there is a need to define the role of banks in relation to the guidance to SMEs on project opportunities, and in interaction with both national and regional initiatives (including one-stop-shops). This should also be seen in relation to their general requirements for energy efficiency projects and how the projects can influence the overall credit rating.

Interaction with the financial sector

- Representatives from the financial sector showed general interest in increasing their commitment to financing energy efficiency measures in the SME segment.
- The challenge from this is to optimize how the financial sector's offers can come into play for SMEs in interaction with national, regional and local initiatives, including grant pools. This applies both in relation to motivating the SMEs and in relation to the documentation needed

to activate energy efficiency measures. RoundBaltic can help test models in the context of establishing one-stop-shops in coordination with other initiatives and projects.

- There is a need to develop more models for financing energy efficiency measures in SMEs. Mention was made here of the possibility of EPC models based on bundling of projects across SMEs, leasing models and a guarantee scheme via, for example, the Green Investment Fund.

Framework conditions

- Government regulation and support schemes are needed to ensure the necessary boost to the market for energy efficiency measures in the SME segment. The banking sector is on its way to backing up the process. Closer coordination between the national level and initiatives at the regional level around e.g., one-stop-shop concepts, as well as with the financial sector, can help strengthen the dynamism in the field.
- There is a need to assess the possible use of government guarantee schemes, especially for smaller companies that need supplementary financing.
- Support schemes can also support the operation of inter-municipal collaborations, including project development assistance to SMEs.
- Coordination in relation to standardization and the integration of business drivers in the decision basis may also be needed. The latter possibly through industry-specific analyzes.