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Extract from Rigsrevisionen's report on  
**energy savings in public  
institutions**

submitted to the Public Accounts Committee



1849  
147.281  
237  
1976  
114.6  
22.480  
908

# 1. Introduction and conclusion

## 1.1. PURPOSE AND CONCLUSION

1. This report concerns the government's effort to save energy in government institutions. Rigsrevisionen initiated the study in August 2015.

In 2008, the Danish parliament entered a broadly based political agreement in order to strengthen the effort to save energy in the public sector and achieve a reduction in energy consumption. In 2009, the government therefore decided that the public sector by 2011 should reduce its energy consumption by 10 per cent compared with the level in 2006. This target was not met. The European Union (EU) issued an energy efficiency directive in 2012, which imposed energy-saving requirements on the member states. This directive became the point of departure for further strengthening the energy-saving effort, and in 2014 the government defined a target that required a reduction in public-sector energy consumption of 14 per cent by 2020 – compared with the 2006 level. Achievement of this target would ensure compliance with the EU directive.

The Danish Energy Agency has issued a circular on energy efficiency in government institutions that provides the framework for the government's energy-saving effort. According to the circular, the individual departments are responsible for reducing the consumption of energy and meet the target set for energy savings, while the Danish Energy Agency undertakes tasks of a supportive nature.

2. According to the Danish Ministry of Energy, Utilities and Climate, the public sector had only reduced energy consumption by 2.3 per cent in 2014 – compared with the 2006 level. Although the statement on the development of energy consumption in the public sector is subject to some uncertainty, it clearly indicates that the public sector has only to a very limited extent managed to reduce energy consumption. A focused effort will be required now, if the government is to achieve the targets set for energy savings by 2020 and comply with the requirements of the EU directive. The urgency is due to the fact that improving the energy efficiency of buildings is crucial for the energy-saving effort, but that it may take up to two or three years to implement deep energy renovation of existing buildings.

### ENERGY CONSUMPTION

Energy consumption covers use of electricity for lighting, heating and cooling, and energy consumed by servers and technical equipment used in relation to research and educational activities. Energy consumption for transport is not included.

### ANNUAL STATEMENT OF ENERGY CONSUMPTION

A statement of energy consumption in the public sector for 2015 is not yet available. The ministries are required to report their annual consumption by 1 June the subsequent year, but a complete statement will not be ready before September.

3. According to the Danish Energy Agency, the public sector spent approximately DKK 700 million on electricity and heating in 2014, excluding fees and VAT. A reduction in the energy consumption of 14 per cent by 2020 would lead to annual savings of approximately DKK 100 million. Over time, energy savings achieved in government institutions would reduce government costs, because investments in profitable energy-saving measures are prioritised. Thus, the government is providing value for money when it implements profitable energy-saving measures.

4. The purpose of the study is to assess if the government has strengthened the effort to achieve energy savings in the public sector adequately. The report answers the following questions:

- Has the Danish Energy Agency supported the ministries in their work to strengthen the energy-saving effort?
- Have the ministries with the highest energy consumption managed the energy-saving effort adequately?
- Have the largest public property owners implemented profitable energy-saving projects?

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## CONCLUSION

It is Rigsrevisionen's assessment that the government has not yet adequately ensured a strengthened energy-saving effort in the public sector, and there is significant risk that the government will not achieve the target of 14 per cent set for a reduction of public-sector energy consumption by 2020. This shortfall is primarily caused by the fact that the two ministries with the highest energy consumption have managed the effort ineffectively since the targeted energy-saving initiative was launched in 2009. A secondary reason is the fact that since 2009, the framework defined for the ministries' energy-saving effort has not adequately contributed to ensuring a targeted effort in all ministries.

Rigsrevisionen finds it unsatisfactory that the two ministries with the highest energy consumption (the Ministry of Higher Education and Science and the Ministry for Children, Education and Gender Equality) did not in 2009 work out a plan for reduction of their energy consumption. The two ministries have not managed the energy-saving effort adequately, nor have they had full overview of the measures implemented in the independent institutions under the respective departments. Only in 2015, did the ministries begin to consider how energy consumption in the independent institutions could be reduced. The ministries account for approximately 61 per cent of public-sector consumption, and their consumption has been on the increase for several years – partly due to an increase in number of students and more research activities.

The circular issued by the Danish Energy Agency defines the framework for the ministries' energy-efficiency effort in government institutions. A former version of the circular, covering the period 2009 to 2014, resulted in only a minor reduction in energy consumption in the public sector. The Danish Energy Agency, and the other ministries that were involved in the process of working out the new circular, were aware that the former circular had not inspired a focused effort in all ministries and that only minor energy savings had been achieved. Yet, the circular was left almost unchanged. This is not considered satisfactory by Rigsrevisionen. Being responsible for the area, the Ministry of Energy, Utilities and Climate should have taken the consequences of the inadequate results of the energy-saving effort and provided a model that would more effectively support achievement of the target set for energy savings, and fulfil the requirements of the EU directive concerning energy efficiency.

The largest property owners in the public sector are the Danish Building and Property Agency and the Ministry of Defence. These two are required to improve the energy efficiency of government buildings, which is one of the most effective means of achieving lasting energy savings, and they therefore play a central role for the achievement of the target set for savings in the public sector. Both institutions have implemented profitable energy-saving projects, yet Rigsrevisionen has noted that there is still a large potential for further energy savings towards 2020.