

Order on subsidies for conversions to heat pumps in year-round residences¹⁾

The following is provided pursuant to Sections 2a, 7(2) and (3), 18a, 19, 21(2)-(4) and 22(2) of the Act on the promotion of efficient energy use and greenhouse gas reduction, cf. Consolidation Act No 1036 of 12 September 2024 as subsequently amended:

Chapter 1

Scope and Definitions

Section 1. The Order shall apply to subsidies for the implementation of projects for the conversion of heating systems in buildings for year-round residence in order to achieve energy savings and energy efficiency improvements as well as reductions in the use of fossil fuels in connection with this.

(2) The Danish Energy Agency can grant subsidies in accordance with (1) to:

1) Private building owners, which, for the purposes of this Order, are understood to be private individuals, partnerships, private cooperative housing associations or parent properties for buildings divided into owner-occupied apartments, for the implementation of projects for the conversion of heating systems in their buildings, where the main use of the building in accordance with the Order on updating the Central Register of Buildings and Dwellings (BBR) is registered as a year-round residence.

2) Companies within the meaning of this provision as public limited companies, private limited companies or other companies (except partnerships), associations, trusteeships or self-governing institutions, as well as public housing, for the implementation of projects for the conversion of heating systems in their buildings, where the main use of the building pursuant to the Order on updating the Central Register of Buildings and Dwellings (BBR) is registered as a full-year dwelling.

(3) Subsidies under (2) may be granted within the amount earmarked for this purpose from the authorisation framework set aside in the Finance Act. The Danish Energy Agency may divide the annual amount allocated in the Finance Act into several application rounds, including determining the amount of the individual application rounds and the application periods for these.

(4) Subsidies under this Order may not be paid to public institutions.

Section 2. Subsidies under this Order for the implementation of projects for the conversion of heating systems in buildings for year-round residence constitute State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union to the extent that the subsidy is granted to undertakings and falls within the scope of Article 107(1). Subsidies are granted to private building owners, cf. Section 1(2) No 1, who are engaged in economic activity, and companies, cf. Section 1(2) No 2, in accordance with Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (henceforth referred to as the De Minimis Regulation).

Section 3. For the purposes of this decree, the following terms are understood to mean:

1) **Start of works:** Either the start of construction works relating to the investment project, or the first legally binding commitment to purchase equipment or the conclusion of other obligations that make the investment irreversible, whichever occurs first.

- 2) Building includes the buildings referred to in Section 1(2) No 1 and 2.
- 3) Residential floor area: Cf. Annex 1 to the Order on updating the Central Register of Buildings and Dwellings (BBR).
- 4) Year-round residence: Cf. Annex 1 to the Order on updating the Central Register of Buildings and Dwellings (BBR).
- 5) Projects for the conversion of heating systems: A project where the building's heat source is converted to a heat pump.
- 6) End of project: The project is completed when the measure for which the subsidy commitment has been notified has been completed and paid.
- 7) Large heat pump systems: Heat pump systems with a heat output (rated heat output) of 20 kW or more. The heat pump system may be composed of several heat pumps (cascade system). The total heat output of the heat pumps shall be at least 20 kW.

Section 4. Subsidies under this Order may be granted, upon prior application, to private building owners, cf. Section 1(2) No 1, and companies, cf. Section 1(2) No 2, for the implementation of projects for the conversion of heating systems in their buildings' supply including conversion to heat pump for heating of all-year dwellings, cf. Section 11.

(2) Subsidy commitments can only be given if the work has not started, cf. Section 3 No 1, before the Danish Energy Agency has notified the commitment.

Chapter 2

Application for subsidy commitments

Section 5. The Danish Energy Agency invites applications for subsidy commitments on statens-tilskudspuljer.dk and the Danish Energy Agency's website, which includes providing information on the next application round, cf. Section 1(3), and the conversion projects eligible for subsidy.

Section 6. Applications for subsidy commitments must be submitted within the application round, if any, via the application portal, which is made available on the Energy Agency's website, cf., however (2).

(2) If, due to exceptional circumstances, an application cannot be submitted via the application portal, the Danish Energy Agency may allow the application to be submitted by other means, and provide instructions to that effect.

(3) Applications for subsidy commitments, cf. (1) and (2), shall contain documentation for the processing of subsidy applications for projects for the conversion of heating systems, including information on any other de minimis aid granted in the last three years and other possible State aid for the same eligible costs.

Section 7. The applicant shall declare that the information submitted with the application is correct.

Chapter 3

Decision on complete application and subsidy commitments

Section 8. The Danish Energy Agency shall ensure that the applications received are complete and received in a timely manner, cf. Sections 6 and 7. Manifestly inconclusive applications are rejected, and are not included in the application series, cf. Section 9(3).

(2) At the request of the Danish Energy Agency and within a specified deadline, the applicant shall submit additional information which the Danish Energy Agency considers necessary to assess the application.

(3) Decision in accordance with Paragraph 1 may be taken on the basis of an automated, digital processing of the submitted applications.

Section 9. The Danish Energy Agency shall decide on applications for subsidy commitments, cf. Section 1(2), on the basis of the applications submitted, cf. Sections 6-8, information from the BBR, plan data and otherwise obtained information, and in accordance with the rules laid down in this Order, cf., however (2).

(2) Subsidy commitments may be notified within the amount that is implemented for the scheme from the appropriation framework set aside on the Finance Act, cf. Section 1(3).

(3) The Danish Energy Agency starts the processing of applications for subsidy commitments within the application period, if any, cf. Section 1(3) in the order in which the complete applications are received, cf. Section 8(1).

(4) The Danish Energy Agency shall use the information at the time of application, cf. (3), as the basis for the decision pursuant to (1).

(5) Decisions under (1) shall be transmitted using the application portal made available on the home page of the Danish Energy Agency.

(6) Decision in accordance with (1) may be taken on the basis of an automated, digital processing of the submitted applications.

Section 10. Subsidy commitments, cf. Section 1(2), are conditional on the subsidy being granted in accordance with the De Minimis Regulation, including consideration of any other de minimis aid granted, cf. (2).

(2) Subsidy commitments for private building owners, cf. Section 1(2) No 1, who are engaged in economic activity and companies, cf. Section 1(2) No 2, are conditional on the private building owner or company not receiving, at any point during the last three years, a total of more than the equivalent of EUR 300 000 in de minimis aid.

(3) The calculation of received de minimis aid, cf. Paragraph 2, includes inter alia connections in accordance with the definition of companies in Article 2(2) of the De Minimis Regulation.

(4) Subsidy commitments, cf. Section 1(2), shall be conditional on projects for the conversion of heating systems implementation not granted or granted aid under other legislation.

(5) Subsidy commitments for owners of private rental properties for projects for the conversion of heating systems, cf. Section 1(2), is conditional on the subsidy deducted from the improvement cost, of which the landlord calculates a possible rent increase, as well as that subsidy recipient's tenants are informed that the subsidy is deducted from the total cost of improvement, before calculating such a possible rent increase.

Section 11. Subsidy commitments for conversion projects relating to the building's supply covering conversion to heat pumps, cf. Section 4(1), shall be conditional on the following:

1) Conversion to heat pumps shall be from oil boilers, gas-fired boilers, biomass boilers, electric heating or district heating. However, the latter only applies if the municipality has decided to close down the district heating supply at the address, cf. No 2.

2) The building in question must be located outside an area which has district heating and outside an area which has been designated for district heating.

3) If a conversion is made to an individual heat pump, the heat pump shall be exclusively driven by electricity, have external heat or earth as the source of heat and produce heat for both heating of rooms and domestic hot water in a hot water tank. The hot water tank can be free-standing or

integrated with the heat pump. The heat pump shall be labelled A++ or A+++, cf. Commission Delegated Regulation (EU) No 811/2013 of 18 February 2013. The labelling shall have been acquired for the heat pump alone at test temperature 55 °C for room heating under that Regulation. A package label cannot contribute to higher energy labelling.

4) When converting to large heat pump systems, the system shall be exclusively driven by electricity, have external heat or earth as the source of heat and produce heat for both heating of rooms and domestic hot water in a hot water tank. The hot water tank can be free-standing or integrated with the heat pump system. The system may consist of several smaller heat pumps in a cascade system. For systems above 70 kW, the annual energy efficiency at a test temperature of 55°C shall be at least 125% in accordance with the method laid down in Commission Delegated Regulation (EU) No 811/2013 of 18 February 2013. A package label cannot contribute to a higher energy labelling.

5) In the case of conversion to a large heat pump system, the building shall have a total residential area exceeding 400 m² and shall be a residential building, multi-family or two-family house with horizontal separation between the units (use code 140), dormitory (use code 150), residential building for residential institutions (use code 160), or other building for residence (use code 190), cf. the Order on updating the Central Register of Buildings and Dwellings (BBR). If the building is equipped with block heating, the building may also be registered in the BBR as a terraced and row house (use code 131) or a semi-detached house (use code 132). However, subsidies may be granted for buildings registered in the BBR as terraced houses (use code 131) or semi-detached houses (use code 132) that are not supplied with block heating at the time of application, subject to the specific assessment of the Danish Energy Agency.

6) Subsidy commitments for conversion to a large heat pump system over 250 kW may only be given if project approval has not been applied for the project in accordance with the Order on the approval of projects for collective heaters before the Danish Energy Agency has notified the commitment. The subsidy commitment is subject to the condition that, after its notification, such an approval is obtained in accordance with the Order on the approval of projects for collective heaters.

7) The conversion project shall take effect when purchasing the heat pump, and the installation of the heat pump shall be carried out and invoiced by a company.

Section 12. Subsidies for projects on the conversion of heating systems, cf. Section 1(2) and Section 11, shall be calculated on the basis of subsidy rates for the individual conversion projects, as laid down in Annex 1. The subsidy rates are determined on the basis of estimated market prices for the individual conversion projects, cf. Annex 1. The subsidy rates for the individual measures are weighted so that larger energy savings give a higher subsidy rate.

(2) Subsidies for the implementation of conversion projects concerning the building's supply of comprehensive conversion to heat pump, cf. Section 4(1), shall be granted with one subsidy per address. The subsidy rate depends on the total unit area for residential accommodation, as registered in the BBR, cf. Annex 1.

Section 13. The amount of a subsidy for projects involving the conversion of heating systems, cf. Section 1(2), shall be determined in the subsidy commitment, cf. Section 9, on the basis of measurements stipulated under Section 12.

Section 14. In commitments for subsidies notified pursuant to Section 9, the Danish Energy Agency may lay down additional conditions, including:

- 1) Reports on the implementation of the project.
- 2) The latest date for the start of the energy improvement project.

- 3) The latest date for the completion of the project.
- 4) The latest date for payment applications.
- 5) Documentation of the project's implementation in addition to documentation requirements, cf. Sections 18-19, including photo documentation.
- 6) Requirement for the commitment recipient to be available for gathering feedback and evaluation of the scheme.

Section 15. In special cases and following a reasoned application from the commitment recipient, the Danish Energy Agency may revise a notified commitment decision, including deadlines set in the commitment. A notified decision on a commitment can however only be changed if the work has not started, cf. Section 3 No 1, the change is justified by construction conditions and the change will be accordance with the conditions for notification of commitments. The second point shall not apply to the modification of notified deadlines laid down in the commitment, cf. the first point.

Section 16. Following a reasoned application upon change of ownership, the Danish Energy Agency may, in accordance with the conditions for notifying commitment, revise a notified commitment decision such that the new building owner enters into the rights and obligations of a subsidy commitment that has already been notified.

(2) The application referred to in (1) shall be signed by both the transferor and the transferee of the building.

(3) The application under (1) shall be accompanied by information from the purchaser of the building on any other de minimis aid granted in the last three years and on any other State aid for the same eligible costs and a declaration that the information is correct.

Chapter 4

Payment of subsidy

Section 17. Subsidy payment applications shall be submitted using the application portal made available on the home page of the Danish Energy Agency.

(2) If, due to exceptional circumstances, an application cannot be submitted via the application portal, cf. (1), the Danish Energy Agency may allow the application to be submitted by other means, and provide instructions to that effect.

(3) The application must be submitted no later than 1 year after the subsidy commitment is notified, unless the commitment's terms state otherwise, cf. Section 14, No 4.

Section 18. Subsidy payment applications must contain documentation that the Order's terms and conditions laid down in the commitment concerning the eligible conversion projects are met.

(2) Subsidy payment applications shall also contain the following documentation:

1) Project accounts containing information on the amount of costs incurred and paid for the eligible heating system conversion project, accompanied by a list of invoice documents and supporting documents showing the costs paid.

2) A completed applicant's declaration in a format as instructed by the Danish Energy Agency, as well as any other documentation required by the terms of the commitment, cf. Section 14 No 5.

3) If the subsidy amount is less than DKK 500 000, the project accounts shall have all invoice documents appended as well as documentation to show that the costs have been paid.

4) If the subsidy amount is DKK 500 000 or more, the project accounts shall be audited and certified by an approved auditor in accordance with auditor instructions prepared by the Danish Energy Agency.

5) A declaration drawn up in accordance with the instructions of the Danish Energy Agency, in which the commitment recipient declares that the information submitted with the application is correct and that the project has been carried out in accordance with the commitment.

6) Approval pursuant to the Order on the approval of projects for collective heaters if the commitment is given for conversion to large heat pump systems above 250 kW.

(3) At the request of the Danish Energy Agency, and within a specified deadline, the applicant shall submit additional information which the Danish Energy Agency considers necessary to assess the application.

Section 19. Invoice documents used as proof of costs incurred for projects involving the conversion of heating systems shall include information on the following:

- 1) The executing company's CVR number or other national identification number.
- 2) The building owner and the address the work relates to.
- 3) The materials, products, and construction components that have been purchased and the work that has been performed in relation to the eligible project.
- 4) Start and end date of performance of the work.

(2) If an invoice document contains both eligible and ineligible materials, products or works, it shall be clearly indicated which parts of the invoice relate to the eligible project and which parts do not.

Section 20. The Danish Energy Agency makes a subsidy payment decision.

(2) Payment of subsidies is conditional on the energy improvement project being carried out in accordance with the subsidy commitment and the rules laid down in this Order.

(3) The Danish Energy Agency may reduce the amount of the subsidy laid down in the subsidy commitment if it will constitute overcompensation, cf. Section 18(2) No 1.

(4) Decisions under Paragraph 1 shall be transmitted using the application portal made available on the home page of the Danish Energy Agency.

Section 21. Subsidies are paid to the commitment recipient's NemKonto.

Chapter 5

Monitoring and disclosure obligations

Section 22. The Danish Energy Agency performs supervision for commitment recipient compliance with the terms and conditions of the commitment.

Paragraph 2. The Danish Energy Agency and those who are specifically authorised for the purpose, cf. Section 14 of the Act, shall have access to physical installations and structures in companies to which subsidy commitments have been granted for projects for the conversion of heating systems, cf. Section 9(2) of the Act, if it is deemed necessary to provide information for the purposes of supervision tasks pursuant to this Order, upon showing proper identification and without a court order. Similarly, the Danish Energy Agency and persons thereto specially authorised have access to companies' accounts, records, papers etc., including material stored in electronic form.

Section 23. Any party that receives a commitment pursuant to this Order is obligated, upon request, to provide any information that is relevant to the Danish Energy Agency's processing of commitment or payment applications and its supervision of compliance with the stipulated terms and conditions.

(2) The commitment recipient shall notify the Danish Energy Agency of changed circumstances which may be of significance to subsidy commitments or subsidy payments, or which are contrary to terms and conditions laid down by the Danish Energy Agency.

Chapter 6

Withdrawal of commitments and repayment of subsidies

Section 24. The Danish Energy Agency may make a decision on fully or partially withdrawing a subsidy commitment if

- 1) the project has not been implemented as stipulated in the subsidy commitment;
- 2) the commitment recipient does not meet the terms of the commitment;
- 3) the conditions for subsidy commitments or subsidy payments are not met;
- 4) the commitment recipient has supplied false or misleading information or withheld information of significance for the application for subsidy commitments or subsidy payments;
- 5) the stipulated deadline for implementation of the project or the deadline for submission of a payment application has been exceeded; or
- 6) the subsidy was granted contrary to the De Minimis Regulation of the European Commission.

(2) Decisions under (1) shall be transmitted using the application portal made available on the home page of the Danish Energy Agency.

Section 25. If the subsidies have already been paid, they may be ordered to be repaid in whole or in part in accordance with the cases listed in Section 24. The same applies if the subsidy paid constitutes overcompensation, cf. Section 20(3).

(2) Repayment of the subsidy shall be made within 14 days of request, at the latest. If the amount due is not repaid in time, interest will be added after the due date, corresponding to the interest stipulated in Section 5 of the Interest Act, cf. Consolidation Act No 459 of 13 May 2014.

Chapter 7

Appeals and penalties

Section 26. Decisions taken pursuant to this Order can be appealed to the Danish Energy Appeals Board and cannot be brought before any other administrative authority. Decisions taken pursuant to this Order can only be brought before the courts when the decision of the Danish Energy Appeals Board is available.

(2) Appeals against decisions under (1) shall be made in writing to the Danish Energy Appeals Board within 4 weeks of the decision being notified.

Section 27. Unless higher penalties are stipulated under other legislation, fines will be imposed on commitment recipients who supply false or misleading information in connection with

- 1) subsidy applications, cf. Sections 6-7;
- 2) subsidy payment applications, cf. Sections 17-19;
- 3) a request from the Danish Energy Agency for the submission of additional information pursuant to Section 8(2) or Section 18(3); or
- 4) the applicant's notification obligation, cf. Section 23(2).

(2) A commitment recipient may be fined for failure to provide the necessary guidance and assistance for the performance of supervision in accordance with Section 9(3) of the Act.

(3) Companies, etc., (legal persons) may be held criminally liable in accordance with the regulations set out in Chapter 5 of the Penal Code.

Chapter 8
Entry into force, etc.

Section 28. The executive order enters into force in 2026.

(2) Order No 805 of 18 June 2025 on subsidies for conversions to heat pumps in buildings for year-round residence is hereby repealed.

(3) Order No 805 of 18 June 2025 on subsidies for conversions to heat pumps in buildings for year-round residence shall, however, apply in its entirety to the commitments notified up to and including the entry into force of this Order, as well as to pending cases received by the Danish Energy Agency up to and including the entry into force of this Order.

The Danish Ministry of Climate, Energy and Utilities, XX 2026

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Annex 1

Subsidy rates for the eligible conversion projects

The quoted estimated market prices for large heat pump systems include VAT and labour costs, products and materials directly related to the implementation of the conversion project.

The subsidy rates for *companies, etc., not registered for VAT* are calculated on the basis of estimate market prices *including* input VAT and appear in the tables below in the columns and tables labelled as subsidy rates for companies not registered for VAT etc.

The subsidy rates for *institutions, enterprises, etc., registered for VAT* are calculated on the basis of estimated market prices *excluding* input VAT and appear in the tables below in the columns and tables labelled as subsidy rates for enterprises registered for VAT etc.

1. Subsidy rates for conversion projects for supplying the building, cf. Section 4(1)

The subsidy rates in this section are based on the total residential area for the applicant, as registered in the BBR. Subsidies are granted for heat pumps and hot water tanks.

Subsidy rates for conversion to individual heat pumps:

Heat pump type	Subsidy rate, companies, etc., not	Subsidy rate, companies, etc.,
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	<i>registered for VAT [DKK]</i>	<i>registered for VAT [DKK]</i>
<i>Air-to-water heat pump</i>	27 000	21 600
<i>Liquid-to-water heat pump</i>	27 000	21 600

Subsidy rates for conversion to large air-to-water heat pump systems (for buildings above 400 m²):

<i>Heat output of the heat pump (rated heat output)</i>	<i>Market price, large air-to-water heat pump [DKK]</i>	<i>Subsidy rate, companies, etc., not registered for VAT [DKK]</i>	<i>Subsidy rate, companies, etc., registered for VAT [DKK]</i>
20 kW – 50 kW	297 000	45 000	36 000
51 kW – 75 kW	527 000	79 000	63 000
76 kW – 100 kW	728 000	109 000	87 000
101 kW – 125 kW	925 000	139 000	111 000
126 kW – 150 kW	1 116 000	167 000	134 000
151 kW – 175 kW	1 303 000	195 000	156 000
176 kW – 200 kW	1 485 000	223 000	178 000
201 kW – 225 kW	1 662 000	249 000	199 000
226 kW – 250 kW	1 835 000	275 000	220 000
251 kW – 275 kW	2 003 000	300 000	240 000
276 kW – 300 kW	2 166 000	325 000	260 000
More than 300 kW	2 324 000	349 000	279 000

Subsidy rates for conversion to large liquid-to-water heat pump systems (for buildings above 400 m²):

<i>Heat output of the heat pump (rated heat output)</i>	<i>Market price, large liquid-to-water heat pump [DKK]</i>	<i>Subsidy rate, companies, etc., not registered for VAT [DKK]</i>	<i>Subsidy rate, companies, etc., registered for VAT [DKK]</i>
20 kW – 50 kW	434 000	65 000	52 000
51 kW – 75 kW	758 000	114 000	91 000
76 kW – 100 kW	1 030 000	155 000	124 000
101 kW – 125 kW	1 285 000	193 000	154 000
126 kW – 150 kW	1 523 000	228 000	183 000
151 kW – 175 kW	1 746 000	262 000	210 000
176 kW – 200 kW	1 951 000	293 000	234 000
201 kW – 225 kW	2 140 000	321 000	257 000
226 kW – 250 kW	2 313 000	347 000	278 000
251 kW – 275 kW	2 469 000	370 000	296 000
276 kW – 300 kW	2 609 000	391 000	313 000

More than 300 kW	2 732 000	410 000	328 000
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Official notes

EU Notes

¹⁾ This Order contains provisions transposing parts of Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (recast), the Official Journal of the European Union 2023 No L 231, page 11 and parts of Directive 2023/2413/EU of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652, the Official Journal of the European Union L of 31 October 2023. A draft of this Order has been notified in accordance with Directive (EU) 2015/1535 of the European Parliament and of the Council laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services (codification).