

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**THE GOVERNMENT OF THE KINGDOM OF DENMARK**  
**AND**  
**THE SCOTTISH GOVERNMENT**  
**IN THE AREA OF GREEN TRANSITION OF THE ENERGY SYSTEM**

The Government of the Kingdom of Denmark and The Scottish Government (hereinafter referred to as "the Parties");

Recognizing the common interests shared by the Parties regarding the development of affordable, and zero carbon emission, sustainable energy sources;

Considering the strategic role of energy planning and the importance of increased energy efficiency within the heating sector;

Recognizing the importance of decarbonising heating systems to meet net zero climate obligations, promoting both individual and district energy solutions and finding cost effective and lasting solutions to energy issues that are compatible with the need for economic growth and the fight against fuel poverty;

Bearing in mind that this Memorandum of Understanding (MoU) is intended to provide a general framework for cooperation and to express the cooperative intent of the Parties, have agreed as follows:

**Article 1 – Objectives**

- 1) The objectives of this MoU are to promote a mutually beneficial partnership between the Parties in the green transition of the energy system.
  - a) Areas of cooperation in focus:
    - Heating networks/district energy
    - Energy efficiency in buildings and industry
  - b) Prospective areas of cooperation:
    - Wind power
    - Hydrogen.
- 2) Where relevant for both Parties, within the period of the MoU, the Parties also agree to collaborate together to create, or participate together within, international initiatives committed to zero emission and energy efficient buildings with focus on delivery of international projects and promoting knowledge sharing to demonstrate the benefits of international cooperation to achieve net zero.

## **Article 2 – Priorities of Cooperation**

- 1) The following topics have been identified as priority areas for cooperation between the Parties under the framework of this MoU:
  - a) Development of national policies and programmes between the Parties to transform their built environments;
  - b) Development and promotion of energy distribution systems for the heat sector and low carbon heating systems and energy efficiency especially in the building sector;
  - c) Heat decarbonisation plans and heat mapping including administrative procedures for 'zoning' areas for different heating technologies e.g. for district heating areas;
  - d) Regulatory standards and legislation for zero emissions heat decarbonisation, including building codes and market mechanisms such as carbon pricing;
  - e) Financial structures and models for establishment and development of low/zero carbon heating systems and district heating systems;
  - f) Technology development in relation to heat decarbonisation and district heating pathways for the built environment;
  - g) Building regulations and standards to incentivise the construction of energy efficient and sustainable new builds;
  - h) Policies, building regulations and business models to incentivise and help finance the deployment of energy efficiency measures in buildings;
  - i) Energy efficiency value chain, particularly focusing on the skills of installers and building owners;
  - j) Sector coupling of industrial excess heat potentials and energy from waste plants with district heat networks;
  - k) Investigate and identify areas of common interest and potential for cooperation within the area of hydrogen and its role within the/an energy system. Possible additional priority areas for further cooperation will be incorporated into subsequent work programmes;
  - l) Investigate and identify areas of common interest and potential for cooperation within the area of on- and offshore wind development and integration into the wider energy system. Possible additional priority areas for further cooperation will be incorporated into subsequent work programmes;
  
- 2) The priorities for the years 2021-2024 will be agreed by the Parties under the work programme referenced in Article 5.

## **Article 3 – Cooperation Mechanism**

- 1) Cooperation between the Parties under this MoU may be conducted in the form of:
  - a) Exchange of information and documentation;
  - b) Exchange visits by experts and delegations;
  - c) Support for the development and promotion of national policies and programmes;
  - d) Jointly organized seminars, workshops and meetings involving experts, private companies and other relevant agencies;

- e) Jointly-commissioned research or analytical studies;
- f) Sharing information on relevant projects and lessons learned from practical examples;
- g) Other forms of cooperation as mutually agreed upon; for example, encouragement of joint projects focusing on delivery zero emission heating systems; and collaboration on transnational projects and programmes for heat decarbonisation, district heating and energy efficiency in buildings.

#### **Article 4 – Engagement of Parties**

- 1) The Parties appoint relevant institutions as implementing agents for the cooperation. The Danish Party has appointed the Danish Energy Agency and The Danish Embassy in London. The Scottish Party has appointed the Scottish Government Energy and Climate Change Directorate as a contact point.
- 2) Each Party shall designate a Senior Official responsible as its Coordinator to supervise and coordinate the planning, performance, evaluation and approval of the cooperation activities to be carried out by the Parties under this MoU.
- 3) Both Parties shall encourage organisations, private companies, government institutions at all levels and research institutions on both sides to establish cooperation activities aimed at fulfilling the objectives of this MoU.
- 4) Ministers, as signatories to this agreement on behalf of the Parties, shall meet periodically following commencement of the MoU, to discuss progress in meeting its objectives, to exchange information or visit relevant projects and initiatives, and to agree any new objectives or forms of cooperation as they may choose for the year ahead’.

#### **Article 5 - Obligations of the Parties**

- 1) Both Parties will:
  - a) Encourage commercial investment in energy efficiency, zero emission heat networks, zero emission heating systems, hydrogen and wind energy;
  - b) Encourage development of local supply chain capacity to take advantage of these opportunities;
  - c) Mobilise and organise the delivery of expert assistance and support to activities as appropriate and as defined in a work programme;
  - d) agree the work programme for 2022 by 31 December 2021, the work programme for 2023 by December 2022, and the work programme for 2024 by December 2023.
- 2) The Parties will communicate and cooperate fully with the aim to ensure that the objectives and outcomes are successfully achieved.
- 3) Article 5 will immediately apply to energy efficiency, zero emission heat networks and zero emission heating systems. Its extension to include hydrogen and wind energy will be subject to sections k) and l) of Article 2.

## **Article 6 - Costs**

- 1) Costs related to the activities under this MoU are subject to the availability of appropriate funds, in conformity with budgetary provisions and the relevant laws of each Party.
- 2) All costs resulting from cooperation under this MoU are to be borne by the Party that incurs them, unless otherwise mutually agreed.

## **Article 7 – Amendment Procedures**

- 1) This MoU may be amended at any time by the mutual written consent of the Parties.

## **Article 8 – Dispute Resolution**

- 1) Any dispute about the interpretation or implementation of this MoU will be resolved through consultations between the Parties.

## **Article 9 - Terms**

- 1) This MoU will commence upon notification by the Parties through diplomatic channels, once their respective internal legal procedures have been fulfilled.
- 2) This MoU shall be valid until 31 December 2024, may be extended for a further period by mutual written consent of the Parties.

Each Party may terminate this MoU by means of a written notice to the other Party. Termination will take effect three months following the date of notification and will not affect activities already under implementation.

*Signed in Glasgow, in the English language, on the 8<sup>th</sup> of November 2021.*

**Dan Jørgensen**

Minister of Climate, Energy and Utilities

FOR THE GOVERNMENT OF THE  
KINGDOM OF DENMARK

**Michael Matheson**

Cabinet Secretary Net Zero, Energy and  
Transport

FOR THE SCOTTISH GOVERNMENT