CIP foundation

Newsletter

January 2026

Happy New Year!

As we enter 2026, we are experiencing geopolitical turbulence of historic proportions. We have moved from a world with a high degree of predictability and regularity to a situation with great uncertainty and a jungle-law type logic. A situation in which great powers no longer feel bound by international rules and agreements, and where the escalated tensions between the United States, Denmark and Greenland may have broader geopolitical and commercial consequences for Danish companies operating in the United States.

All this is happening at the same time as we in Denmark and Europe must finance a massive rearmament, ensure energy independence, and create conditions for competitive companies.

Climate and energy policy are today inseparably linked to security and trade policy. This is the reality we must navigate, and which can create particular challenges for small states like Denmark, which has an open and export-based economy.

In this context, it is crucial that the Danish economy remains robust, with solid growth in the private sector and healthy public finances. This is the foundation that enables us to make the necessary investments in defense and security, transform our energy supply, and drive digital transformation to increase productivity. On this point, Denmark stands strong compared to many other European countries.

The CIP Foundation is currently working on the need for increased societal investments in the coming decades, analyzing where public and private investments can be expanded without jeopardizing economic stability or the sustainability of public finances. The preliminary results show that the amounts that can be invested are quite substantial. This provides a strong starting point as the government prepares to develop a long-term economic plan in early 2026.

And the investment potential is significant. Large current account surpluses reflect that we invest a significant part of our total savings abroad. Thus, major opportunities exist, and it would be beneficial if we could redirect part of this large pool of savings into sound investments in Denmark. The Danish pension sector has on several occasions highlighted the many billions available for investments in defense and the green transition.

These current challenges and opportunities are the basis for why we have invited Vice-Dean and Professor at Copenhagen Business School, Anja Dalgaard-Nielsen, to give her assessment of the geopolitical situation and the significance for Europe in this newsletter. Her message is that if we do not stand together, we risk becoming pawns in the great-power chess game. (link)

We have also invited Professor Peter Birch Sørensen to discuss his work with the economic modelers at the DREAM group to assess the capacity limits in the Danish economy in a scenario where public and private investments are significantly increased. As mentioned above, the conclusion is encouraging: There is room for both public consumption and investments, and the investment boost can contribute positively to increasing productivity and output, as Mario Draghi recommends in his much-discussed report from 2024. (link)

Lastly, we present an article about successful electrification and the flexible use of green electricity at Billund District Heating. A concrete example of one of the paths we need to take to ensure energy independence. (link)

Enjoy the read !

Torben Möger Pedersen, Formand for CIP Fonden

Charlotte Jepsen, Ledende partner i CIP Fonden

Table of contents

If Europe does not stick together, we will end up as pawns in the chess game of the great powers

Europe is squeezed between great powers that do not feel bound by international rules and agreements. Therefore, there is a need for rearmament, says Anja Dalgaard-Nielsen, who also praises the EU's goal of energy independence. Today, climate and security policy are closely linked, she points out.

The willingness of European NATO countries to increase defence budgets and the EU's focus on strengthening strategic resilience and autonomy in the field of energy. Both have been a long time coming. That is precisely why these are two key events when the story of 2025 is to be written. This is the opinion of Anja Dalgaard-Nielsen, vice-dean and professor at Copenhagen Business School, where she heads the research initiative "Geopolitics and Business Security".

"At this summer's NATO summit, the European NATO countries stepped up and agreed to raise defence spending to five percent of GDP. This happened at a time when there could have been a break in the defence alliance. With the decision, the European countries have shown their willingness to rearm themselves that in the long term can ensure that they match Russia. Also, without support from the United States," she says.

The EU's energy policy is just as central to security policy. After the energy crises of the 70s, we in Europe cleverly forgot that energy supply is a crucial corner of security and trade policy. In large parts of Europe, not least Germany, the cheap Russian gas came to play a greater role. Admittedly, the alarm bells rang with Russia's annexation of Crimea in 2014, but it was only with the invasion of Ukraine that we were brutally shaken awake from our Sleeping Beauty slumber. And now, only after several more years of buildup, is the EU ready to drop Russian gas.

"Now a clear line has been drawn. The goal of energy independence is absolutely central in the EU today. And with good reason, because energy is once again being used as a key geopolitical weapon. Climate and energy policy and security are closely intertwined. There are still major challenges, but fundamentally there is now, within the EU, an understanding that energy is crucial to Europe's sovereignty," says Anja Dalgaard-Nielsen.

FRIGHTENING FOR A SMALL STATE

With a background as a Master of Science in Economics and a Ph.D. from the prestigious Johns Hopkins University in the United States, she has been a key expert of Danish security policy for the past 25 years, as reflected in her positions at the Danish Institute for International Studies and in both the Danish Police and Defence Intelligence Service.

In many ways, it is a gloomy picture that Anja Dalgaard-Nielsen paints. Today's world can resemble a situation, where you have played football for years and everyone has politely followed the rules, and then suddenly the opposing players start acting as if it were rugby or American football. Without the referee blowing the whistle.

"We have gone from a world with a significant degree of regularity to much greater uncertainty and a logic of jungle law. Here, Russia's attack on Ukraine is the clearest example. This goes against the basic understanding that you cannot move borders with military force. It is brutal and frightening for a small state like Denmark," she says.

TRANSATLANTIC UNCERTAINTY

With the line laid down by the current US administration, the dark clouds drew even more. Repeatedly, NATO's mutual-defence pledge, that is, the principle that an attack on one country is an attack on the entire alliance, has been questioned. The Trump administration has threatened the annexation of Greenland, and the United States' line towards Ukraine and Russia repeatedly questions the United States' loyalty to the transatlantic partnership, which has been a cornerstone of both Danish and European security policy since the end of World War II in 1945.

In many ways, international politics has become trade policy. But where previously a fine-meshed web of trade agreements and rules of the game had been built up both bilaterally and in organizations such as the WTO, the UN and the OECD, today there is a much more open game where military strength, access to raw materials and political influence are put into play. Here, too, the rule-based world order is under pressure.

Anja Dalgaard-Nielsen, Professor

Source: fe-ddis.dk

HOPE DID NOT HOLD

"Economic relations are also moving, to a large extent, towards a situation where the great powers simply do as they please. They are far less likely to follow the rules that have been painstakingly built up over several decades. This too is worrying for a small state like Denmark, which has an open, export-based economy," says Anja Dalgaard-Nielsen.

The major challenges we are facing are traceable to before the fall of the Berlin Wall and the collapse of the Soviet Union.

In Germany, the motto "Wandel durch Handel" ("change through trade") was already in use in the 1970s. By trading with the communist countries of Eastern Europe, they would push them toward change. This approach was further fuelled after the end of the Cold War. Most significantly, the thoughts were expressed in Francis Fukuyama's book "The End of History and the Last Man." The liberal Western democracies had triumphed, and democratic forms of government and an open market economy would prevail, he said.

"It is this mindset that drove foreign and trade policy after the end of the Cold War. And while the idea of creating peace and prosperity through economic cooperation has been a success when we look at the Western European countries, things simply did not turn out that way in relation to Russia," says Anja Dalgaard-Nielsen.

Here, energy policy is key to understanding the situation. The wealthy Western European countries have a high degree of political stability, a well-educated workforce, and strong companies. But we lack energy, and that is a glaring Achilles' heel in terms of security policy. There are no easy solutions.

FROM ONE ADDICTION TO A NEW

When Russia retaliated against the EU's sanctions after the attack on Ukraine by cutting gas supplies, it triggered the biggest energy crisis in Europe since the energy crises of the 1970s.

Over the past four years, the EU has largely freed itself from Russian gas. But there is a long way to go before energy independence. The gas that previously came in pipelines from Russia has been replaced by liquefied natural gas (LNG), which can be transported on tankers. And here, the United States accounts for about half of European imports.

"In this way, we are left with new addictions. With a US where the 'America First' approach dominates, the US has already shown that it will also use energy resources as strategic tools to promote its own interests," says Anja Dalgaard-Nielsen.

In this way, the green transition is not just about climate policy. It has become the crucial foundation for securing Europe's independence, although there are stones on the road here too. Not least because China today dominates the extraction and production of the minerals and rare earths that are essential for a wide range of green technologies.

"We must be careful not to replace dependence on Russian gas with a dependence on Chinese raw materials and technology. The green transition is a crucial tool in security policy. But at the same time, we must ensure that we have greater control over the green technologies," says Anja Dalgaard-Nielsen.

MORE RECYCLING AND NEW PARTNERSHIPS

She refers to the research conducted by her CBS colleague Dr. Philipp Alexander Ostrowitz from the Copenhagen School of Energy Infrastructure. A European green transition will require much stronger cooperation in the energy area, he says.

Wind, solar, hydropower, the existing nuclear power, hydropower and PtX support and complement each other. However, there is a need to think across borders, and there is a need to expand and ensure a much stronger integration of the European electricity grids and invest in energy storage.

"We must make the green transition European. This means that we must have a much greater focus on both extraction and refining, and on the recycling of the critical raw materials. At the same time, we must develop partnerships with countries in Asia, Africa and South America, so that our supply chains do not rest on individual countries," says Anja Dalgaard-Nielsen.

She emphasizes that energy independence can in no way replace the need for European rearmament. In the recent threat assessment from her former workplace, the Danish Defence Intelligence Service, the assessment is that if the war in Ukraine stops, Russia could be ready for a new local war within six months to a year. In 2028, Russia will be ready for a regional war, and in 2031 for a large-scale war.

"I completely agree with that analysis. I do not want to speculate on Russia's intentions, but the assessment of their capacity-building is, in my view, quite accurate. It is in this light that the NATO countries' willingness to rearm must be seen," says Anja Dalgaard-Nielsen.

NEED FOP UNITY

In a position squeezed between the great powers, the only effective European response - both economically and militarily - is unity.

"That is clearly the crucial point, and historically the EU has lacked decisiveness. However, both relations with Russia and the Draghi report, which pointed to Europe's ailing competitiveness, have set a new agenda. One example is Germany, which has relaxed its restrictive debt ceiling in order to rearm," says Anja Dalgaard-Nielsen.

RIGHT-WING POPULISM IS A WILD CARD

A wild card that could be of crucial importance is the right-wing populist parties, which are gaining ground in several European countries, nearly all of which have a strongly EU-critical profile.

"If the EU fails to stand united, others will end up making decisions about our future over our heads. Right now, the EU is the key actor holding on to a world that is regulated by agreements and rules. There is already a lot of pressure from the outside. In 2026, there are several crucial elections, including state elections in Germany and regional elections in France, which could create pressure from within that could weaken the EU. It could be fatal," says Anja Dalgaard-Nielsen.

She adds a reflection that most of all sounds like an appeal:

"A number of the EU-critical parties actually attach great importance to defending European culture. In my opinion, there is a close connection between the green transition and Europe's strategic freedom, and thus the entire heritage of ideas and culture that permeates European countries. This can only be defended through strong unity in Europe," she says.

Note: The interview was conducted before the turn of the year and therefore before the U.S. action in Venezuela and the renewed

We can afford the necessary societal investments

A shrinking workforce and the need for large-scale societal investments are the major challenges facing the Danish economy in the coming decades. Professor Peter Birch Sørensen, together with colleagues in DREAM, examines models that can show how much we can invest without compromising economic responsibility.

If one associates the word "Dream" with daydreamers, then the group of economists in DREAM could hardly be farther from it. Their approach is factbased, grounded in hard economic data and demographic projections.

Behind the acronym DREAM stands the Danish Research Institute for Economic Analysis and Modelling. DREAM are economic toolmakers: this is where they develop and finetune the models and analytical tools that many other economists also rely on.

As part of CIP Foundation's project on societal investments, part of the DREAM team is working with a model that can show how large investments the Danish economy can accommodate over the next 20–30 years.

For even though the Danish economy has been particularly strong in recent years, we face major challenges over the next centuries. In a wide range of areas, substantial investments are needed. At the same time, within only a few years, there will be far fewer people of working age. The smaller workforce will have to earn the money both for education and welfare services for children, young people, and the elderly, and for the many pressing investments.

DEMOGRAPHIC HAMMOCK

Economists talk about hitting a demographic hammock in the period 2030–2050.

"We will have a workforce which, relative to the number of people outside the labour market who need support, will be significantly smaller than today. This will put pressure on public finances," explains Professor Peter Birch Sørensen from the University of Copenhagen.

In addition to serving as a board member of DREAM, he is a former chair of the Danish Economic Council and was the first chair of the Danish Climate Council from 2014 to 2018.

The challenges from the demographic hammock are amplified by the need for investments.

"We have a large backlog in the maintenance of public infrastructure, this includes roads and railways, sewers and water supply. Large parts of the public building stock also need renovation and better maintenance," says Peter Birch Sørensen, continuing:

"In parallel, we need investments in defence and security, and on top of that comes the entire green transition, where we must invest both in climate adaptation and in transforming the energy supply."

In many areas, these will be profitable investments that will pay for themselves over time. Transport networks and digital infrastructure are crucial for business. The bill for storm surges and extreme rainfall will be even larger if we do not invest in climate adaptation. If we renovate buildings to improve energy efficiency, we save on energy costs in the long run.

RESTRAINT IS NOT THE SOLUTION

When investing in the transformation of the energy sector, there are both economic and security policy gains.
"Many of the investments in the green transition are specifically aimed at creating a more resilient and robust energy system. It will free us from dependence on fossil fuels, which is unsustainable both geopolitically and climatically," notes Peter Birch Sørensen.

So even though public finances will be under pressure during the hammock years, excessive restraint may be problematic. On the contrary, there is a need to push up to the limit of what is economically responsible. That is the core of the project DREAM is working on for CIP Foundation.

Peter Birch Sørensen, Professor
Kilde: econ.KU.dk

"The aim is to assess how much we can reasonably increase investments in Denmark without undermining economic stability and the long term sustainability of public finances. We use our models to determine where the limits lie," says Peter Birch Sørensen.

MAINTAINING BUDGET DISCIPLINE

With the 2012 Budget Law, strict limits were set on state borrowing. This is meant to ensure economic discipline and prevent the overspending that has previously been costly to correct. But the restrictions of the Budget Law make it difficult to make room for the necessary investments.

"In our investment scenario, we exceed the limits of the Budget Law for a defined period, but we also introduce an alternative constraint: the public sector must not borrow more in any given year than what is invested net in building new capital stock and new infrastructure. In that way, we ensure that the debt the public sector incurs is matched by the fact that we will have a larger production capacity and better infrastructure in the future. This ensures that we do not burden future generations," says Peter Birch Sørensen.

In addition to identifying the responsible upper limit for investments, the project also examines how to secure a balance between public and private investments.

It is far from given that the public sector must undertake all necessary investments. The energy sector is an example: private and semi-public actors are already undertaking a significant share of investments on market terms.

Peter Birch Sørensen points out that there may be a need to explore new models for public private cooperation. And perhaps draw inspiration from existing experience:

"To attract more private investments, it may be necessary to provide state loan guarantees when private actors invest in societally important areas with high risk. It may also be necessary to offer subsidies. This is already done within the green transition for various new technologies that are not yet mature enough to attract capital on market terms," he says.

GREAT POTENTIAL IN THE STRONG DANISH ECONOMY

Seen from this perspective, there is large, untapped potential in the Danish economy, the professor notes.

We invest a significant part of our national savings abroad instead of investing them at home.

"Apart from some of the oil states, Denmark stands out. We have a huge surplus on the balance of payments, larger than almost any other country, and we channel a large share of our savings into foreign investments. It would be beneficial if we could direct some of those large savings toward sensible investments here in Denmark," says Peter Birch Sørensen.

In the models, the question is not only about finding the fiscal room for investments. The models also reveal whether there is a risk of overheating the economy, where labour shortages lead to rising wage pressure and inflation.

Here, the Danish economy is stronger than in the past, says Peter Birch Sørensen. Denmark has become better at attracting foreign labour and integrating immigrants and their descendants into the labour market.

However, he stresses that in the very short term, it would be problematic to increase investments significantly.

"With the current business cycle, there is no room for substantial increases in investments. In the project, we calculate the effects of initiating a range of investments from 2030 onwards, when we expect the labour market to have cooled somewhat," he says.

PLANS MUST BE ADJUSTED

With the caution typical of many researchers, Peter Birch Sørensen does not claim that DREAM's models can predict economic developments decades ahead in detail. From pandemics to financial crises, many events can shift the scenarios, he emphasises.

"You also have AI, where some expect huge productivity gains. That is just one of several uncertainties. That's why it is crucial that the models include sensitivity analyses where we assess the impact from abroad," he explains.

But uncertainty can never be an argument against working with models and long-term planning, he stresses.

"When the world changes, you must adjust your plans. That is why it is useful to have a long-term plan, where you gradually initiate projects. Later, you can assess whether the approach still holds and whether we have the funds to launch more major investments. If an economic downturn occurs, it may actually be beneficial to have prepared projects ready to initiate to support the economy," says Peter Birch Sørensen.

Billund Heating Plant lowers the heating price and increases flexibility

With a large electric boiler, a heat storage tank, and a heat pump, the heating plant takes advantage of being able to use electricity when it is cheapest. The consumption of biomass has been significantly reduced, while the price has been cut by a quarter. Billund Varmeværk is one of the examples highlighted in the CIP Foundation's work on consumer flexibility.

"Imagine an electric kettle and a thermos. Both just significantly larger."

Operations manager John Elmertoft from Billund District Heating Plant patiently and clearly explains how they in Billund have managed to take advantage of low electricity prices, which are typically at night during the winter season and during the daytime in the summer, to produce cheap district heating.

Technically, the enlarged electric kettle and thermos are two of the main ingredients in the heating plant's transition, where they have phased out biomass at full speed over the past year and instead take advantage of the fluctuating electricity prices throughout the day to produce district heating.

"The example from Billund is remarkable. They have succeeded both in turning green electricity into heat in the pipes and in creating space in the budget. At the same time, Billund District Heating Plant supports the energy system of the future by moving electricity consumption to the cheapest hours and stabilizing the electricity grid when needed," says Charlotte Jepsen, managing partner at CIP Foundation.

NEW LINK BETWEEN ELECTRICITY AND DISTRICT HEATING

Billund District Heating Plant supplies 4,200 customers with district heating. Most customers are ordinary households, but there are also a number of housing associations and companies among them, says John Elmertoft.

In many ways, Billund District Heating Plant is the frontrunner in a revitalization of the close partnership that has previously existed between electricity production and district heating.

A quarter of a century ago, many large cities received a significant share of their district heating from surplus heat from power plants. With wind and solar as the main energy sources in electricity production, this surplus heat is no longer available.

As you know, the wind also blows at night, and since electricity consumption is low at night, electricity is cheap. Many electric car owners are already aware of this. By exploiting this, Billund District Heating Plant has breathed new life into the link between electricity production and district heating, now in a completely new way.

FOUR OLYMPIC-SIZE POOLS

When electricity is cheap, Billund District Heating Plant starts their electric boiler. The new one has a capacity of 30 megawatts. For comparison, typical household kettles in Danish kitchens are around 1-2 kilowatts. In terms of output, we are therefore talking about something 15,000-30,000 times larger.

Both the "electric kettle" and the "thermos" at Billund District Heating Plant are significantly larger and have a different design than the household versions. The thermal storage tank can hold 10,000 cubic meters – the equivalent of four swimming pools with Olympic dimensions. Converted to energy, the heating plant can store around 700 MWh, corresponding to the consumption in a summer week (when mainly hot water is used) or the consumption on a cold winter day, when houses and apartments need heating, says John Elmertoft.

On 1 July, Billund District Heating Plant reduced the price of heat by 25 percent. Electricity consumption has been nearly free for the heating plant, because they are also a player in the so-called balancing market.

EFFICIENT HEAT PUMP

In the electricity grid, production and consumption must be balanced within a fairly small margin. The actors who can contribute to balancing the electricity grid by switching machines and appliances on and off according to the needs of the electricity grid will be paid for this service. It is through participation in this so-called balancing market that the heating plant finances the majority of their electricity purchase.

The electric boiler and the heat storage tank are combined with an air-to-water heat pump, which can also produce hot water. The heat pump has a capacity of 16 megawatts when the air temperature is at freezing point. The advantage of the large heat pump is basically exactly the same as heat pumps for space heating.

While the electric boiler delivers one megawatt of heat for every megawatt of electricity it uses, the heat pump is about three times as efficient, here the amount of energy is multiplied.

"The heat pump is far more efficient, but it is expensive to purchase. Our electric kettle and storage tank cannot compete on efficiency, but they are much cheaper to install," says John Elmertoft.

SIGNIFICANTLY LESS BIOMASS

With the electric boiler and heat pump, Billund District Heating Plant has managed to reduce the consumption of biomass significantly in just a few years. In 2021, biomass accounted for around 80 percent of the energy used for district heating production. It is expected to be reduced to around 40 percent once the figures for 2025 are finalized.

In 2026, biomass will only account for 20 percent of the energy delivered to heating customers. During 2026, the heat pump will become the key energy source. See figure 1.

Biomass consumption in Denmark has doubled since the turn of the millennium, and around one third is imported. According to Statistics Denmark, CO2 emissions from biomass are three times higher than emissions from fossil fuels.

Billund District Heating Plant's shift toward electricity-based heating delivers a triple benefit, and other heating plants would do well to look in that direction for inspiration, Charlotte Jepsen points out.

"Billund District Heating Plant's transition to heat production based on green electricity is a textbook example of how you can contribute directly to the green transition and at the same time ensure cheaper energy for customers," she says.

BIG GAINS IN FLEXIBLE CONSUMPTION

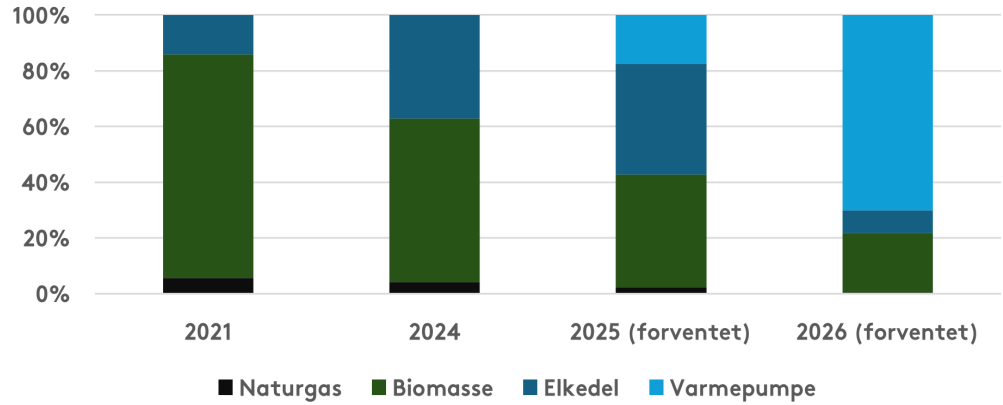
At the societal level, there are great economic and climate benefits from creating a much more flexible electricity demand. This is demonstrated in an analysis conducted by Copenhagen Economics for CIP Foundation.

If electricity consumption can be shifted to hours with low electricity prices, consumers will be able to save DKK 1.4 billion annually, the analysis shows. In addition, it will be possible to postpone investments in the electricity grid by up to DKK 10-20 billion over a number of years. When the electricity grid is used more evenly throughout the day, there will be less need for reinforcements of the grid, transformers and similar infrastructure.

The climate benefit of more flexible electricity consumption is estimated at 230,000 tons of CO2.

"There is great potential in creating a more flexible electricity consumption, where demand is smoothed out. Initially, it will be the major energy consumers who will play a decisive role. Billund District Heating Plant has taken the lead and shown the way here," says Charlotte Jepsen.

Figure 1: Historical and expected production distribution at Billund Varmeværk



Source: Billund Varmeværk
Note: The figure shows the historical and expected distribution of heat production from natural gas, biomass, electric boilers, and heat pumps at Billund Varmeværk. It illustrates a significant shift from fuel-based production toward increased electrification, particularly with heat pumps from 2026..

CIP foundation

Information and facts

based on the CIP Foundation's four projects categories

Agricultural and foodproduction

Facts about agriculture and food production

Lower Nitrogen Emissions

10 percent Nitrogen emissions for 2024 have decreased by 10% since 2023, when emissions were 45,000 tonnes. According to the green tripartite, nitrogen emissions must be reduced by 13,800 tonnes by 2027.[1]

Record harvest in 2025

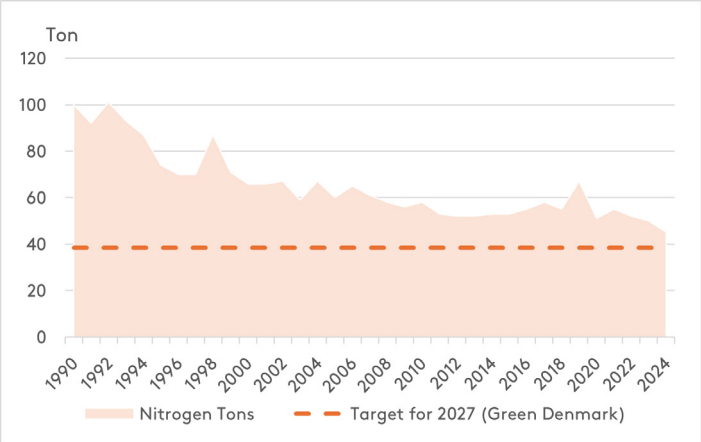
9,5 mio. ton cereals were harvested, which is 25% more than last year and 7% above the normal harvest.[2]

Status of green tripartite

20 ud af 23 of the local tripartites, they have submitted their plans for which areas are to be converted to forest and nature.[3]

Sources: 1) MGTP 2) Statistics Denmark, 3) DR November 2025

Nitrogen emissions into seas and watercourses have been declining, and we are approaching the target set by the Green Tripartite



Source: Novana, The Environmental Authority
Note: The target is set to be 38,400 tonnes of emissions by 2027

Relevant publications

September 2025	Global conditions drive high food prices in Denmark and abroad Danmarks Nationalbank link
September 2025	Organic Farming in Denmark Pathways to Success Danish Agriculture & Food Council link
May 2024	The importance of agriculture for future land use CONCITO link

Upcoming events

22 January 2026	Plant webinars 2025: Liming in the field SEGES link
23-24 februar 2026	Cattle Congress 2026 SEGES link

CIP Foundation's projects in this area

CO_2storage in agriculture with biochar →

The ambition of this project is to prepare a prospectus for CO_2 storage in agriculture with biochar in order to promote the market and increase the interest of investors and potential participants in the value chain.

In addition, the ambition is to create a basis for market-driven negative emissions from agriculture.

See all publications here.

Project status:

START | IN PROGRESS | FOLLOW-UP | COMPLETED

What's next?

- Europe's phosphorus supply is under pressure and the recycling of phosphorus creates both security of supply and environmental value.
- In February 2025, the CIP Foundation will publish "Biochar as a phosphorus fertilizer", which shows that biochar can be used as a new phosphorus fertilizer in agriculture and have both societal and operational benefits for farmers and biogas plants.
- Biochar as a phosphorus fertilizer shows that biochar has value as both a means of storing CO2 and fertilizer.
- The publication of "Biochar as a phosphorus fertilizer" is a preliminary conclusion in the CIP Foundation's work with biochar.

Energy and Infrastructure

Facts about about energy and infrastructure

EU support for Bornholm Energy Island

DKK 4.8 billion The Minister for Climate, Energy and Utilities has given Energinet the green light for the project after a long break, which triggers the EU support from the Connecting Europe Facility (CEF).[1]

More electricity grid capacity towards 2030

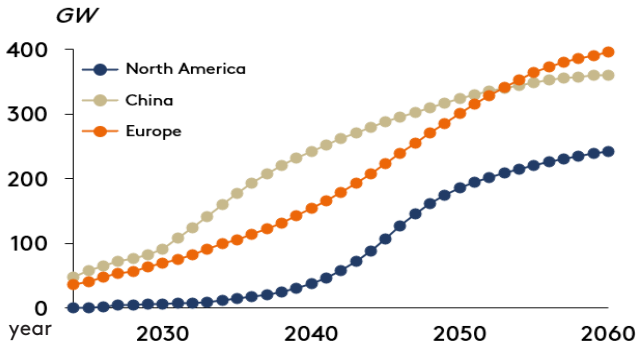
2,700 km. electricity grid in Denmark. Both above and below ground, much more electricity grid will be needed in order for us in Denmark to reach the goal of the green transition. In the decades thereafter, the expectation is that the electricity grid's "highways" will be expanded by another 3000-4000 km.[2]

Electric cars in 2035

2.2 million There are expected to be approximately 2.2 million electric cars in Denmark in 2035, where there are currently approximately 500,000. Assuming that the electric cars have access to 11 kW bidirectional chargers, this implies a total capacity of 24.2 GW.[3]

Sources: 1) + 2) Energinet 3) The Climate Projection and FDM

Chinese expansion of offshore wind will accelerate from 2030



Source: Energy Transition Outlook 2025
Note: Expected development in installed fixed offshore wind across regions

Relevant publications

November 2025	World Energy Outlook 2025 IEA link
November 2025	Energy statistics for Denmark 2024 Energistyrelsen link

Upcoming events

21 January 2026	Green Gas Conference 2026 DI link
23 February 2026	Green Summit 2026 Dansk erhverv link
5-7 May 2026	EI & Technology '26: The Denmark of the Future – Energy-Efficient and Electric Green Power Denmark link

CIP Foundation's projects in the area

Climate adaptation to floods – how is it organised and financed?

The purpose of the CIP Foundation's project is to find constructive ways to implement more climate adaptation, including in the form of new financing and organisation methods.

Climate change means more water – both from above in the form of more precipitation and more and more intensive cloudbursts, from the side as a result of rising water levels and storm surges, and from below in the form of high groundwater and thus a greater risk of flooding.

Project status:

START | IN PROGRESS | FOLLOW-UP | COMPLETED

Port capacity in light of offshore wind expansion plans and objectives

The purpose of the project is to map the need for port capacity in light of Denmark's expansion plans and political objectives for offshore wind.

Project status:

OPSTART | I GANG | OPFØLGNING | AFSLUTTET

Roadmap for a Danish hydrogen infrastructurepansion plans and objectives

The aim is to lay the tracks for market access, green investments and hydrogen production on a large scale.

Project status:

OPSTART | I GANG | OPFØLGNING | AFSLUTTET

Data and digitalisation

Facts about data and digitalisation

Electric cars' effect on peak demand

Approx. 1/5 Electric cars now draw almost a fifth of the power when the electricity grid is most strained. [1]

Data centers' future power consumption

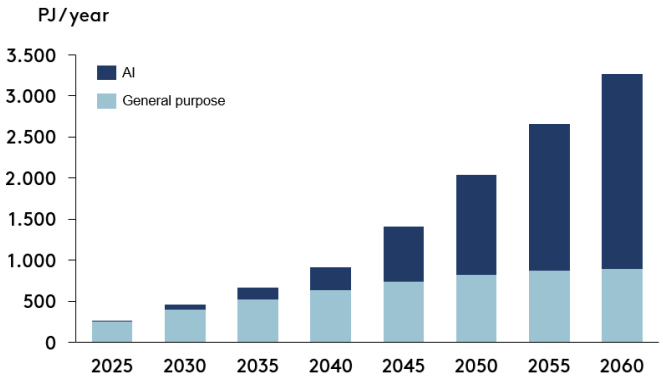
17 percent By 2030, data centers are expected to account for 17% of Denmark's total power consumption - an increase of 10 percentage points from today. [2]

Brug af kunstig intelligens

75 percent By 2025, 75 per cent of companies with more than 250 employees would use at least one type of technology based on artificial intelligence. The proportion was 37% per cent. In companies with 10-49 employees. [3]

Sources: 1) Utiligize 2) Agency for Digitisation 3) Statistics Denmark

AI will account for an increasing share of energy consumption in data centres in Europe



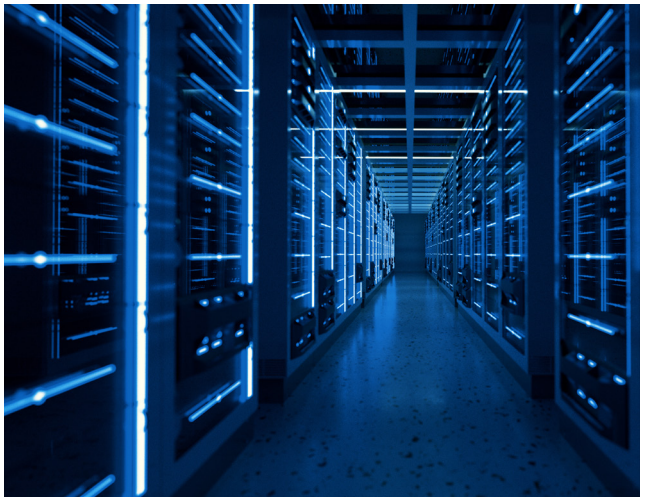
Source: Energy Transition Outlook 2025
Note: 'General usage' covers traditional data processing, cloud services, digital services, networks, etc.

Relevant publications

January 2026	System services from smaller consumers CIP Foundation link
June 2025	The backbone of digitalisation DI Digital link
May 2025	A greener and more flexible electricity consumption (CE on behalf of the CIP Foundation) link

Upcoming events

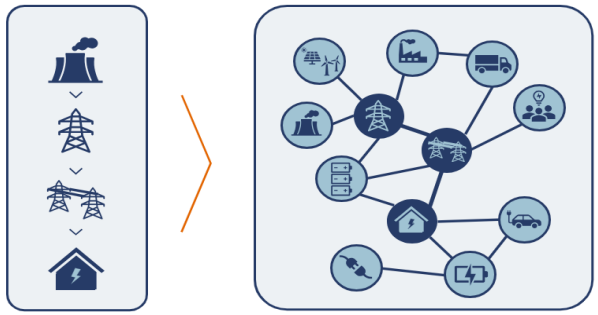
3 February 2026	AI for All Conference 2026 DI Digital link
2-5 March 2026	Mobile World Congress 2026 - Delegationstur DI Digital link
18-19 March 2026	OffDig 2026 - Conference on public digitalisation Dansk IT link



CIP Foundation's projects in this area

Consumption flexibility in the electricity system

The project examines how data and digitalisation can make the consumption of smaller electricity consumers more flexible and thus strengthen an electricity system that is increasingly dependent on wind and weather. The focus is on the socio-economic benefits, data and regulatory challenges, as well as how data can be organized to scale solutions, create a market and promote innovation. The CIP Foundation has published an analysis of the economic and climate benefits of greater consumption flexibility, as well as an analysis of system services from smaller consumers that can help stabilize the electricity system and create value for consumers.



What's next?

CIP Foundation publishes an analysis of the regulatory barriers to flexibility and an analysis of how digital standards can support flexibility.

Project status:

START | IN PROGRESS | FOLLOW-UP | COMPLETED

Climate, Sustainability and Resilience

Facts about climate, sustainability and resilience

Flood risk in Denmark

1 in 3 Today, about a third of Denmark's area is at risk of flooding from the sea, rainwater or groundwater close to the ground. [1]

Infrastructure maintenance

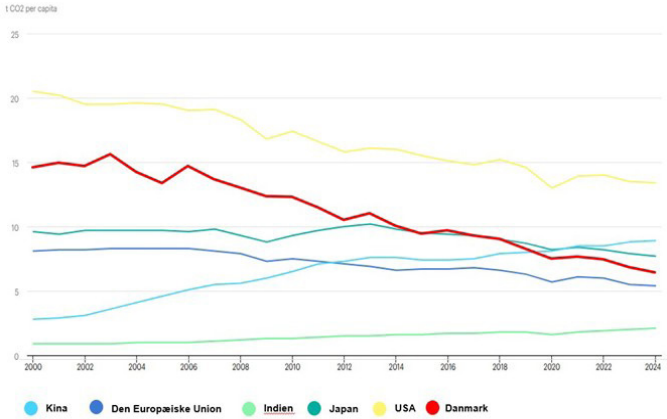
220-225 mia. There is a significant backlog in infrastructure maintenance. According to the Association of Consulting Engineers, it will cost approx. DKK 220–225 billion to bring public facilities and buildings up to a good standard.[2]

Amount of EU funding to Greenland

49 percent Denmark reduced its greenhouse gas emissions by 49% in 2024 compared to 1990.

Sources: 1) CIP Foundation & CONCITO 2) FRI 3) Statistics Denmark

Denmark remains above the EU average for CO_2 emissions per capita



Source: IEA

Relevant publications

January 2026	Risk labelling of properties and land CIP Foundation & CONCITO link
September 2025	Climate program 2025 KEFM link
March 2025	Vandkraftværk i Diskobugten NunaGreen link

Upcoming events

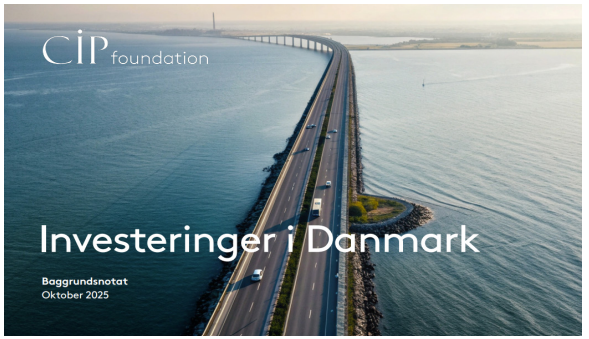
2-4 March 2026	11th annual Sustainability Week Economist link
19-20 August 2026	The National Climate Summit 2026 Klimatorium link
27-29 August 2026	Climate People's Meeting 2026 link

CIP Foundation's projects in this area

A long-term plan for Denmark's societal investments →

The purpose of the project is to analyse whether we in Denmark are investing sufficiently to ensure future growth and production opportunities and thus prosperity in society, and to show ways to do this.

See all publications here



What's next?

In the Greenland Project, we will complete a discussion paper and meet with the Government of Greenland in December to plan stakeholder dialogues. In the social investment project, we will publish a report and background note on the framework and models for investments in early 2026.

Project status:

START | **IN PROGRESS** | FOLLOW-UP | COMPLETED

Not yet subscribed to the news-letter about the CIP Foundation's activities and projects?

Contact us:
CIP Foundation
Gdanskgade 18
2150 Nordhavn
Danmark

If you would like to recieve future newsletter, you can sign up below

Subscribe to the newsletter here