Strategy to Combat Energy Poverty – Progress Review and Public Consultation

July 2022

Prepared by the Department of the Environment, Climate and Communications
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Minister’s Foreword

Over the past three years the importance of living in a healthy, comfortable home that is affordable to heat, power and ventilate, and that is not reliant on fossil fuels, has been highlighted through the COVID-19 pandemic, extreme weather events, cost of living increases and energy price inflation.

Since 2016 the Government has focused on continuing and expanding the existing supports across the areas influencing energy poverty (household incomes, energy performance of homes and the cost of energy).

While significant progress has been made against these actions, policy developments outside of the actions set out in the 2016 Strategy to Combat Energy Poverty have meant that further action has also been taken. New EU legislation, the Programme for Government and subsequent strategies on climate, housing and retrofitting have all set out ambitious and clear commitments to ensuring that lower income households are supported to live in better performing homes, with more affordable energy bills.

Despite the progress made against the actions in the strategy recent estimates by the ESRI, using one method of measuring energy poverty, have indicated that up to 29.4% of households could be at risk of energy poverty, due to increases in the cost of living and energy prices in particular.

The most immediate factor affecting electricity prices in Ireland is high international gas prices. In Europe, wholesale natural gas prices have risen and have remained high since the second half of 2020. The increase in international wholesale gas prices has continued to be driven to unprecedentedly high levels by the volatility in the international gas market caused by the Russian invasion of Ukraine.

Having a plan in place to mitigate the effects of these changes in energy prices is vital to protecting the most vulnerable in society. The best long-term approach for Ireland to insulate consumers from this volatility on international wholesale energy markets is to invest in energy efficiency and renewable energy. Cutting our dependence on fossil fuels and

generating power from our own renewable sources will ensure a cleaner, cheaper energy future in the long term.

More immediate measures are also needed and the National Energy Security Framework\(^2\), which I published in April this year, details consumer supports that are in place and are being enhanced for this coming winter, as well as additional supports which will assist those in energy poverty. Budget 2023 will examine the immediate steps Government can take in the context of current high energy prices.

Meanwhile, my Department is now seeking views to inform the development of an Energy Poverty Action Plan, which will set out these immediate steps to ensure winter-readiness, as well as the longer-term measures we will be implementing over the coming years to ensure that those least able to afford increased energy costs are supported and protected.

**Eamon Ryan TD**

**Minister for the Environment, Climate and Communications**

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Executive Summary

Energy poverty is a complex issue linked to a household’s income, the energy performance of their home, and the cost of the energy used to heat, power and ventilate their home. The Strategy to Combat Energy Poverty set out a number of actions aimed at alleviating the burden of energy poverty on the most vulnerable in society. It reflected the growing connection between alleviating energy poverty and achieving national climate action objectives. In this regard, one of the Strategy's main objectives was to address energy poverty through improving the energy efficiency of the homes of those most at risk.

This Progress Review sets out the actions taken, and achievements made since 2016 under each of the key focus areas outlined in the Strategy. It shows that Government policies implemented since the Strategy was published have, in most cases, delivered or are continuing to deliver on the Strategy's objectives, and, in many cases, have gone beyond what the Strategy set out to achieve.

Headline achievements since 2016 have included:

- Fivefold increase in retrofit budgets for lower income and local authority households;
- Increased average retrofit value per home, from ~€2,500 to ~€17,000;
- Expanded eligibility for free energy upgrades to four additional at risk groups;
- Increases in level, distribution and frequency of Fuel Allowance payments;
- Continued and improved consumer protections, including disconnection policies.

Despite significant progress having been made to alleviate energy poverty in Ireland, at the same time, recent research by the Economic and Social Research Institute (ESRI) has indicated that, using one measurement\(^1\), that energy poverty has increased dramatically in recent months\(^2\). This increase is as a result of energy price inflation and increased cost of living. It is clear that efforts to alleviate energy poverty across the areas of household incomes, energy performance of homes and the cost of energy are now more relevant than ever and will need to continue in order to mitigate the effects of cost pressures on the most vulnerable in society.

\(^1\) Using this approach, a household is deemed fuel-poor if they spend more than 10 per cent of their disposable income on energy services (electricity, heating oil, gas or solid fuels).

Taking account of the progress made since the Strategy was first published and new challenges presented, as well as ongoing stakeholder feedback and input received to date, the Department now intends to develop a new Energy Poverty Action Plan. A key aspect of this development process will be gathering further input from stakeholders and in that regard, we have included a number of consultation questions to also help inform the new Plan.

Given the increases in the price of gas, electricity and oil in Ireland and across Europe this year, this Plan will set out both the immediate steps Government has and is taking to ensure winter readiness, as well as the longer-term policy measures we will be continuing to implement over the coming years. This will ensure that those least able to afford increased energy costs are supported and protected both in the short and long term.
1 Introduction

1.1 Background and Policy context

The Strategy to Combat Energy Poverty was published in 2016. The Strategy outlined the factors influencing energy poverty (household incomes, energy performance of homes and the cost of energy) and the actions Government would take in certain key areas.

The focus of the Strategy was on continuing and expanding existing supports across these areas. A specific focus of the Strategy was on developing and piloting new measures to make the case for introducing deeper energy upgrades to alleviate energy poverty and increasing investment in energy efficiency. The Strategy also aimed to ensure that the supports available were appropriately targeted and reaching those most in need.

Since the publication of the Strategy, energy poverty has become an even more central policy issue at national and EU level. The focus on alleviating energy poverty as a policy priority has resulted in a significant shift towards addressing energy poverty as part of a broader approach to home energy efficiency renovation. There has also been renewed acknowledgment of the role it can play in handling the climate crisis, economic recovery post the COVID-19 pandemic and, more recently, the energy crisis.

The Programme for Government\(^1\) and subsequent strategies on climate, housing and retrofitting have all set out ambitious and clear commitments to ensuring that lower income households are supported to live in better performing homes, with more affordable energy bills. This is also reflected in the formation of a series of legal provisions within the Clean Energy for all Europeans Package\(^2\) and further proposals in the more recent Fit for 55 Package\(^3\) and REPowerEU\(^4\) plan.

Energy costs increases, most recently in the context of the War in Ukraine, are now being considered alongside broader cost of living increases facing individuals and families. This has led to a focus on more immediate and broadly targeted measures by Government through the National Energy Security Framework. The Framework provides an overarching and comprehensive response to Ireland’s energy security needs and also sets out how

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Government can manage the impact of energy security emergencies on consumers, especially those who are more vulnerable.

Estimates by the ESRI published in June this year indicate that recent energy inflation has increased the estimated share of households in energy poverty to 29%. These findings are timely and are being used to inform the targeting of support in Budget 2023.

Recognising these new challenges and the need for continued action, the next immediate step is therefore to develop a new, revised Action Plan to Combat Energy Poverty. The purpose of the new Action Plan is to once again set out a range of clear, timebound actions aimed at tackling energy poverty with appropriate governance and evaluation. It is intended that the Plan will build on and continue the policies and actions that have been driven to date by the Strategy (outlined in this Progress Review), and where appropriate, informed by stakeholder input, will supplement these measures.

1.2 Progress Review

The purpose of this Progress Review is to set out:

- the progress that has been made to date against each of the actions committed in 2016 in the Strategy to Combat Energy Poverty; and
- the policies and measures that have been developed and implemented outside of and beyond the commitments of the Strategy.

1.2.1 Approach

To inform this Progress Review and the decision to develop a new Energy Poverty Action Plan DECC has:

- Engaged key stakeholders, including other Government departments and agencies, non-governmental organisations (NGOs), energy suppliers and the ESRI, on the work that has been carried out since 2016 and the challenges that continue to be faced in tackling this issue. This engagement included a series of one-to-one and group interviews with these stakeholders.

- Carried out a desk-based analysis of the policies and measures implemented since the Strategy was published. This analysis also included a review of relevant national and international publications, policy documents, and research papers.

A list of those consulted and relevant documents reviewed is available in Appendix 1.
1.2.2 Structure
Progress made against the actions committed in the Strategy is set out under five key ‘Action Areas’ below. These areas correspond to the relevant chapters in the 2016 Strategy document. For each action:

- a description of what was implemented and what was achieved is set out.
- detail in relation to additional policies and measures that have also been implemented is provided.

1.3 New Energy Poverty Action Plan

1.3.1 Development Approach
Government is acutely aware of the impact of high electricity and gas prices, especially on those already at risk of energy poverty, and has introduced a range of measures to mitigate their impact. The National Energy Security Framework details consumer supports that are in place and are being enhanced for this coming winter, as well as other supports which will assist those in energy poverty. Budget 2023 will examine the immediate steps Government can take in the context of current high energy prices.

It is important to continue delivering on the Strategy’s objectives through medium- and longer-term measures to alleviate energy poverty. Therefore, a new Action Plan will now be developed. The purpose of the new Action Plan is to set out a range of clear, timebound actions that will continue the work done to date under the Strategy. These actions will be supplemented with new measures where appropriate and will be aimed at tackling energy poverty with appropriate governance and evaluation.

The Plan, to be published in Autumn, will set out the immediate steps being taken to ensure winter readiness, as well as the measures we will be implementing over the coming years to ensure that those least able to afford increased energy costs are supported and protected.

1.3.2 Consultation
This Progress Review and the decision to continue the work of the Strategy against a new Action Plan has been informed by the targeted stakeholder engagement referred to above, as well as ongoing involvement with relevant stakeholders through other channels.

To assist and inform the development of the Plan, we are now inviting stakeholders to respond to a number of public consultation questions in the final section of this report. Information on how to respond is set out in that section.
2 Progress against Actions in the Strategy

2.1 Action Area 1: Energy Efficiency Measures

The Strategy outlined the critical importance of energy efficiency in alleviating energy poverty and the rationale for supporting lower income householders through energy upgrades.

Living in a poorly insulated home leaves those on lower incomes more vulnerable to increases in energy prices. Improving the energy performance of a home can permanently reduce the amount of energy needed to heat the home, helping to protect the homeowner against the effects of price increases, and alleviate energy poverty. For those who do not meet the eligibility criteria for free upgrades, it is also important that attractive supports are available to help them to upgrade their homes as well.

The Government has published the National Energy and Climate Plan\(^1\); Long Term Renovation Strategy\(^2\); Programme for Government; two Climate Action Plans\(^3\); and the National Retrofit Plan\(^4\) which all place home energy upgrades at the centre of Ireland’s transition to a low carbon economy. The importance of providing free upgrades to lower income households is reflected in the allocation of €8 billion, partially funded by carbon tax revenues, to a socially progressive retrofit programme, and in the principles of fairness and universality which underpin the retrofit plan. Overall, Government will upgrade 500,000 older, inefficient homes to a B2 Building Energy Rating (BER)/cost optimal equivalent or carbon equivalent and move them away from fossil fuels to electric heat pump systems or efficient district heating systems.

As highlighted in the National Retrofit Plan, energy efficiency also has other benefits beyond alleviating energy poverty, including warmer and more comfortable homes, improved health and wellbeing and increased economic activity and high-quality jobs.

The actions in this area included:

1. new 3-year €20m pilot scheme under the Government’s multiannual capital plan to address energy poverty as a public health issue;


2. revising the eligibility criteria for our existing energy efficiency support schemes to ensure the programmes are better aligned with basic deprivation indicators;

3. ensuring that the Better Energy Communities Scheme enables communities around the country to develop new and innovative, locally based solutions to energy poverty.

### 2.1.1 Energy Efficiency Measures – Action 1

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<thead>
<tr>
<th>Action</th>
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<tbody>
<tr>
<td>New 3-year €20m pilot scheme under the Government’s multiannual capital plan to address energy poverty as a public health issue</td>
<td>Complete</td>
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</table>

**What was the aim of the action?**

The main aim of this action was to examine and validate, in an Irish context, the strong international evidence that making homes warmer, drier and more energy efficient can have a positive impact on the health and wellbeing of people living with chronic respiratory conditions.

**How was it implemented?**

To achieve this, a bespoke scheme, the Warmth and Wellbeing pilot scheme was established as a joint policy initiative between the Department of the Environment, Climate and Communications (DECC), the Department of Health, the Health Service Executive (HSE) and the Sustainable Energy Authority of Ireland (SEAI).

The pilot scheme was based in HSE Community Healthcare Organisation (CHO) area 7 and targeted lower income households where a member of the household\(^1\) was living with a chronic respiratory condition\(^2\). Households participating in the scheme were provided with a free energy upgrade from SEAI comprising attic and wall insulation, heating system upgrades, window and door replacement and secondary energy efficiency measures. The person living with the respiratory condition was also invited to participate in the research element of the scheme. Receipt of the upgrade was not dependent on participation in the research. The scheme was also available to local authority tenants in the pilot areas.

**What was achieved?**

The scheme commenced in mid-2016 and since then over 1,500 homes have been upgraded at a cost of €35 million. Over 900 participants were recruited to participate in the research.

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\(^1\) The relevant participant had to be aged either over 55 or under 12.

\(^2\) Including but not limited to Chronic Restrictive Pulmonary Disease and Asthma.
research project. In total, the HSE carried out over 1800 interviews and assessments including baseline health assessments and follow up interviews with the participants.

The London School of Hygiene and Tropical Medicine (LSHTM) were engaged in April 2017 to carry out, in collaboration with the HSE, an independent analysis of the health impacts of improved energy efficiency among the participants in the research element of this scheme. LSHTM has been working closely with the project team since then, including assisting in the design of the research methods to be used. In July 2021, the majority of the data gathered was transferred to the LSHTM who then commenced analysis. Temperature data from the relevant homes was transferred in November 2021. An interim report including preliminary results was prepared by LSHTM in December 2021 and the final results and final report will be published in Q4 2022.

The Exchequer investment in this scheme has significantly improved the warmth and comfort of the homes involved. The interim report has indicated that the upgrades are also delivering benefits to the health and wellbeing of participants. Participants have also reported needing fewer GP and hospital visits, fewer prescriptions for antibiotics, as well as increased engagement with other support services in their community.

The learnings from the scheme have already influenced the design of other SEAI schemes, in particular in relation to improving the customer journey and working with vulnerable homeowners. The details of how the scheme can further inform approaches to retrofitting, especially with regard to those who are more vulnerable and at risk of energy poverty, will be considered when the final findings of the analysis are available.

Was there any further action beyond what was committed?

The total invested in the scheme was €35 million to end June 2022, far in excess of the €20 million committed in the Strategy. The approach taken in using trusted local actors in the pilot community to promote the scheme also meant that more lower income households were identified and supported.

### 2.1.2 Energy Efficiency Measures – Action 2

<table>
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<tr>
<th>Action</th>
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<tr>
<td>Revising the eligibility criteria for our existing energy efficiency support schemes to ensure the programmes are better aligned with basic deprivation indicators.</td>
<td>Complete</td>
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</table>
What was the aim of this action?

The Government’s primary energy efficiency support scheme for households in energy poverty is the Better Energy Warmer Homes Scheme (BEWH), administered on behalf of the Minister by SEAI. This scheme delivers energy efficiency measures free of charge to households who meet certain eligibility criteria.

The aim of this action was to ensure that DECC would continue to monitor the data available relating to deprivation and social inclusion, and that where necessary the scheme would be revised to include more at-risk groups.

How was it implemented?

The eligibility criteria for the scheme are kept under ongoing review with the Department of Social Protection (DSP) to ensure they are consistent with, and complementary to, the other income support schemes offered by that Department. The most up to date evidence from the Survey on Income and Living Conditions indicates that the risk of poverty and deprivation is highest for households where a person is:

- unable to work due to long standing health conditions;
- living alone;
- living alone with one or more children.

This has informed a number of changes to eligibility for the scheme since 2016.

What was achieved?

support recipients. These include households in receipt of:

- One Parent Family Payment;
- Carer’s Allowance;
- Domiciliary Care Allowance; and
- Disability Allowance (for over 6 months and have a child under 7).

These changes have meant that more families who are at risk of deprivation are now eligible to receive free energy upgrades under the scheme.

1 https://www.seai.ie/grants/home-energy-grants/free-upgrades-for-eligible-homes/

2 Prior to these changes, the scheme was available to households in receipt of the Fuel Allowance and to those in receipt of the Jobseekers Allowance (for more than 6 months and who have a child aged under 7). Full details are available on SEAI’s website: https://www.seai.ie/grants/home-energy-grants/free-upgrades-for-eligible-homes/
Was there any further action beyond what was committed?

Expansion of measures

At the time of publishing the Strategy the scheme provided relatively shallow upgrades, at an average spend of €2,280 per home. This approach was in place to spread the limited funds available for the scheme to the widest number of households. However, this approach also meant that the worst performing homes applying for the scheme (e.g. solid wall homes that needed upgrades other than what was available) were not able to receive works because the relevant energy efficiency measures were not available under the scheme.

In 2018, the Government decided to commence the provision of deeper upgrades under the scheme. This increased the level and value of works provided to homeowners and brought the homes closer to being able to move away from fossil fuel heating systems. The average upgrade cost per home under the scheme has increased to €17,000.

This decision has also helped to build capacity among contractors in the market delivering deeper retrofits, which has supported the overall retrofit programme.

Better targeting of those most in need

In line with Action 173(a) of the Climate Action Plan, a review of the scheme commenced in 2020 to identify how it could better target those most in need. The review identified changes that would result in the oldest and worst homes being prioritised for free upgrades under the scheme.

Based on the review, the Government announced a number of changes to the scheme in February 2022 including:

- Re-opening the scheme to homeowners who previously received works under the scheme but could still benefit from the deeper measures now available;
- Targeting the worst performing homes first by prioritising homes on the waiting list which were built and occupied before 1993 and which have a BER of E, F or G. This change applies to new applications received since February, with existing applications not affected, irrespective of BER;
- Commencing the collection of both pre and post works BERs under the scheme;
- Commencing a “B2 and heat pump study” under the scheme to ensure the scheme is appropriately aligned with the Government’s overarching retrofit policy objectives.
2.1.3 Energy Efficiency Measures – Action 3

<table>
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<tr>
<th>Action</th>
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<tr>
<td>Ensure that the Better Energy Communities Scheme enables communities around the country to develop new and innovative, locally based solutions to energy poverty</td>
<td>Complete</td>
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</table>

**What was the aim of this action?**

The Better Energy Communities scheme was established in 2012. At the time of publishing the Strategy, the scheme had successfully supported applicants to upgrade multiple buildings including homes; businesses; and community buildings as part of a single project application. Each project was required to include a minimum number of homes at risk of energy poverty.

The Strategy committed to putting new procedures in place to better support smaller community groups to participate in the scheme.

**How was it implemented?**

A new project category was introduced under the Better Energy Communities scheme for projects valued under €50,000. An upper limit of €1 million per project was also introduced.

The Sustainable Energy Communities (SEC) Network was also expanded with objectives to:

- build capacity and capability within the community sector, establishing readiness to respond to the societal adaptation necessary for our low carbon future;
- broaden and deepen engagement of energy citizens in the low carbon transition in line with national policy;
- promote an integrated community approach
- support the increased deployment of SEAI programmes through recognised community energy enablers; and,
- develop new community support channels for the wider adoption of SEAI programmes.

**What was achieved?**

The Better Energy Communities scheme has now evolved into the Community Energy Grant scheme. Since 2016, 15,738 homes where the householders are at risk of energy poverty have been upgraded under this scheme.
The scheme now actively encourages project partnerships which include at least one member of SEAI’s SEC network, and these projects will score higher under the evaluation process. The scheme emphasises the importance of building and maintaining energy awareness and knowledge locally, including by sharing information about the benefits of energy projects with the wider community. As a result, all the community projects funded in 2021 involved a member of the SEC network.

SECs contribute to national energy targets and reducing society’s environmental impact and recognise the movement towards a low carbon society will require the great majority of citizens to participate in the transition to a more sustainable energy future. The imperative to achieve this has never been clearer with the ongoing climate crisis and the impact of the war in the Ukraine.

There are currently 665 SECs in the national network and the Climate Action Plan has set a target to reach 1,500 by 2030.

**Was there any further action beyond what was committed?**

There have been significant budget increases for the scheme, moving from €18 million in 2016 to €43 million for 2022.

Since the publication of the Strategy, a number of changes and incremental improvements have been made to the scheme. These include:

- The scheme now operates on a rolling call basis which addresses many of the issues raised by stakeholders. This means that communities can now apply for funding and plan and complete their projects in a timescale that best suits their needs;

- Support for fossil fuel technologies has been removed from the scheme, and deeper upgrades are now required through the introduction of a minimum BER uplift for residential upgrades;

- Projects are now required to include homes in line with the Climate Action Plan objectives to retrofit 500,000 homes by 2030 to a B2 BER or cost optimal equivalent or carbon equivalent;

- Grant limits have been increased further to €2 million to support bigger projects with more homes; and,

- Additional marks are awarded for projects involving approved housing body (AHB) homes or rented properties.
2.2 Action Area 2: Energy Efficiency in the Rented Sector

The Strategy set out the background and rationale for improving the energy efficiency of rented properties in Ireland. It explained the barriers that exist and the approach that Government would take over the following years to identify solutions. It committed to continuing to provide supports for landlords in the privately rented and AHB sectors, and the programme of retrofitting for local authority owned homes.

While recognising the importance of improving the energy efficiency of rented homes, it was also acknowledged that any potential solutions would need to carefully consider the potential negative impacts such as reductions in the availability of accommodation or increases in rent.

The actions in this area included:

1. DECC and the Department of Housing, Local Government and Heritage (DHLGH) to launch a public consultation by mid-2016 on a roadmap for improving energy efficiency in the rented sector. This would include consideration of the establishment of minimum energy efficiency standards in the period after 2020. The consultation would also seek views on the options for grant support or financing options to assist landlords to improve the energy efficiency of rented accommodation;

2. DECC to establish a pilot scheme in 2016 to provide energy efficiency grant supports to landlords or AHBs who choose to participate in the new Housing Assistance Payment (HAP); and,

3. Actions in the private rented sector to be complemented with a continued investment plan to improve the energy efficiency of the local authority housing stock.

2.2.1 Energy Efficiency in the Rented Sector – Action 1

<table>
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<tr>
<th>Action</th>
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<tbody>
<tr>
<td>Public consultation on improving energy efficiency in the rented sector, seeking views on:</td>
<td>Complete</td>
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<td>• the options for assisting landlords to improve the energy efficiency of rented accommodation; and</td>
<td></td>
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<tr>
<td>• the establishment of minimum energy efficiency standards in the rented sector.</td>
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</tbody>
</table>
What was the aim of the action?

In the residential rental sector, the so called ‘split-incentive’ issue can arise when incentives to invest in energy efficiency upgrades are misaligned between landlords and tenants. The aim of this action was to explore potential policy approaches to address the split-incentive and increase the number of rented properties undergoing energy upgrades.

How was it implemented?

The public consultation on “Removing Barriers to Energy Efficiency in the Rental Sector” ran from December 2019 to January 2020 and spanned both the private rented residential and commercial sectors. The Department undertook this public consultation on the split-incentive problem as it impacts on the objective to improve energy efficiency standards in the rental sector.

The consultation sought to identify the most appropriate policy interventions and to provide stakeholders with an opportunity to inform this consideration.

What was achieved?

In total over 90 submissions were received in response to this public consultation. These submissions were reviewed by the Expert Advisory Group – tasked with facilitating stakeholder input through the consultation - and recommendations were made which are being used to inform policy decisions in this area.

Was there any further action beyond what was committed?

In support of the Climate Action Plan’s objectives and targets, the Housing for All Plan has committed to increasing the standard of energy efficiency in private rental housing. To achieve this, the plan commits to the introduction of a minimum BER for private rental properties, where feasible, from 2025, and to develop a roadmap to implement these standards. This will increase energy efficiency, help to alleviate energy poverty, help to protect tenants' health and improve comfort levels in rental homes.

In line with commitments in the National Retrofit Plan, the Government launched a package of significantly enhanced supports to make it easier and more affordable for homeowners, non-corporate landlords and AHBs to undertake home energy upgrades. Private landlords can apply for grant support to upgrade their rental properties under the SEAI’s National

Home Energy Upgrade Scheme¹, Community Energy Grant Scheme and the Better Energy Homes Scheme.

It is also intended that non-corporate landlords will be able to avail of the planned low-cost loan scheme for retrofit when it is launched.

### 2.2.2 Energy Efficiency in the Rented Sector – Action 2

<table>
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<th>Action</th>
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<tbody>
<tr>
<td>Establish a pilot scheme in 2016 to provide energy efficiency grant supports to landlords or AHBs who choose to participate in the new Housing Assistance Payment (HAP).</td>
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</table>

**What was the aim of the action?**

The aim of this action was to make the range of energy efficiency supports for those in energy poverty available to landlords and AHBs who participate in the Housing Assistance Payment (HAP).

**What actions have been taken in place of this?**

The Repair and Leasing Scheme was introduced by DHLGH to support owners of vacant properties who cannot afford or who do not have access to the funding required to bring those properties up to the standard required for rental properties. Under this scheme, the local authority or AHB pays for the repairs upfront, and the home is taken into social housing stock by way of lease for at least 5 years. The cost of the repairs carried out is then offset against future rent.

Private landlords and AHBs that participate in HAP can also apply for grant support to upgrade their rental properties under the SEAI’s National Home Energy Upgrade Scheme, Community Energy Grant Scheme and the Better Energy Homes Scheme. AHBs are eligible for increased grants for certain measures under these schemes.

A special enhanced grant rate equivalent to 80% of the typical cost², for attic and cavity wall insulation, was introduced for all households to urgently reduce energy use as part of the Government’s response to the current exceptionally high energy prices.

In 2021, over 600 AHB homes, with tenants including social housing recipients, older people and people with disabilities received funding for upgrades.

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¹ [https://www.seai.ie/grants/home-energy-grants/one-stop-shop/](https://www.seai.ie/grants/home-energy-grants/one-stop-shop/)

² [https://www.seai.ie/grants/home-energy-grants/individual-grants/](https://www.seai.ie/grants/home-energy-grants/individual-grants/)
2.2.3 Energy Efficiency in the Rented Sector – Action 3

<table>
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<tr>
<th>Action</th>
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<tbody>
<tr>
<td>Complement actions in the private rented sector with a continued</td>
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<tr>
<td>investment plan to improve the energy efficiency of the local authority</td>
<td></td>
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<tr>
<td>housing stock.</td>
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What was the aim of the action?

Local authorities have a stock of over 141,000 homes. These are homes that are owned by local authorities but are leased to social housing eligible households who cannot afford to buy or rent their own homes. It is estimated that 50% of these homes have a BER of D or below. The aim of this action was to continue to provide tenants of local authority homes with the opportunity to have their home upgraded to improve comfort levels, reduce costs and protect their health.

How was it implemented?

DHLGH has continued to invest in the Local Authority Retrofit Programme providing adequate funding year on year since 2013 to support the implementation of the programme.

What was achieved?

In total, over 75,000 homes have been upgraded under the Local Authority Retrofit Programme since 2013. Funding for the programme has also increased significantly since 2020.

Was there any further action beyond what was committed?

In 2021, a revised social housing retrofit programme was implemented. The revised programme will upscale retrofits significantly from the shallow measures that were previously provided to deeper retrofits, meaning that local authorities must now upgrade homes to a BER of B2 or cost optimal equivalent and install heat pumps.

36,500 local authority properties will be retrofitted to B2 BER or cost optimal equivalent by 2030. This will mean that local authority tenants can be provided with energy efficient homes which are more affordable to heat. Improved building regulations also mean that new social housing and new build AHB homes are built to very high energy performance standards, minimising the running costs for householders.

The local authority retrofitting budget has significantly increased from €22.5 million drawn down in 2016 to €85 million allocated in 2022. This investment is targeted to deliver 2,400 B2 or cost optimal equivalent upgrades this year.
2.3 Action Area 3: Meeting the Cost of Energy

This area of the Strategy outlined the importance of income supports in assisting those who are at risk of energy poverty. Often, households on lower incomes are forced to choose to restrict their energy usage (particularly for heat) in order to be able to pay for other necessities such as food or rent. These choices can have serious longer-term effects on both physical and mental health. While improving the energy efficiency of the home can reduce the homes energy requirement, there will always be a certain amount to pay to adequately heat, power, and ventilate the home.

In recent months these supports have become even more important, with the increased cost of living, and energy prices in particular, having stark effects on the estimated number of households in energy poverty based on ESRI modelling.

The actions in this area were:

1. Support schemes, such as the increased Fuel Allowance and the Household Benefits Package, to continue as the primary support for people at risk of energy poverty;

2. The Energy Regulator to examine the structural factors that underpin consumer disengagement and outline remedial solutions to ensure that competitive energy markets are working for all consumers, including those in, or at risk of, energy poverty;

3. DECC to undertake a review of the Energy Efficiency Obligation Scheme (EEOS) in 2016. This review to be subject to public consultation and to consider how the scheme can better address energy poverty in its second phase (2017-2019);

4. The pilot Oil Stamps Saving Scheme, established to assist those households reliant on oil and solid fuels to manage their heating costs, to continue to be rolled out in 2016 and the potential for expanding the scheme nationally will be evaluated.

2.3.1 Meeting the Cost of Energy – Action 1

<table>
<thead>
<tr>
<th>Action</th>
<th>Status</th>
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<tbody>
<tr>
<td>Continue to provide the Fuel Allowance and the Household Benefits Package as the primary support for people at risk of energy poverty.</td>
<td>Complete</td>
</tr>
</tbody>
</table>

What was the aim of this action?

This action, and the provision of these allowances, aimed to ensure that lower income households at risk of energy poverty were supported financially to pay for their energy
needs. The ESRI have consistently found that income deprivation and energy poverty are closely linked, and therefore providing targeted income supports can help to protect vulnerable households from energy poverty.

How was it implemented?

The DSP has continued to provide both the Fuel Allowance and the Household Benefits Package over the period since the Strategy was published.

What was achieved?

- Fuel Allowance payments have been made to between 370,000 to 391,000 households at various times over the period. In 2021/22, there are 370,000 households in receipt. The total cost of this payment in 2022 is estimated to be €366 million.

- In 2022, there will be an estimated 490,000 recipients of the gas/electricity elements of this package. The total cost of this package, in terms of Gas and Electricity Allowances, in 2022 is an estimated annual value of €203 million.

Was there any further action beyond what was committed?

The Fuel Allowance payments have increased from €20 per week for 26 weeks in 2015 to €33 per week for 28 weeks in Budget 2022. Additionally, from the 2017/2018 Fuel Season a lump sum payment option was introduced for the majority of recipients of the Fuel Allowance payments. This option was introduced to allow recipients to avail of discounts that may be available when people buy their fuel in bulk. Budget 2022 saw an expansion of the eligibility criteria for the Fuel Allowance payment. This ensured that low-income households saw a significant increase in the support provided during the Fuel Allowance season compared to previous seasons. In 2022, in response to the cost of living crisis, two further lump sum payments were made to recipients of the Fuel Allowance, meaning that they received a total of €1139 over the 6-month period, compared to €735 in 2020/21.

Separately, the measures adopted by the Minister for Social Protection continue to be consistent with targeting those most affected by energy inflation. Most recently, Budget 2022 was the largest social welfare budget package in 14 years and introduced many expansive measures. The Additional Needs Payment, covering both exceptional and urgent needs, has also remained in place and the budget for this scheme has increased from €27.9 million in 2015 to €45 million in 2022. This scheme can cover a number of things including but not limited to unexpected increases in energy costs and urgent replacement of broken heating
systems. The Government recently launched a campaign to make more people aware of the availability of this payment.

As part of the Government’s February cost of living package¹, domestic electricity accounts have now been credited with the Electricity Costs Emergency Benefit Payment of €176.22 (excl. VAT). This is in addition to the range of measures introduced on 10 February to address increasing costs of living. Furthermore, a €320 million measure has been introduced to temporarily reduce excise duties on petrol, diesel and marked gas oil, which cut excise by 20c per litre of petrol and 15c per litre of diesel.

On 13 April, in the context of the Russian invasion of Ukraine, the Government published the National Energy Security Framework which details consumer supports and protections that are already in place and that are being enhanced including a reduction in VAT from 13.5% to 9% on gas and electricity bills from the start of May until the end of October.

### 2.3.2 Meeting the Cost of Energy – Action 2

<table>
<thead>
<tr>
<th>Action</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Energy Regulator will examine the structural factors that underpin consumer disengagement and outline remedial solutions to ensure that competitive energy markets are working for all consumers, including those in, or at risk of, energy poverty.</td>
<td>Complete</td>
</tr>
</tbody>
</table>

#### What was the aim of this action?

The Commission for the Regulation of Utilities (CRU) is responsible for ensuring that Ireland’s electricity and gas markets are functioning for consumers, that consumers are benefitting from competition in the markets and that adequate consumer protections are in place. The Strategy set out several pieces of work that the CRU would be undertaking in the following years as part of this remit.

#### How was it implemented?

Since 2015 a number of reviews of the CRU Supplier Handbook² have been completed resulting in three updates to the Handbook, in 2019, 2021 and 2022. Separately a review of competition in retail electricity and gas markets has been carried out. The CRU has also

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carried out a number of consumer surveys examining consumer engagement, experience and attitudes in the electricity and gas markets in Ireland\textsuperscript{1}.

The CRU has also continued to perform its role in relation to customer protection in the energy markets.

**What was achieved?**

The reviews of the Supplier Handbook have led to many positive changes being made to the requirements on suppliers operating in Ireland’s retail electricity and gas markets. Importantly, for those at risk of energy poverty these changes included:

- A requirement to provide customers with an easier way to compare energy offers;
- Ensuring that customers who are not engaging with the markets are prompted to;
- Introduction of minimum standards for identification of vulnerable customers;
- Increased protection for vulnerable customers using Pay as You Go meters;
- Increased transparency of billing for dual fuel customers; and,
- Increased requirements to provide options to customers who have difficulty paying their bills to avoid disconnections.

These new requirements were in addition to the requirements already in place in relation to marketing, billing information, disconnections, complaints, vulnerable customers, prepayment meters and smart services. Protections for consumers falling into arrears remain in place.

A review of competition in the energy markets\textsuperscript{2} found that:

- Overall, the marketplace was functioning well in terms of the choice of suppliers and product offerings that consumers have access to;
- The level of supplier switching was high in comparison to other EU countries and is a positive indicator of a well-functioning energy market. However, the review also found that most customers are not on the best plan available to suit their needs and that a high proportion of customers have never switched;
- Customer satisfaction and trust with suppliers was high; and,


More work would be needed to understand the drivers behind rising supply costs. The review led to recommendations and actions in relation to consumer engagement, consumer protection, consumer awareness of products, prices and plans and supply costs. The findings have also fed into CRU policy development over the past number of years.

**Was there any further action beyond what was committed?**

In order to increase transparency and understanding in the energy market, the CRU carried out a review into the drivers of supply costs\(^1\) and published an information paper on this work in 2017. The paper provides customers with information about the cost components of their energy bills and the cost drivers of supply costs.

The CRU have been working to implement the requirements of the Clean Energy package. This package of EU legislation introduced new requirements for suppliers, including requirements regarding basic contractual rights, dynamic electricity price contracts, supplier switching, bills and billing information and demand response through aggregation.

Response 6 of the National Energy Security Framework, published by Government on 13 April, charges CRU with implementing a package of measures to enhance protections for financially vulnerable customers and customers in debt by quarter 3 - ahead of the next heating season.

### 2.3.3 Meeting the Cost of Energy – Action 3

<table>
<thead>
<tr>
<th>Action</th>
<th>Status</th>
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<tbody>
<tr>
<td>DECC will undertake a review of the Energy Efficiency Obligation Scheme (EEOS) in 2016. This review will be subject to public consultation and will consider how the scheme can better address energy poverty in its second phase (2017-2019).</td>
<td>Complete</td>
</tr>
</tbody>
</table>

**What was the aim of this action?**

The Energy Efficiency Obligation Scheme\(^2\) was introduced in Ireland in 2014 as part of the implementation of the 2012 EU Energy Efficiency Directive\(^3\). This scheme requires certain energy companies to achieve energy savings among final consumers. They can do this by

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\(^3\) [https://eur-lex.europa.eu/eli/dir/2012/27/oj](https://eur-lex.europa.eu/eli/dir/2012/27/oj)
supporting retrofit projects, for example through a financial contribution towards the homeowner’s costs.

This action aimed to determine, through analysis of the scheme and a public consultation, whether the Department should consider any changes to the scheme including whether the scheme could support more homeowners at risk of energy poverty. The scheme had been successfully delivering savings among this group since 2014.

**How was it implemented?**

The Department published a consultation paper in 2016 setting out questions to gather information on possible changes to the scheme that could be introduced from 2017 onwards. The Department also held a workshop on some of the proposed changes.

**What was achieved?**

Following the consultation, a number of changes were implemented, including increasing the level of savings that the scheme would need to achieve from 2017-2020. This change meant that the amount of energy savings to be achieved among customers at risk of energy poverty (5% of the overall target) also increased.

Over the period 2016-2020, 26,693 householders at risk of energy poverty\(^1\) were supported by the EEOS companies to improve their energy efficiency.

**Was there any further action beyond what was committed?**

In 2018, the EU Energy Efficiency Directive\(^2\) was revised. This revision introduced increased targets and more stringent requirements for the energy savings to be achieved under Article 7. The Department has since held two public consultations supported by independent economic analysis\(^3\) which have led to a major redesign of the scheme.

The changes relevant to alleviating energy poverty include:

- Target – the size of the EEOS target has increased significantly, meaning that the overall volume of savings to be delivered among households in energy poverty has been increased;

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\(^1\) A subset of these homes were supported by both the Community Energy Grant scheme and the obligated parties under the EEOS, enabling the lower income households involved to upgrade their homes at minimum or no cost to themselves.

\(^2\) [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_2018.328.01.0210.01.ENG](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_2018.328.01.0210.01.ENG)

- Obligated entities – More companies will now be obligated under the scheme, which should lead to more competition and innovation in achievement of energy savings among households at risk of energy poverty; and,

- Delivery requirements – in order to be able to meet their targets relating to households at risk of energy poverty the obligated companies must now ensure that homes receive a significant, deep upgrade, bringing homes from a BER of E or worse up to at least a B2 rating.

These new requirements will need to be met from January 2023.

### 2.3.4 Meeting the Cost of Energy – Action 4

<table>
<thead>
<tr>
<th>Action</th>
<th>Status</th>
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<tbody>
<tr>
<td>The pilot Oil Stamps Saving Scheme, established to assist those households reliant on oil and solid fuels to manage their heating costs, will continue to be rolled out in 2016 and the potential for expanding the scheme nationally will be evaluated.</td>
<td>Complete</td>
</tr>
</tbody>
</table>

**What was the aim of this action?**

Analysis supporting the development of the Strategy showed that households using certain fuel types may be more likely to be at risk of energy poverty. In the case of oil, this can arise because payments usually need to be made up-front and can represent a large portion of a household’s monthly budget. For solid fuels, it can be that households choose to stay using solid fuels for heating in order to avoid having an obligation to make a more regular payment such as a gas bill.

This action aimed to support the Society of St Vincent de Paul (SVP) in running a stamps savings scheme which would support households in budgeting for their oil and solid fuel payments over time.

**How was it implemented?**

The Department funded a pilot 'Stay Warm Saving Scheme' which was managed by the SVP East Region over the period 2015-2017. SVP provided savings booklets through their retail network to customers who wanted to save money towards the cost of their fuel by putting money away each week or month by purchasing stamps. The savings booklets and stamps were made available initially in the Kildare, Wicklow and Dublin regions.

**What was achieved?**
A review of the scheme carried out by SVP indicated that it had made a significant contribution towards enabling families to budget for their heating costs, mainly in rural areas and in some urban areas across the region. This was evidenced by the uptake of the scheme, the ability of households to purchase large, cost-effective deliveries and the reduction in requests for assistance from SVP by families living in the regions where the scheme was active.

The scheme is still operating through the East Region (Dublin, Kildare and Wicklow) and is also operating in Mountmellick, Co Laois and Dunboyne, Co Meath.

**Was there any further action beyond what was committed?**

The Department did not pursue involvement in a national rollout of the scheme. As set out under Action Areas 1 and 2, a key focus in recent years has instead been the enhancement of SEAI’s energy efficiency retrofitting supports available to lower income households and the significant increase in funding available for these schemes. Funding levels increased from €20 million in 2016 to €118 million in 2021.

As also noted earlier under this Action Area, during this time the Fuel Allowance season was extended by the Minister for Social Protection, lump sum payments of Fuel Allowance were introduced, and income supports were increased.

In 2019, the Government published the first Climate Action Plan which committed to decarbonising our homes. The Government’s policy has been focused on introducing measures that will move more homes to heat pumps or efficient district heating systems and reducing the number of households reliant on solid fuel and oil for their heating needs over the next decade.
2.4 Action Area 4: Governance

This area of the Strategy outlined that while DECC is the lead department for energy matters, energy poverty is a cross-governmental issue linked to the broader cost of living issue. It also highlighted that the policy levers and responsibility for implementing the measures that can alleviate energy poverty were in place across several Government departments and agencies. To ensure a co-ordinated approach and maximum transparency on Government action on energy poverty and to facilitate engagement with stakeholders, the Strategy committed to developing and improving the existing governance framework.

The actions in this area were:

1. Ministers with responsibility for energy poverty to report and provide annual progress updates to the Cabinet Committee on Social Policy and Public Service Reform. This would ensure effective high-level oversight over the range of policies, measures and supports being pursued by the relevant Government departments to implement the Strategy;

2. Based on these reports, an annual update on the implementation of this Strategy to be published by the Minister. This would be accompanied by a public workshop to provide stakeholders with an opportunity to contribute to the debate on energy poverty and scrutinise progress on the implementation of the Strategy;

3. This Department to participate in the European Commission’s Vulnerable Consumers Working Group and work to ensure that energy poverty issues are fully taken into account in EU energy policy; and,

4. DECC to lead a public consultation to review progress on implementing the Strategy in 2019, with a view to publishing a new strategy for the period 2020-2023.

2.4.1 Governance – Action 1 and 2

<table>
<thead>
<tr>
<th>Action</th>
<th>Status</th>
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<tbody>
<tr>
<td>Annual progress updates to the Cabinet Committee on Social Policy and Public Service Reform and an annual update on the implementation of the Strategy. These reports were to result in annual implementation updates to be published and discussed at public workshops.</td>
<td>Different format for reporting was taken</td>
</tr>
</tbody>
</table>

What was the aim of this action?

This action aimed to ensure that there was transparency on activity to alleviate energy poverty across all relevant Government departments, agencies and other bodies. It was felt
that this reporting structure would facilitate debate on energy poverty both internally and externally to Government.

How was it implemented?

The departments, agencies and bodies responsible for the actions in the Strategy have provided updates to Government and stakeholders in various ways over the period since 2016.

This has included:

- Reporting under Our Public Service 2020;
- Reporting under the Programme for Government;
- Reporting to and appearances at Oireachtas Committees;
- Financial reporting; and,
- Reporting under the Social Inclusion Roadmap.

What was achieved?

Information in relation to progress and activity under the Strategy has continuously been made publicly available since the Strategy was published including through the following publications:

- DECC Annual Report;
- SEAI Annual Report;
- DHLGH Annual Report;
- DSP Annual Statistics Report;
- DSP Annual Social Inclusion Monitor;
- DPER Equality Budgeting report;
- CRU Annual Report; and,
- Healthy Ireland Outcomes Framework\(^1\).

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\(^1\) The HI Outcomes Framework reports data for relevant indicators (Fuel Poverty and Housing Quality/BER). The first Outcomes Framework report is due to be published this summer, and subsequent reports will be published at 2/3-year intervals.
In addition to the above, departments and agencies regularly provide updates on activity in alleviating energy poverty to the Government and the political system through the democratic processes – e.g. Parliamentary Questions, appearances at Committees etc.

**Was there any further action beyond what was committed?**

The Department published the National Energy and Climate Plan (NECP) in 2020 which set out, per EU requirements, the estimated level of energy poverty in Ireland and policies in place to reduce it. Ireland is required to report against the NECP under EU legislation. The first progress report is due in 2023.

The Climate Action Plan was published in 2019 and updated in 2021 and sets out how Ireland will address climate disruption and reduce emissions across all sectors of the economy by 2030. The plan includes a comprehensive set of time bound actions, including actions focussed on ensuring that our climate policies protect the most vulnerable, and quarterly progress reports are published.

A social impact assessment of SEAI schemes targeting energy poverty was also carried out in 2020. This review was also published\(^1\).

### 2.4.2 Governance – Action 3

<table>
<thead>
<tr>
<th>Action</th>
<th>Status</th>
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<tbody>
<tr>
<td>The Department will participate in the European Commission’s Vulnerable Consumers Working Group and work to ensure that energy poverty issues are fully taken into account in EU energy policy</td>
<td>Complete</td>
</tr>
</tbody>
</table>

**What was the aim of this action?**

The Strategy explained the importance of EU legislation in ensuring that Member States provide consumer protection in the retail markets, as well as support for lower-income households who are vulnerable to energy poverty.

**How was it implemented?**

DECC, DSP and the CRU are members of, and participate regularly in working groups at EU level which address energy poverty and supporting vulnerable consumers as part of their remit. These include:

- Vulnerable Consumers and Energy Poverty Working Group;

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• Social Questions Working Party;
• Agency for Cooperation of Energy Regulators Working Group; and
• Working Party on Energy.

In addition to the above, DECC regularly participates and presents at events such as the Concerted Action on the Energy Efficiency Directive.

**What was achieved?**

Ireland has consistently supported addressing energy poverty as part of EU policy. In implementing the requirements of the Energy Efficiency Directive, Ireland was ahead of other Member States in ensuring that energy savings had to be achieved among households at risk of energy poverty.

Ireland has also supported other Member States in developing their own policies and measures to address energy poverty by participating in conferences and information sharing events.

**Was there any further action beyond what was committed?**

The European Commission established the Energy Poverty Observatory\(^1\) to help Member States in their efforts to combat energy poverty. The group provides resources and online fora sharing information in relation to measuring and monitoring energy poverty as well as an opportunity for Member States to share best practice on energy poverty.

The Clean Energy Package saw an increased focus on energy poverty as part of the implementation of the EU’s energy and climate policies. Directives such as the Energy Efficiency Directive and the Internal Market for Electricity Directive\(^2\) (IMED) increased and strengthened provisions relating to energy poverty, and vulnerable customers. For example, Article 28 of the IMED imposes a duty on Member States to take appropriate measures to protect customers and to ensure that there are adequate safeguards to protect vulnerable customers. Member states are required to ensure that rights and obligations linked to vulnerable customers are applied, and that they take measures to protect customers in remote areas. Member States are also to take appropriate measures to address energy poverty, such as providing benefits through their social security systems to ensure the necessary supply to vulnerable customers and providing for support for energy efficiency improvements.

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Article 29 of the IMED also places a duty on Member States, to establish and publish a set of criteria, which may include low income, high expenditure of disposable income on energy and poor energy efficiency.

In addition to the above, the Commission published the Renovation Wave initiative which identifies tackling energy poverty and the worst performing homes as one of the three main focus areas for the EU’s renovation ambitions.

Finally, the Renewable Energy Directive II sets out a requirement for Member States to put in place an enabling framework to promote and facilitate the development of renewables self-consumption and ensure that this will also address accessibility of renewables self-consumption to all final customers, including those in low-income or vulnerable households. A working group across SEAI and CRU is currently assessing how this requirement will be implemented.

### 2.4.3 Governance – Action 4

<table>
<thead>
<tr>
<th>Action</th>
<th>Status</th>
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<tbody>
<tr>
<td>The Department will lead a public consultation to review progress on implementing this Strategy in 2019, with a view to publishing a new strategy for the period 2020-2023</td>
<td>Not yet complete</td>
</tr>
</tbody>
</table>

**What was the aim of this action?**

The aim of this action was to gather views that could further influence policy development and to establish whether the approaches and policies in place were operating effectively.

**How was it implemented?**

The consultation has been integrated into this progress review.

**Was there any further action beyond what was committed?**

Government policy in relation to energy poverty has been included in other relevant public consultations, stakeholder engagements and other reviews since the publication of the Strategy. These have included:

- Consultation on Ireland’s National Energy and Climate Plan;
- Stakeholder engagement on the National Retrofit Plan;

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• Stakeholder engagement on the Climate Action Plan;
• Consultation on District Heating Regulations;
• Consultation on Part L of the Building Regulations;
• Consultation and engagement on the Social Inclusion Roadmap; and,
• Consultations on the redesign of the EEOS
2.5 Action Area 5: Measuring and Tracking Energy Poverty

The final Action Area in the Strategy related to measuring and tracking the level of energy poverty in Ireland and using the data to inform current and future policy. The Strategy was accompanied by an analysis of energy poverty in Ireland, which used what is known as the ‘objective method’. The objective method models what a typical household has to spend on energy to keep their home heated to the recommended level and compares this to household income to determine the extent to which different households might be at risk.

This was used to estimate the percentage of households in particular categories whose required energy spend was above certain thresholds (10%, 15% and 20%). This found that 28% of households could have been at risk of energy poverty (that is, spending more than 10% of their income on their energy needs) at the time of the analysis (2015).

The Strategy went on to explain that other measurements of energy poverty give very different results. For example, the Survey on Income and Living Conditions\(^1\) indicated at the time that 8% of households\(^2\) reported that they could not keep their home adequately heated.

Reference was also made to the view that energy poverty is not a distinct form of poverty and is an aspect of low living standards and deprivation more generally.

To progress work on measuring energy poverty in Ireland, as well as the impact of and development of policies to alleviate it, the Strategy committed that:

1. The Department would establish an independently chaired, Energy Poverty Advisory Group. This group would recommend a new national methodology for measuring and tracking energy poverty and advise the Minister on energy poverty matters;

2. New energy policy measures developed by the Department would be evidence-based and consider the distributional impacts of these policies.

2.5.1 Measuring and Tracking Energy Poverty – Action 1

<table>
<thead>
<tr>
<th>Action</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>Establish an independently chaired Energy Poverty Advisory Group, who would recommend a new national methodology for measuring and tracking energy poverty and advise the Minister on energy poverty matters.</td>
<td>Complete</td>
</tr>
</tbody>
</table>


\(^2\) This self-reported measurement had fallen to 3.2% in 2021.
What was the aim of this action?

The aim of this action was to establish a group who would work to agree a method of measuring energy poverty in Ireland. This would draw on all relevant research and allow for improved tracking of progress over time, as well as assessing the effectiveness of different policies.

How was it implemented?

Initially, progress on this action was postponed taking account of policy developments at EU level, set out in the Clean Energy Package of proposed legislation which was published by the European Commission in 2016. These new laws outlined other measures that would be taken to protect consumers, particularly those who were more vulnerable to energy poverty. The proposals required Member States to measure and report on energy poverty. Alongside this, the Commission committed to providing guidance to Member States on the indicators that would be relevant, with the aim of achieving a common approach for energy poverty across Member States. The Energy Poverty Advisory Hub was set up, and the Commission also published recommendations on energy poverty. While these initiatives did not lead to a final direction on a method for measuring energy poverty in Member States, they have helped inform the approach that is now being developed.

What was achieved?

A research network on energy/fuel poverty chaired by the ESRI was established in 2021. The Group currently consists of representatives from DECC, the DSP, the Department of Health, the CRU, the SEAI and the Central Statistics Office (CSO). The Group is examining the data and metrics needed to improve existing measures for energy/fuel poverty in Ireland. The main goal is to provide insights that enhance policy design to protect vulnerable households. A work programme, proposed outputs and timelines will be agreed and finalised shortly.

Was there any further action beyond what was committed?

The ESRI have published a number of papers examining energy/fuel poverty in Ireland since the Strategy was published. Research has also been carried out on the efficacy of different policies in alleviating energy poverty. This research has informed Government policy on alleviating energy poverty and will inform the targeting of support in Budget 2023 in the context of current high energy prices.

A list of some of the relevant research papers are provided in Appendix 2.
2.5.2 Measuring and Tracking Energy Poverty – Action 2

<table>
<thead>
<tr>
<th>Action</th>
<th>Status</th>
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<tbody>
<tr>
<td>New energy policy measures developed by DECC would be evidence-based and consider the distributional impacts of these policies.</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

What was the aim of this action?

This area of the Strategy explained that the transition to a low carbon future would require significant investment from both Government and the private sector, as well as behavioural change on the part of energy consumers. This action aimed to ensure that the cost impact of such policies on those least able to afford it would be minimised.

How was it implemented?

Cost impacts are considered in the development of new policies across the energy and climate areas.

What was achieved?

Some examples of policies developed in this way are set out below:

**Climate Action Plan**

The Climate Action Plan 2021 provides a detailed plan for taking decisive action to achieve a 51% reduction in overall greenhouse gas emissions by 2030 and setting us on a path to reach net-zero emissions by no later than 2050, as committed to in the Programme for Government and set out in the Climate Act 2021.

The Plan lists the actions needed to deliver on our climate targets and sets indicative ranges of emission reductions for each sector of the economy. Analysis to inform the actions is based on choosing the pathways which create the least burden and offer the most opportunity for Ireland. The analysis highlights that these impacts could be unevenly distributed. For example, certain sectors and associated occupations could decline, households with certain characteristics could incur higher than average costs, and energy prices are likely to increase which could impact particular industrial groups more than others.

The Plan therefore sets out the actions required to ensure that Ireland’s response to climate change maximises the potential benefits and ensures that the impacts are fairly distributed. Integrating just transition considerations into sectoral policy development to ensure that our climate policies seek to protect the most vulnerable is set out as a key action in the Plan. The Plan also commits to ensuring that targeted social welfare measures are put in place to prevent energy poverty.
The Energy Efficiency Obligation Scheme (EEOS) and energy poverty

Since it was established in 2014, the EEOS has required that those obligated must deliver a certain proportion of their energy savings by targeting those living in energy poverty. Setting a ring-fenced energy poverty sub-target for the EEOS (set at 5%) takes into account that those living in energy poverty could potentially subsidise the cost of energy companies’ EEOS delivery to some extent (through their energy bills), and therefore, it must be ensured that at least some of the benefits from the EEOS will definitely reach these households also.

In redesigning the scheme, the energy poverty sub-target has been maintained at 5%, however, as set out under Action Area 3, the requirements to meet this target are being increased. To meet this sub-target, obligated energy companies will need to target homes with a BER of E or worse, and bring these homes, through deep retrofits, up to a BER of at least B2.

Carbon tax

The carbon tax is one of many policies in place that is aimed at reducing greenhouse gas emissions. The Oireachtas has legislated, through the 2020 Finance Act, to progressively increase the rate of carbon tax each year so that it will reach a rate of €100 per tonne of carbon dioxide emissions by 2030.

As set out in the National Development Plan¹, over the period 2021 to 2030 the planned carbon tax increases will raise revenue that will allow for €9.5 billion in additional spending.

As set out in the Programme for Government, all of the funding from the increased carbon tax revenue is being used over the period to 2030 to:

1. Ensure that the increases in the carbon tax are progressive by spending €3 billion on targeted social welfare and other initiatives to prevent energy poverty and ensure a just transition
2. Provide €5 billion to part-fund a socially progressive national retrofitting programme;
3. Allocate €1.5 billion of additional funding to encourage and incentivise farmers to farm in a greener and more sustainable way.

Analysis undertaken by the ESRI on the distributional impacts of increasing carbon tax has informed Government decisions in Budgets 2021² and 2022³ to provide a targeted package

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² https://assets.gov.ie/90878/b97737a2-a8d7-41e3-9b1a-53fc0822c20f.pdf
³ https://assets.gov.ie/201264/5c96e5cd-b663-4887-bf2e-e13a393f5c50.pdf
of social protection supports that offset impacts on lower-income households. ESRI research has demonstrated that recycling just one third of the revenue raised from the carbon tax increases through targeted social welfare payments helps the lowest income households and reduces poverty.

In Budget 2022, analysis undertaken using SWITCH, the ESRI tax and benefit model (to simulate the impact of the carbon tax increase and the compensatory welfare package) estimated that the net impact of the combined measures is progressive. Households in the bottom four income deciles will see all of the cost of the carbon tax increase offset, with the bottom three deciles being better off as a result of these measures. This is a tangible demonstration of the Government’s commitment to achieving a just transition.

The Government will continue to be guided by the latest emerging research on the impacts of rising costs on households.

As set out in the Climate Action Plan, considerations around costs and equity are not limited to the carbon tax and will also apply to other fiscal measures, as well as to the provision of grants or other supports to assist the implementation of climate policy.

National Retrofit Plan

The National Retrofit Plan, which was published as part of Climate Action Plan 2021, sets out how the Government will deliver on our retrofit targets. The Plan is designed to address barriers to retrofit across four key pillars: driving demand and activity; financing and funding; supply chain, skills and standards; and governance. For each pillar, barriers were identified and time-bound policies, measures and actions were put in place to address them. The initiatives in the Plan were guided by a number of key principles including:

- fairness – ensuring fairness to all and supporting a just transition
- universality – covering all housing types and consumer segments/income deciles

As an example of the implementation of these principles, in February this year the Government approved a package of supports to make it easier and more affordable for homeowners to undertake home energy upgrades to help achieve warmer, healthier and more comfortable homes, with lower energy bills.

Among the key measures announced were:

- a significant increase in the number of free energy upgrades to be provided to those at risk of energy poverty (400 per month – up from an average of 177 per month in 2021)
• a special enhanced grant rate, equivalent to 80% of the typical cost, for attic and cavity wall insulation for all households, to urgently reduce energy use as part of the Government’s response to current exceptionally high energy prices

Was there any further action beyond what was committed?

This is an ongoing aspect of energy and climate policy development.
3 Public Consultation

As set out in Section 1.3.1 above, a new Action Plan will now be developed setting out a range of clear, timebound actions that will continue the work done to date under the Strategy. These actions will be supplemented with new measures where appropriate and will be aimed at tackling energy poverty with suitable governance and evaluation.

To assist and inform the development of the Plan we are now inviting stakeholders to respond to a number of questions set out below. DECC will consider all responses received in the development of the new Energy Poverty Action Plan.

3.1 How to Respond

The public consultation process will run until 5 September 2022. Responses must be received in full by DECC no later than 5:30pm on that date.

3.1.1 Responding to questions

Anyone making a submission should send responses:

- by email to Energy.Efficiency@decc.gov.ie, with the subject line ‘Energy Poverty Consultation’;

- or by post to:
  Energy Poverty Action Plan Consultation,
  Residential Energy Efficiency Division,
  Department of the Environment, Climate and Communications,
  29-31 Adelaide Road,
  Dublin 2 D02X285.

Respondents should consider the questions included below when submitting a response, but it is not necessary to provide responses to all questions. Respondents are asked where relevant, to supplement your responses with information, evidence and/or analysis. We further ask that responses are in a Word document.

If you have any queries on how to respond please contact Energy.Efficiency@decc.gov.ie

3.1.2 Confidentiality and Data Protection

We are committed to engaging with stakeholders in a clear, open and transparent manner. Any person or organisation can make a submission in relation to this consultation. All submissions and feedback will be considered before the final version of the Energy Poverty Action Plan is published.
Please note that responses to this consultation are subject to the provisions of the Freedom of Information Act 2014 (FOI), Access to Information on the Environment Regulations 2007-2018 (AIE) and the Data Protection Act 2018.

Please also note that we intend to publish the contents of all submissions received to our consultations on our website. We will redact personal data prior to publication. In responding to this consultation, parties should clearly indicate where their responses contain personal information, commercially sensitive information, or confidential information which they would not wish to be released under FOI, AIE or otherwise published.

We would like to draw your attention to our Data Protection notice and statement¹ which explains how and when we collect personal data, why we do so and how we treat this information. It also explains your rights in relation to the collection of personal information and how you can exercise those rights.

**3.2 Consultation Next Steps**

It is intended that the Plan will be published in the Autumn following this consultation period.

It is the Department's intention to continue working with stakeholders throughout the coming months to ensure winter-readiness for households at risk of energy poverty.

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<table>
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<tr>
<th>Consultation Questions</th>
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| **Q1.** What further action could be taken to alleviate energy poverty through home energy upgrades?  
Please provide any relevant analysis or research to support your suggestions. |
| **Q2.** What further action could be taken to alleviate energy poverty in the rental sector?  
Please provide any relevant analysis or research to support your suggestions. |
| **Q3.** In the areas of energy prices, meeting the cost of energy and consumer protection, what further action could be taken to alleviate energy poverty?  
Please provide any relevant analysis or research to support your suggestions. |
| **Q4.** In the area of governance, research, measurement and evidence, what further action could be taken to alleviate energy poverty?  
Please provide any relevant analysis or research to support your suggestions. |
| **Q5.** Please also provide any additional relevant information or views that you would like to submit. |
Glossary

ACER  Agency for Cooperation of Energy Regulators
AHB    Approved Housing Body
BEC    Better Energy Communities
BER    Building Energy Rating
BEWH   Better Energy Warmer Homes Scheme
CAP    Climate Action Plan
CEP    Clean Energy Package
CHO    Community Healthcare Organisation
CRU    The Commission for the Regulation of Utilities
CSO    Central Statistics Office
DECC   Department of Environment, Climate and Communications
DHLGH  Department of Housing, Local Government and Heritage
DoH    Department of Health
DPER   Department of Public expenditure and reform
DSP    Department of Social Protection
EED    Energy Efficiency Directive
EEOS   Energy Efficiency Obligation Scheme
ESRI   Economic and Social Research Institute
EU     European Union
HAP    Housing Assistance Payment
HSE    Health Service Executive
IMED   Internal Market for Electricity Directive
LSHTM  The London School of Hygiene and Tropical Medicine
NECP   National Energy & Climate Plan
NDP    National Development Plan
NGO    Non-governmental Organisation
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<tr>
<th>Acronym</th>
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<tr>
<td>NRP</td>
<td>National Retrofit Plan</td>
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<tr>
<td>SVP</td>
<td>Society of St Vincent de Paul</td>
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<td>SEAI</td>
<td>Sustainable Energy Authority of Ireland</td>
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<td>SEC</td>
<td>Sustainable Energy Communities</td>
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<td>VCWG</td>
<td>European Commission’s Vulnerable Consumers Working Group</td>
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Appendix 1 – Input to review

1. Stakeholder engagement to inform this progress review took place with the following groups:
   - DECC - Air Quality Division
   - Department of Social Protection
   - Irish Green Building Council
   - DECC - Just Transition
   - DECC - Electricity Regulation Division
   - Sustainable Energy Authority of Ireland
   - Department of Health
   - Department of Housing, Local Government and Heritage
   - Society of Saint Vincent de Paul
   - Energy Action
   - Threshold
   - Energia
   - Economic & Social Research Institute

2. The following documents were reviewed to inform this review:
   - A Strategy to Combat Energy Poverty 2016-2019
   - National Energy and Climate Plan 2021-2030
   - Programme for Government: Our Shared Future
   - Carbon Taxes, Poverty and Compensation Options 2020 - Seamus O’Malley, Barra Roantree and John Curtis
   - The Economic and Distributional Impacts of an Increased Carbon Tax with Different Revenue Recycling Schemes – Kelly De Bruin, Eoin Monaghan and Aykut Mert Yakut
   - Budget 2021 The Use of Carbon Tax Funds 2021
   - Budget 2021 Distributional Analysis of Budget 2021 Tax and Welfare Measures
   - Climate Action Plan 2019
   - OECD Environmental Performance Reviews: Ireland 2021
   - S.I. No. 704/2020 - European Union (Internal Market in Electricity) (Regulatory Authority Matters) Regulations 2020
   - Climate Conversation – Climate Action Plan 2021 – Society of St Vincent de Paul
   - The Climate Action Plan – A review of potential exchequer implications - PBO Publication 38 of 2019
• Survey on Income and Living Conditions (SIIC): Enforced Deprivation 2019
• Domestic Building Energy Ratings 2019 – Central Statistics Office
• European Commission – EU Energy Poverty Observatory Member States Reports on Energy Poverty 2019
• National Energy & Climate Plan 2021-2030 – Society of St. Vincent de Paul
• European Commission Recommendation on Energy Poverty Brussels, 2020
• Consultation on the Development of a new Solid Fuel Regulation for Ireland
• Ireland’s Energy Statistics – Sustainable Energy Authority Of Ireland
• Energy Efficiency Obligation Scheme (EEOS) – Sustainable Energy Authority Of Ireland
• Introducing minimum energy efficiency performance standards in the rental sector – a review June 2019
• Removing Barriers to Energy Efficiency in the Rental Sector – Public Consultation summary responses (internal document)
• Spending Review 2020 Grant Schemes for Energy Efficiency: Better Energy Homes and Better Energy Communities – James Reddy, Climate Change Unit Department of Public Expenditure and Reform
• Spending Review 2020 Social Impact Assessment – SEAI Programmes Targeting Energy Poverty, Ronan Nestor Department pf Public Expenditure and Reform
• Review of the Supplier’s Handbook – Commission for Energy Regulation
• Parliamentary Questions on energy poverty 2020 and 2021
• Review of the current qualifying conditions in place for Fuel Allowance in order for those in receipt of Jobseeker’s Allowance and Supplementary Welfare Allowance to qualify for the Fuel Allowance payment 2020 – Department of Employment Affairs and Social Protection
• Distributional impact of tax and welfare policies: COVID-related policies and Budget 2021
• Housing for All – a New Housing Plan for Ireland - Department of Housing, Local Government and Heritage
• European Commission – Clean Energy for All Europeans Package 2019
Appendix 2 – Research papers