Rialtas na hÉireann
Government of Ireland

Energy Poverty Action Plan

2022

Prepared by the Department of the
Environment Climate and Communications

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Minister's Foreword

The Climate Action Plan commits us to building a cleaner, greener, economy and society, creating opportunities for us all through a just transition that is fair and where the costs are shared equitably. Addressing energy poverty is at the heart of a just transition. This is the guiding principle of this Energy Poverty Action Plan.

We know that living in a comfortable home that is affordable to heat, power and ventilate for positive outcomes on health, wellbeing and social inclusion. To realise these benefits, fully coordinated action across Government is essential. This has never been more urgent as unprecedented price rises combine with winter weather to put energy consumers at greater risk of energy poverty than ever before.

Much work has been done across Government to have supports in place for this winter through actions such as the €600 Electricity Costs Emergency Benefit Payment, the Fuel Allowance lump sum and increased eligibility, and strengthened consumer protections mandated by the Commission for Regulation of Utilities (CRU). While this plan captures all of these actions being taken across Government, I believe the additional measures included in this plan are essential. The €10 million fund established by my Department will provide another safeguard to add to the supports provided by suppliers and the Additional Needs Payment for urgent help with electricity and heating bills, which will be facilitated on an emergency basis for both billpay and PAYG customers by the Department of Social Protection. The extension of the protections for vulnerable customers to include financially vulnerable is being done as a near term response pending the work, also set out in this Plan, to improve how we measure energy poverty in Ireland.

Looking longer term and tackling the root causes of energy poverty, we know that improving the energy efficiency of homes through retrofitting is the best long-term measure we can take to permanently reduce the amount of energy, and fossil fuels in particular, needed to comfortably run our homes. The cheapest energy is the energy you don't use. 2023 will see a record funding allocation of €148.5 million for the Warmer Homes Scheme. An additional €248 million has also been secured from the European Regional Development Fund (ERDF) for the scheme for the period 2022-2027 which will allow higher budget allocations in the years to come.

Dialogue and engagement are central to acting effectively to tackle energy poverty. I greatly appreciate the input from a wide range of groups to the development of this plan and to the Reduce Your Use / Stay Warm and Well communications campaign. Keeping this conversation going will be crucial in the implementation of the Plan. This is true both on an ongoing basis as we monitor the impacts of the actions set out in the Plan through the first half of 2023, and through an annual plenary on energy poverty as part of the National Climate Dialogue as tackling energy poverty continues to be a key priority for me as Minister with responsibility for energy, and for the whole of Government.

Eamon Ryan TD

Minister for the Environment, Climate and Communications

Introduction and Summary

The link between energy security and affordability of supply has never been clearer. If people cannot afford the energy they need to heat and power their homes then their supply of energy is not secure. With the cost of electricity and gas rising by over 80% between November 2021 and November 2022, and the cost of coal and oil rising by 50%-60%, consumers are facing energy costs of a level never experienced before. It is in response to this unprecedented situation that this Action Plan sets out the range of actions being taken, on a whole of Government basis, to tackle energy poverty.

People at risk of energy poverty need to access different combinations of available measures to meet their individual needs and circumstances. That is why this Plan has been developed with the participation of the Departments of the Environment, Climate & Communications (DECC), Social Protection, Housing, Local Government & Heritage, Health, Community & Rural Development, the Commission for Regulation of Utilities (CRU), Sustainable Energy Authority of Ireland (SEAI) and the HSE.

The actions fall into two overarching categories – near term, where the focus is on supporting people to get through this winter, and medium term with the focus on using deeper energy efficiency upgrades to help tackle the root causes of energy poverty and ensure an inclusive and just transition to a carbon neutral society.

The near term actions that are now being implemented this winter, are the result of work that has been underway throughout 2022 across three main areas:

- income support (with a total of €1.57 billion being allocated to the two Electricity Costs Emergency Benefit Schemes);
- targeted social protection (through €1.2 billion of social protection lump sum payments[1]);
- and consumer protection (through a package of strengthened obligations on suppliers and network operators mandated by the CRU).

All of these measures are now being implemented and their impact will be closely monitored through Quarter 1 of 2023.

In addition, further measures are being introduced to strengthen the safety net for people struggling to meet their energy costs. DECC will establish a €10 million fund to provide an

[1] gov.ie - Minister Humphreys announces 1.4 million people to receive Autumn Double Payment this week (www.gov.ie)

extra safeguard for people struggling to pay their energy bills. This is in addition to the existing sources of support, such as the supplier hardship fund or the Additional Needs Payment scheme operated by the Department of Social Protection (DSP). The objective of the new DECC fund is to provide a further safeguard to help people who may not be able to access other sources of assistance.

DECC will also extend the definition of "vulnerable customer" to include financially vulnerability. This will extend the protection against disconnection for non-payment of account for a longer period over the winter. This winter the vulnerable customer moratorium runs from 1 October 2022 to 31 March 2023.

An important purpose of this Plan is to capture all of the measures that are being implemented right across Government over the 2022/23 winter and to provide a source of clear information for consumers and stakeholders. We will ensure that there is a coherent and consumer centred approach to monitoring the impacts of these measures, which will inform and underpin the development of the next phase of the policy response, and the development of targeted measures that may potentially be funded through windfall gains revenue.

This Action Plan complements the whole of Government 'Roadmap for Social Inclusion 2020-2025', whose primary ambition is to reduce consistent poverty to 2% or less. The Roadmap includes a number of goals, but of particular relevance is Goal 60, which seeks to improve how current energy poverty schemes target those most in need, as part of the Climate Action Plan. Goal 60 was delivered earlier this year with changes introduced to ensure that the Warmer Homes Scheme better prioritises those most in need. The most recent progress report, from July 2022, recognises the challenges of increased energy costs and acknowledges the steps taken by Government in response.

The whole of Government approach is being supported by an integrated communications campaign led by DECC. The campaign provides critical information on energy saving measures to help reduce costs, and on where people experiencing difficulties meeting their energy costs can get support. The campaign partners with organisations such as The Money Advice & Budgeting Service (MABS) and ALONE, allowing us to better understand the consumer experience on the ground and to ensure their feedback informs the ongoing policy response. The key message is that if people are facing difficulties in meeting their energy bills, their first action should be to contact their supplier and to stay engaged with them – whether they are bill-pay or Pay As You Go. MABS is also available to provide financial advice and advocacy support to help people access the supports available as quickly as possible.

While this Action Plan has been developed in response to an unprecedented rise in energy and wider living costs, the core principles that defined the previous Strategy to Combat Energy Poverty still stand:

- Adequate supplies of light, heat and power are fundamental to being able to participate in society and essential for social inclusion
- Energy poverty is a function of 3 elements: a household's income, the cost of energy and the level of energy efficiency of the home
- Energy poverty is strongly correlated with basic deprivation i.e. that it is a symptom of inadequate resources to cover living costs rather than an energy only problem
- Energy poverty has long term debilitating effects for individuals and society with growing evidence that it contributes to higher levels of respiratory and cardiovascular disease, excess winter mortality and overall states of mental health and wellbeing.

The plan sets actions in 4 areas:

- Meeting the Cost of Energy
- Energy Efficiency
- Research
- Governance and Communications

In Chapter 1, Meeting the Cost of Energy, the focus is on supporting consumers through the 2022/3 winter. The measures put in place include €2.5 billion of income and social protection supports, which includes the €1.2 billion Electricity Costs Emergency Benefit Scheme, the €100 lump sum payment to recipients of the Fuel Allowance and an increase in eligibility for the Allowance and strengthened consumer protection for electricity and gas customers.

Action here is closely linked with the Communications section and the market research initiative led by DECC to measure customer sentiment and ensure the consumer experience informs ongoing policy action. A key concern with the type of measures set out in this chapter is how to target them. To date, this has primarily been done by providing lump sum payments through existing social protection measures. This is a challenge across the EU and the European Commission estimates that only one third of expenditure to assist in meeting energy costs across the EU has been targeted at the financially vulnerable[2]. Any revenues from the implementation of the EU Council Regulation 2022/1854 or 'windfall

[2] European Commission - Citizens Energy Forum, Dublin 24 November 2022

gains' will be redistributed to energy consumers in a targeted manner in line with the Regulation.

Chapter 2 sets out the range of energy efficiency measures funded by Government and delivered by the SEAI and Local Authorities. Upgrading the energy performance of energy poor homes is ultimately the most sustainable path to tackling energy poverty, improving health and wellbeing outcomes and reducing residential emissions. This is in the context of the objectives of the National Retrofit Plan to retrofit the equivalent of 500,000 homes to BER B2 or cost optimal level and install 400,000 heat pumps in existing homes by 2030. That Plan is underpinned by the key principles of fairness and a just transition for all consumer cohorts, including energy poor households. 2023 will see a record funding allocation of €148.5 million for the Warmer Homes Scheme. In 2022, the average cost of upgrades under the Scheme was over €18,750. An additional €248 million has been secured from the European Regional Development Fund (ERDF) for the scheme for the period 2022-2027 which will allow higher budget allocations in the years to come.

Chapter 3 sets out a new work programme, led by the ESRI and involving DECC, DSP, SEAI and the Central Statistics Office, to propose how we can better measure energy poverty in Ireland. Energy poverty is defined as an inability to heat or power a home adequately. In Ireland this has been measured as a household having to spend more than 10% of its income on energy. Based on this measure, and with unprecedented energy inflation, the ESRI has estimated that 29% of households are in energy poverty in Ireland and that this will rise with increases in energy costs. However, this methodology is limited by the fact it does not tell us enough about the intensity of the energy poverty being experienced or correlate that with the energy efficiency level of these homes. As energy costs are a huge driver for the overall rise in the cost of living, with impacts on levels of energy poverty, it is essential that this methodology is improved and optimised for Ireland's situation. This will also be an important project as Ireland participates in the EU energy poverty work led by the European Commission.

But it is not enough just to have measures in place. Public knowledge and understanding of what supports are available and how they can be accessed has never been more important. This is why Chapter 4 sets out how DECC is leading the Reduce Your Use / Stay Warm & Well communications and information campaign to inform the public of all the supports that are in place across the system. The campaign points not only to all of the Government Departments and public bodies involved in delivering the measures set out in this Plan, but also partners with the MABS and ALONE to make sure the message reaches the people and communities that need it most. All of the information on energy advice, and how to access help with energy costs this winter, has been brought together for the Stay Warm & Well campaign, and is included in Annex I. Dialogue with stakeholders has also been an integral part of the development of this Plan, with Annex III setting out the responses we received to the public consultation in August/September 2022.

Chapter 1 – Meeting the Cost of Energy

Context - Energy price rises

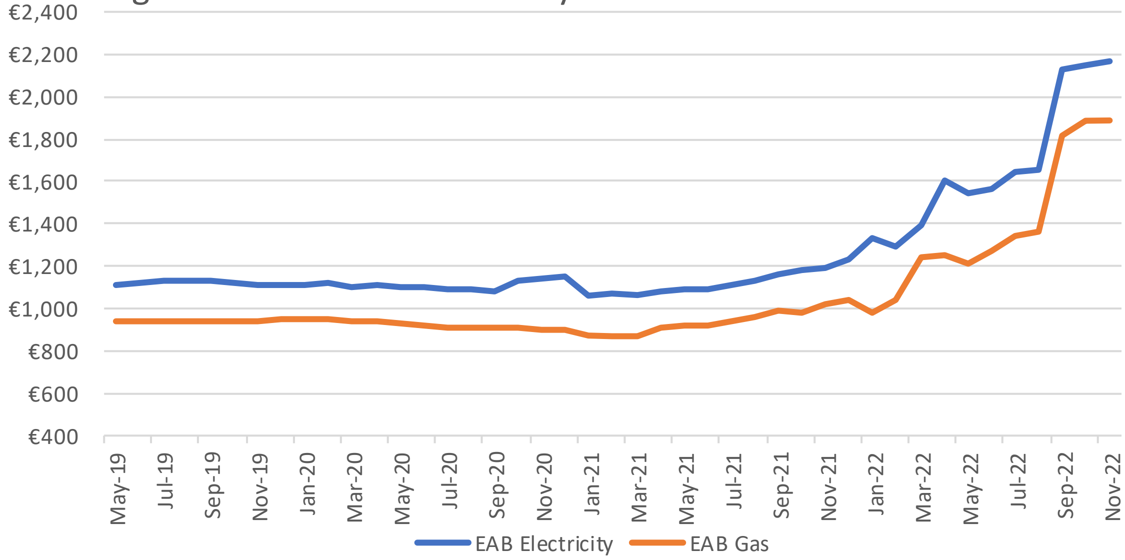
Over the last 2 years energy prices have risen to unprecedented levels. Domestic consumers are paying on average 80% more for the electricity and gas in November 2022 compared to November 2021 – Estimated Annual Bills [3] for electricity and gas in November 2022 were €2,167 and €1,887 compared to €1,193 and €1,015 in November 2021. While historically, energy prices in Ireland have been higher than the European average due to factors such as geographical location, the small size of the Irish market, and low population density, their unprecedented rise since September 2021 has been driven by wholesale electricity prices, which have risen to monthly averages above €200 MWh compared to €50-100 in in Summer 2021. This was due to increases in wholesale gas prices and volatility in the wholesale gas market. This was hugely exacerbated by the Russian invasion of Ukraine. Prices for coal and oil have also seen historic rises and are 50%-60% higher in Quarter 3 2022 than the same period in 2021[4]. Given the international situation, it is expected that energy prices will remain high for at least the coming year.

The impact of all of this is greatest on those on lower incomes and those in, or at risk of, energy poverty as the proportion of their income that they need to spend on energy increases.

[3] The Estimated Annual Bill is calculated as the unit rate of electricity multiplied by usage which is 4,200 kWh for electricity and 11,000 kWh for gas, plus the standing charge multiplies by 365, plus the PSO levy for electricity or the Carbon Tax for gas, plus VAT.

[4] Retail Kerosene was estimated to be 40% higher in October 2022 than October 2021, Gas Oil 50% higher and Standard Coal 71% higher using SEAI data https://www.seai.ie/publications/Domestic-Fuel-Cost-Archive.xlsx. Liquid Fuels and Coal were found to be 65.4% and 63.3% higher in October 2022 than in October 2021 in Eurostat's Harmonised Index of Consumer Prices (HICP).

Figure 1.1 Domestic Electricity and Gas Estimated Annual Bills



In November 2022 electricity and gas bills are estimated to be over 80% higher than Novermber 2021. Estimated Annual Bills were €2,167 and €1,887 compared to €1,193 and €1,015 in November 2021.
Data supplied by CRU

Impacts of energy price rises on consumers

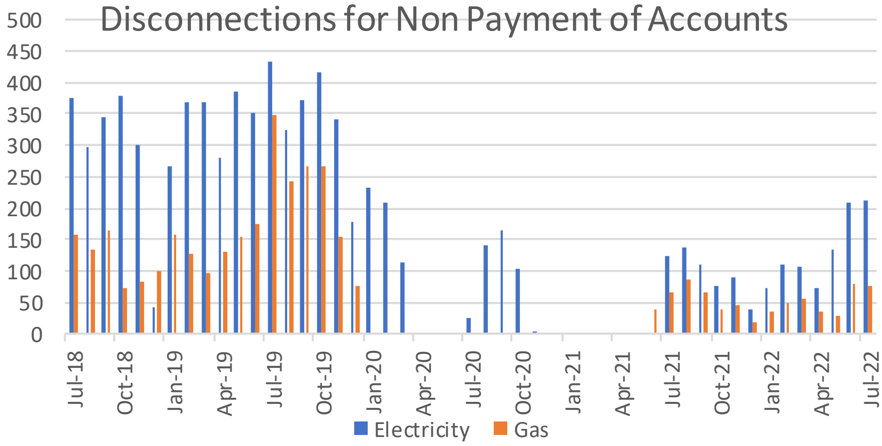
Energy poverty is defined as an inability to heat or power a home adequately. In Ireland, energy poverty is currently measured using an expenditure-based method, where a household is considered to be in energy poverty if it is spending more than 10% of its income on energy. On this basis, and in the context of rising energy prices driven by international volatility, the ESRI published a report in June 2022[5] that put the estimate of Irish households in energy poverty at 29%. This is the highest rate since 23% in 1994/5. The ESRI also forecasted that this rate of energy poverty could reach 43% in a scenario of another 25% increase in energy inflation. However, a more comprehensive methodology for measuring energy poverty in Ireland needs to be developed and the work to be undertaken to do this is detailed in Chapter 3.

Levels of disconnections and arrears in customer payments of their electricity and gas bills are also critical indicators for the affordability of energy as this data provides concrete evidence for what is happening on the ground. The CRU monitors disconnections and arrears closely as critical markers of the state of the retail electricity and gas markets.

[5] https://www.esri.ie/system/files/publications/RS144.pdf

In response to Covid restrictions in 2020 and 2021 the CRU introduced moratoria against disconnections which is shown by the reduction in disconnections in 2020/2021. Following the Covid moratoria, disconnections have remained below pre-Covid levels in 2021 and 2022, although an increase has been seen since May 2022.

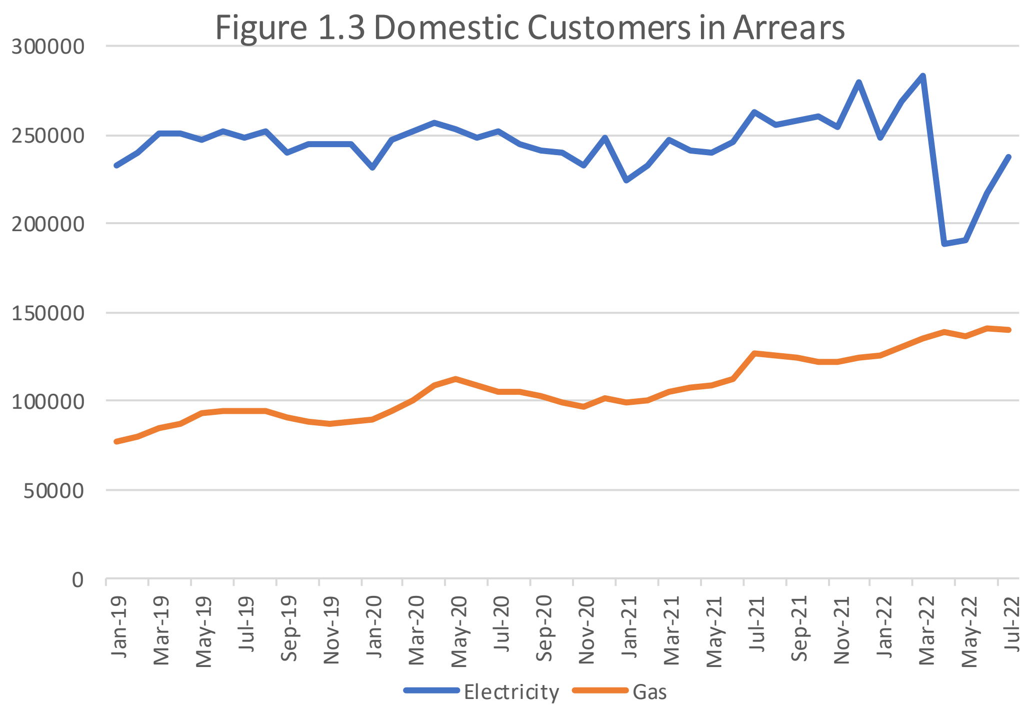
Figure 1.2 Domestic Electricity and Gas Disconnections for Non Payment of Accounts



In response to covid restriction in 2020 and 2021 CRU introduced covid moratoria against disconnections which is shown by the reduction in disconnections in 2020. Following the Covid moratoria, disconnections have remained well below pre-Covid levels in 2021 and 2022, although a slight increase has been seen since May 2022. Data Source: CRU2022973-Arrears-and-NPA-disconnection-update-H1-2022.pdf

One area that has been consistently challenging to get visibility on is the use of emergency credit and the levels of self-disconnection in the Pay As You Go (PAYG) sector. Unlike billpay customers, customers on PAYG meters pay for electricity or gas in advance of use. Self-disconnection happens when the credit in a PAYG meter is not maintained by the customer and so power ceases to flow. There is a range of reasons why credit is not maintained in a PAYG meter. However, it is extremely difficult to identify when self-disconnection is happening for the reason that a customer doesn't have the money to buy credit or can no longer access emergency credit. Therefore, we have a situation where we have little visibility of loss of energy supply to some of the most financially vulnerable people in our society.

The number of customers in arrears for gas increased by 14,527 between January and July 2022 (in July 2022 there were 139,920 domestic gas customers in arrears), while the number of electricity customers in arrears increased by 10,629 between January and July 2022 (in July 2022 there were 237,355 domestic electricity customers in arrears). The number of electricity customers in arrears fell in Q2 2022 by almost 95,000, due to the first Electricity Costs Emergency Benefit Scheme, though the numbers are rising again.



The number of customers in arrears for gas has increased steadily for 2019-2022, while the number of electricity customers in arrears which was increasing from mid 2020 fell in Q2 2022 due to the first Electricity Costs Emergency Benefit Scheme. Data Source: CRU2022973-Arrears-and-NPA-disconnection-update-H1-2022.pdf

When a customer gets into difficulty with meeting their electricity and gas costs, whether they are on billpay or PAYG, it is essential that they contact their supplier. Under the Energy Engage Code customers engaging with their supplier will not be disconnected. But it can be very hard for people under financial pressure to do this. That is why MABS is working closely with the electricity and gas sector to provide financial advice and advocacy services to customers who find themselves in difficulty paying their bills. This is part of the wider work of MABS, which also covers advice for people with difficulties in paying for other energy costs such as solid fuel and heating oil.

There is a longstanding annual moratorium for all billpay customers on disconnection for non-payment of account over the Christmas period. As set out in the Actions below, the CRU has extended the period of this moratorium for the winter of 2022/3.

There are separate moratorium arrangements for vulnerable customers. There are currently 2 categories of vulnerable customer which are defined in legislation in SI

463/2011. The first is defined as a household customer who is critically dependent on electrically powered equipment, which includes, but is not limited to, life protecting devices, assistive technologies to support independent living and medical equipment. This group of vulnerable customers cannot be disconnected for non-payment of account at any time. The second category includes those who are particularly vulnerable to disconnection during the winter months for reasons of advanced age or physical, sensory, intellectual or mental health. There is an extended winter moratorium on disconnections for this group.

It is critical that people who are in such a situation contact their energy supplier to register with them as a vulnerable customer. Their electricity supplier will then notify ESB Networks. ESBN maintains a Vulnerable Customer Register based on the information provided to them by suppliers. Because moratoria do not apply to PAYG meters, it is very important that people who identify themselves as vulnerable customers and who are on PAYG, move to billpay. More information about vulnerable customers, and what to do, is available from the CRU[6].

In the context of increasing levels of energy debt, and as further electricity and gas price increases were announced in September and October 2022, energy suppliers, MABS and NGOs have been reporting growing levels of contact from customers, indicating rising levels of anxiety about higher energy costs. Even where people may still be able to meet those costs, the uncertainty about the future is a real worry for them. To better understand these types of issues, and the extent of self-disconnection by PAYG customers, DECC has initiated a market research project to gain further insight to consumer sentiment and experience on the ground of rising energy costs. This is described in more detail in Chapter 4 – Governance & Communications.

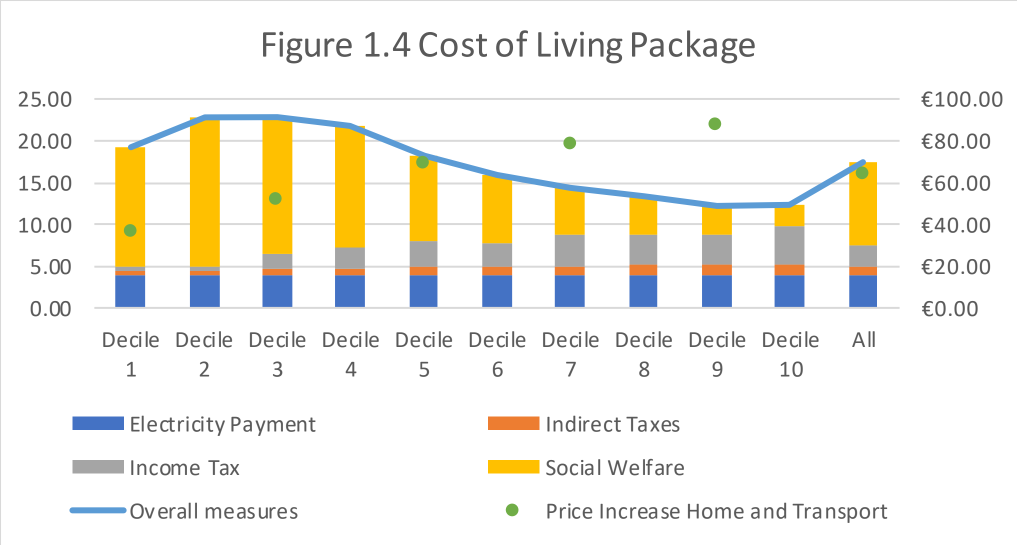
This shows the range of indicators which need to be tracked, and the type of engagement required, for us to build and maintain an accurate picture of the experience of energy poverty in Ireland and ensure that the consumer voice is heard and informs the ongoing policy response.

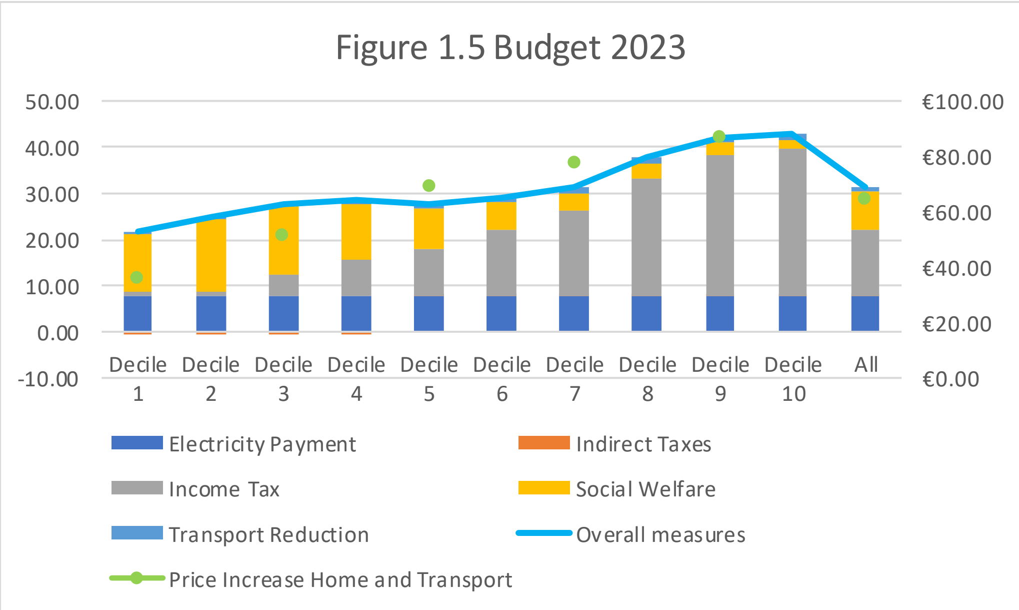
[6] https://www.cru.ie/need-assistance/vulnerable-customers/

Actions

Against this backdrop, in its analysis of Budget 2023, the ESRI found that one-off measures announced in the Budget would insulate most households from rising prices this winter. Their research showed that welfare increases in 2022 and 2023, together with these one-off measures, are large enough to leave the lowest-income households better-off on average than they would have been had welfare payment rates risen in line with inflation both this year and next. The research also found that the Government's approach to insulating households from the recent rise in energy prices has been effective, and that targeted welfare measures combined with universal household energy credits will do more for most lower income households this winter than had welfare payment rates risen in line with inflation both this year and next. By providing support for household incomes and for businesses, the ESRI found that the budgetary package should mitigate the impact of impending energy costs on domestic economic activity. Comparing separate and independent analysis based on work by the ESRI and the Department of Finance (see figures 1.4 and 1.5) illustrates the impact of Government supports against increases in energy prices up to October 2022.[7]

[7] Analysis combined Department of Finance analysis on impact of Budget 2023 and the Cost of Living Package, and ESRI calculations using eSWITCH based on 2019 SILC data uprated to 2022 terms. Price deciles constructed equivalising income using modified OECD equivalence scale. Spending imputed using approach detailed in Barrett et al. (2022) with change in energy CPI sub-indices between January 2021 and October 2022 used to simulate price rise for electricity, home heating and transport.





Nevertheless, this situation continues to evolve rapidly as the volatility in energy markets looks set to continue in the medium term. This is why this section focuses on the actions being taken between now and the end of March 2023 to support people through the winter. The work necessary to have these actions in place before the end of the year has been underway through much of 2022. These measures will be reviewed through quarter one of next year as their impact is monitored along with evolving energy market conditions.

Income supports

- ### Electricity Costs Emergency Benefit Payment

A new Electricity Costs Emergency Benefit Scheme was established by DECC as part of Government's package of once off measures worth €2.5 billion included in Budget 2023. Through this Scheme, €550.47 (exclusive of VAT; €600 inclusive of VAT) will be credited to each domestic electricity account in three payments of €183.49 (exclusive of VAT) in each of the billing periods - November/December 2022, January/February 2023 and March/April 2023. The estimated cost of this scheme is €1.211 billion.

The payment will be applied to all domestic electricity accounts, including those with Pay As You Go meters, which are subject to distribution use of system charges at the rate for urban domestic customers (DG1) or the rate for rural domestic customers (DG2). The scheme uses the single identifier of the Meter Point Registration Number (MPRN) to ensure it can be administered automatically and without an application/approval process.

This builds on the first Electricity Costs Emergency Benefit Scheme delivered in Q2 2022, which saw payments of €176.22 (ex. VAT) made automatically to 2,138,939 domestic electricity accounts, or over 99.3% of eligible accounts. This means that, on the completion of the second Scheme, the support given to each domestic electricity account between March 2022 and March 2023 will total €726 (ex VAT).

Since the implementation of the first Scheme, it came to the attention of DECC that Traveller families who use Local Authority accommodation where there is a single MPRN registered to the Local Authority, did not receive this payment. DECC has worked with Local Authorities to ensure that the payments under the first and second schemes are made available to this group.

- ### Fuel Allowance

Those using home heating oil and solid fuels have also seen their bills increase significantly. For people in receipt of Fuel Allowance, which is an income support, they may choose to put the €33 weekly payment, from late September to April - in full or in part – towards their home heating bills irrespective of the heating source. The lump sum of €400 was also paid to these households in November 2022. Due to the expansion of the Fuel Allowance Scheme in Budget 2023, a further 81,000 homes will become eligible for the Fuel Allowance in 2023. This is part of the wider development of the Fuel Allowance by DSP which includes the following:

- A new means threshold will be introduced for people aged 70 years and over. The new means threshold will be €500 for a single person and €1,000 for a couple.
- The fuel allowance capital means disregard (for savings, property, etc.) will increase from €20,000 to €50,000 for people over 70 years of age.
- The weekly means threshold for those aged under 70 will be increased by €80 to €200 above the appropriate rate of State Pension (Contributory).
- Disablement Benefit will be disregarded when assessing means for Fuel Allowance purposes.
- Half-Rate Carer's Allowance will be disregarded when assessing means for Fuel Allowance purposes.
- In addition to these measures, as part of the Government's Budget 2023 cost of living supports, a €400 additional Lump Sum payment was made to all households in receipt of the Fuel Allowance Payment in November 2022.

Fuel Allowance - Over 70's Measure

This reform seeks to ensure that older people, not currently in receipt of Fuel Allowance but marginally outside the thresholds, will now be covered by the scheme.

Those aged over 70 will no longer be required to be in receipt of a qualifying Social Welfare payment but will still have to satisfy the household composition criteria.

It is estimated that up to 63,700 households could benefit from this measure at a cost of €53.5 million per year.

Targeted Social Protection Supports using Carbon Tax Revenues

The Programme for Government commits to ensuring that increases in the carbon tax will be progressive. This means protecting the most vulnerable in society from the impacts of the tax and indeed, where possible, ensuring they are better off than before.

In 2020, the ESRI examined options available to offset the impacts of a carbon tax increase on low-income households. The research concluded that recycling just one third of the revenue from a €7.50 increase in the carbon tax would result in a reduction in the poverty rate and could leave the lowest two income deciles better off than before the increase. [8]

In light of the ESRI research and the commitment to ensure that the carbon tax is progressive, the Government has committed to significant increases in a targeted package

[8] https://assets.gov.ie/235732/93f95f31-bc1e-4823-993f-af16492fe628.pdf

of social protection supports in Budget 2023. These supports were selected to counteract the impact rising energy prices and significant increases in the cost-of-living, while mitigating the impact of increased carbon tax on low-income households. The specific measures are:

- An increase to the Qualified Child Payment of €2 per week for children under 12 and €2 per week for children over 12 (in addition to a general rate increase of €12 per week) for low-income families, bringing the rates to €42 and €50 per week respectively.
- An €80 increase to the means threshold applied to eligibility for Fuel Allowance increasing it to €200 above the relevant rate of State Pension (Contributory).
- An increase to the threshold for eligibility for the Working Family Payment of €40 per week for all family sizes. Research has found that children in energy poverty have a greater likelihood of respiratory illness.
- A new means test for the Fuel Allowance for the over 70s of €500 for a single person and €1,000 for a couple. This reform seeks to ensure that older people not currently in receipt of fuel allowance but who are marginally outside the thresholds will now be covered by the scheme. This reform is being made because older people can often be more vulnerable to the effects of energy poverty.

Analysis undertaken using SWITCH, the ESRI tax and benefit model, to simulate the impact of the carbon tax increase and the compensatory welfare package estimates that the net impact of the combined measures is progressive. The analysis conducted in support of Budget 2023 has found that households in the bottom five income deciles are better off as a result of the increased spending on social protection made possible by the increases to the carbon tax.

Additional Needs Payments (ANP) [9]

People can apply to the Community Welfare Service (CWS) for assistance with essential costs that they cannot reasonably be expected to meet from their income. Such payments are subject to income tests and an assessment of need. The ANP payment is available where a person has exceptional expenses that they cannot meet from their weekly income. The payment is subject to certain qualifying criteria (such as financial means and the nature of a particular need).

[9] gov.ie - How to access Community Welfare Services (www.gov.ie)

Additional Needs Payments are designed to help people on low incomes who face difficulty in meeting essential costs, including as a consequence of cost-of-living increases. It includes an emergency facility for people who need help quickly to meet costs of essentials such as energy.

Any vulnerable customer who is on a Pay as You Go meter and who requires financial assistance to ensure their continued energy supply, and avoid self-disconnection, has an immediate need. Every effort will be made to ensure that these vulnerable individuals in financial distress, and who qualify, will receive an Additional Needs Payment on the same day or as soon as possible where it relates to electricity and heating expenses. Individuals can access the Community Welfare Service through a dedicated helpline number 0818 607080, or in person in all 51 Intreo Centres nationwide. Guidance to help people access this help is also available through the Stay Warm & Well information campaign.

- **Wider Social Protection Measures**

The Household Benefits package (HHB) comprises the electricity or gas allowance, and the free television licence. The gas or electricity element is paid at a rate of €35 per month for 12 months of the year, with one benefit paid per household.

The HHB is available to everyone over 70 and is not means tested. The recipient does not need to be in receipt of a social welfare payment.

For those between the ages of 66 and 70, HHB is available to those who are in receipt of a social welfare type payment or who satisfy a means test.

The HHB is also available to some people under the age of 66, who are in receipt of certain social welfare payments such as Disability Allowance, Invalidity Pension and Blind Pension. In 2023, the estimated cost of the gas and electricity element of the package is €207 million and will benefit almost 500,000 households.

From January 2023, the weekly means threshold for those aged under 70 will be increased from €120 to €200 above the appropriate rate of State Pension (Contributory).

Budget 2023 and One-Off Social Protection Measures

In addition to the measures set out above the Government has also provided for:

- A one-off payment of €400 to all households in receipt of fuel allowance.
- A one-off payment of €500 to people in receipt of disability payments and to carers who qualify for the Carer's Support Grant.
- A one-off payment of €500 for people in receipt of the working family payment

- A one of payment of €200 for people in receipt of the living alone allowance
- A double week 'autumn' payment to recipients of weekly long-term welfare payments
- A double week Christmas bonus payment
- A double child benefit payment of an extra €140 per child.
- A permanent increase of €12 per week in weekly welfare payments from January 2023.

Financial Measures

- **VAT**

As part of the Government's actions under the National Energy Security Framework Government introduced a reduction in VAT from 13.5% to 9% from the first of May. This was extended until the end of February in Budget 2023. For average use of electricity and gas this will result in a €64 reduction saving on bills.

- **Public Service Obligation Levy (PSO)**

The Public Service Obligation (PSO) is an important instrument to support renewable electricity development in Ireland. Until the 2022/23 PSO Year (beginning 01 October 2022), a PSO Levy has been charged to all final electricity customers in Ireland and appears as a line item on bills. The money raised from this levy is paid to electricity generators eligible for support under a number of Government schemes, such as the Renewable Electricity Support Scheme.

The Commission for Regulation of Utilities (CRU) is tasked, under legislation, with calculating the amount required for the PSO prior to the beginning of each PSO Year. In July 2022 Government introduced legislation to allow for a PSO Payment to be credited to final electricity customers in the case where the CRU determines that the PSO is in a negative. Due to unprecedented and sustained high wholesale electricity prices the CRU calculated in July 2022 that the PSO for the 2022/23 PSO Year would be negative and that final electricity customers would receive PSO Payments worth a total of €89.10 on their electricity bills for the 2022/23 PSO Year. The CRU is currently working on designing and implementing the required structures to allow for the crediting of these PSO Payments. In the interim, the CRU has set the PSO Levy to zero on electricity bills.

- **Windfall Gains**

The Council Regulation (EU) 2022/1854 seeks to address windfall gains in the energy sector by collecting revenues from those companies that have unexpectedly benefited from high prices and redistribute the revenues to alleviate pressure on affected energy consumers.

Government has approved the implementation of the Council Regulation including:

- a temporary solidarity contribution, which applies to fossil fuel production and refining, that will apply for 2022 and 2023 and will be calculated based on 75% of the taxable profits which are more than 20% above the average taxable profits for the years 2018 to 2021; and
- a cap on the market revenues of non-gas electricity generators with the cap set at €120 per MWh for wind and solar generators and at least €180 per MWh for other non-gas generators.

Given the volatility of gas prices, the level of proceeds from the cap on market revenues and the temporary solidarity contribution cannot be estimated with certainty. Any proceeds that are collected will be distributed in line with the requirements of the Council Regulation. The proceeds from the cap on market revenues will used to finance measures in support of final electricity customers that mitigate the impact of high electricity prices. The proceeds from the temporary solidarity contribution may be used for a wider range of measures including supporting vulnerable households to mitigate the effects of high energy prices, financial support measures to help reduce energy consumption, and financial support measures to support companies in energy intensive industries.

Consumer protection

The CRU is the independent body responsible for overseeing the regulation of electricity and gas sectors in Ireland. The CRU has a legislative obligation to protect the interest of energy customers and promote competition in retail energy markets. Under its legal mandate, the CRU is responsible for implementing customer protection measures for electricity and gas. This is done by the CRU through the placing of requirements on electricity and gas suppliers and electricity and gas network companies. These obligations are set out in the Electricity and Gas Suppliers' Handbook. [10]The Handbook sets out obligations on electricity and gas suppliers with which they must comply under their supply licence conditions. The Handbook

[10] CRU202285-CRU-Decision-on-Additional-Customer-Protection-Measures-for-Household-Electricity-Gas-Custsomers.pdf

also details Codes of Practice, which set out the rules to be followed by suppliers in compliance with their obligations:

- Marketing and Advertising
- Customer Sign Up
- Billing
- Disconnections
- Complaint Handling
- Vulnerable Customers
- Pay as you Go Metering and Budget Controllers (Meters)
- Smart Services

In addition to the protections already set out in the Handbook, (which includes the obligation on suppliers to inform customers of the range of payment options available to them), and following engagement with customer representative groups, NGO's, energy suppliers and network operators, the CRU announced enhanced consumer protection measures for winter 2022/3 including:

- A requirement on suppliers to ensure that all customers with a financial hardship meter are automatically placed on the most economical tariff. The customer in financial hardship must be placed on whichever tariff is the cheapest. This protection already exists for vulnerable customers and is set out in the Suppliers Handbook.
- Extended moratoria on disconnections for billpay customers, - for vulnerable customers the moratorium began on 1 October and will continue until the end of March. The winter moratorium against disconnections for all billpay customers was extended from the 1st of December until the end of February. Priority customers (medically vulnerable) cannot be disconnected for non-payment of accounts.
- An obligation that suppliers must make customers entering, or already on, a payment plan aware of the option to extend the repayment plan to a minimum of 24 months. The customer can repay in less than 24 months if they so wish. Under the Energy Engage Codesuppliers will not disconnect a customer who is engaging with them
- Reduced debt burden on PAYG top-ups where a maximum of 10% of a single customer vend can be attributed to debt this is reduced from 25% and applies to all PAYG meters.

- A requirement on suppliers to inform all domestic customers of the eligibility criteria for Vulnerable Customers, how to apply, and the benefits of registering as one
- No charge to move from PAYG to billpay meters for either electricity or gas
- In addition, customers who wish to move from PAYG to billpay will be able to do so even if they are debt flagged.

Although CRU have strong consumer protections in place, given the particular pressure on financially vulnerable households DECC will legislate to extend the definition of vulnerable consumers to include financial vulnerability for the winters 2022/2023 and 2023/2024.

Community and Voluntary Sector Supports

The Department of Rural & Community Development (DRCD) administers the €10m Community and Voluntary Energy Support Scheme (CVESS)[11], to support community and voluntary organisations and charities with energy costs. The fund is administered by Pobal and aimed towards larger groups and organisations that are registered Charities or CLGs.

€10m Community Support Fund (CSF) was launched in November 2022. The aim of the fund is to support groups, particularly in disadvantaged areas, with their running costs such as utility or insurance bills. As well as with minor improvements to their facilities who may not have been deemed eligible under previous Government Schemes.

This fund will be allocated under DRCD's Community Enhancement Programme (CEP) [12]and in order to ensure there is sufficient flexibility to allow funding to be targeted to where it is needed in each Local Authority area. It will be administered locally by the Local Community Development Committees (LCDCs) as in previous years.

An essential role played by the community and voluntary sector in shaping our response to climate issues and embedding climate action at local levels, Sustainable, Inclusive and Empowered Communities: the five-year strategy to support the community and voluntary sector in Ireland commits to 'support community development and local development to engage with Climate Change adaptation and mitigation strategies.' This includes the intention to provide training and capacity building in relation to Climate Change to community development and local development organisations. DRCD will work with DECC in the months ahead to further the aim of increased capacity in the community development and

[11] https://www.pobal.ie/programmes/community-and-voluntary-sector-energy-support-scheme/

[12] https://www.gov.ie/en/press-release/aec90-ministers-humphreys-and-joe-obrien-announce-10-million-fund-to-support-parish-halls-and-community-centres-with-energy-bills/

local development sectors to proactively engage with Climate Change adaptation and mitigation strategies and fully consider Climate Change in their work at a local level.

Chapter 2 – Energy Efficiency and Retrofit

Context

The amount that households need to spend on heating and powering their home is influenced by a number of factors including the dwelling type, age, size and condition. For example, a large, older, detached home with little or no insulation will generally cost more to run than a small, newer terraced home with insulation.

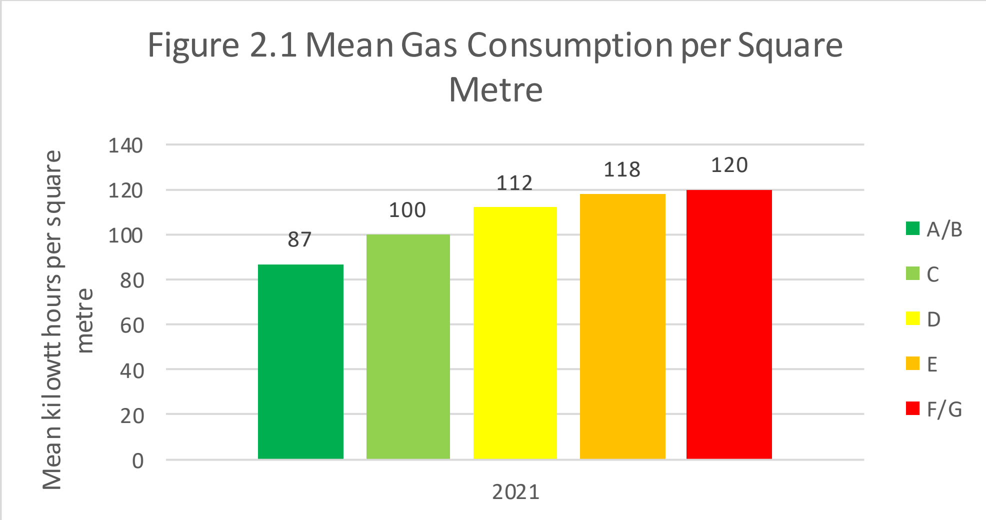
A Building Energy Rating (BER) rates the energy performance of a home based on typical occupancy. It is calculated based on the amount of energy a home requires for space heating, space cooling, ventilation, water heating and lighting. It does not include electricity used for other purposes such as the operation of appliances like cookers, fridges, washing machines, computers and televisions within the home. The BER is on a scale from A-G. A-rated homes are the most energy efficient while G-rated are the least energy efficient.

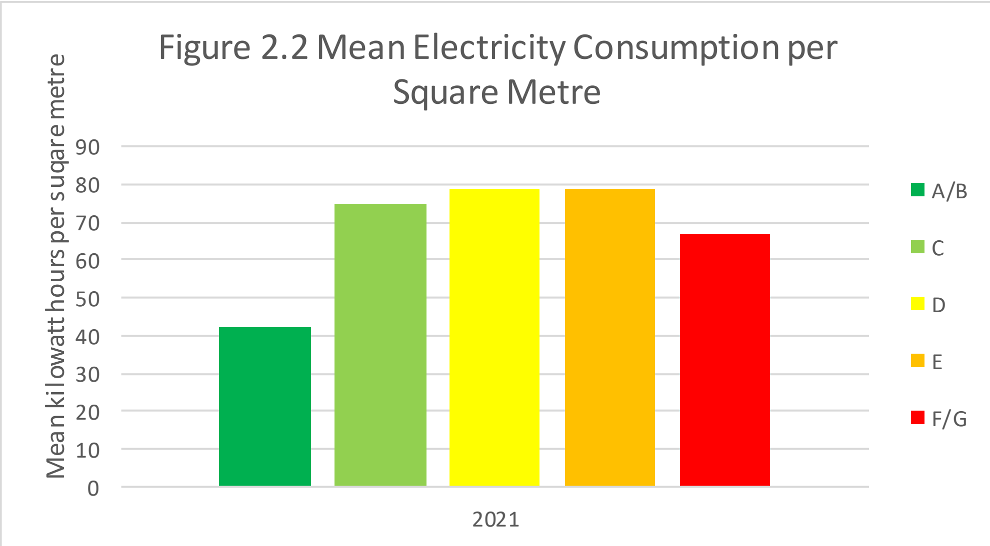
Newer homes have to be built to very high energy performance standards. Under current Building Regulations new homes typically achieve an A-rating meaning that they require less energy per square metre and as such will be less costly to run.

Recent CSO publications [13] show that E, F and G rated dwellings used significantly more gas per metre squared in 2021 than A and B rated dwellings (Figure 2.1 below). Similarly, homes heated by electricity where the rating was worse than a B used more electricity per metre squared than homes rated A or B (Figure 2.2 below).

Often homes with lower BER grades do not consume as much energy as would be expected due to people being unable to afford to maintain adequate internal temperatures. Initial energy efficiency measures (say from moving from BER G to E) often are realised in increases in internal temperatures rather than exclusively in monetary savings. When energy efficiency surpasses a level to which adequate comfort is achieved, the efficiency results in a higher proportion of monetary savings.

[13] CSO gas consumption 2021 publication





A retrofit, or home energy upgrade, improves the energy performance and BER of a home. This results in a permanent reduction in the amount of energy needed to heat, ventilate and light the home to an adequate level. Importantly for alleviating energy poverty, this can reduce the home's overall energy demand and the relative amount that a household must spend on energy. This can lessen the householder's exposure to increases in energy prices and associated high bills. The home will also be warmer and more comfortable following an upgrade.

There is also evidence, including findings from the Warmth and Wellbeing scheme, that points to the specific health and wellbeing improvements, particularly for older people, that can be attained through retrofitting. This can combat the health-related consequences of living in a cold, damp home which has been shown to be linked to excess winter mortality, to increased rates of respiratory diseases and to poorer states of mental health and wellbeing. As well as this, children growing up in energy poor households may be especially vulnerable to negative health effects arising from living in cold environments. The best response to this issue is improving the efficiency of these homes.

Retrofits/home energy upgrades can also bring numerous other broader benefits, such as:

- improved asset values;
- reduced greenhouse gas emissions and air pollution;
- enhanced sustainability of the energy system, reducing reliance on imported energy;
- increased economic activity and the creation of high-quality jobs throughout the country.

Ultimately these wider benefits will have a positive impact on society as a whole. Home energy upgrades are therefore a key part of the longer-term solution to alleviating energy poverty as well as to reducing the amount of energy we use in our national housing stock and our reliance on fossil fuels to heat our homes.

The Climate Action Plan sets out the Government's ambition for reducing emissions from the built environment, including a commitment to retrofit the equivalent of 500,000 homes to a BER B2 and install 400,000 heat pumps in existing homes by 2030. The National Retrofit Plan sets out how the Government will deliver on these targets. The plan is guided by key principles of fairness and universality which ensures that those least able to afford to retrofit will be supported to participate in decarbonising our homes.

This chapter sets out some of the particular challenges in retrofitting homes for those more vulnerable to energy poverty, the Government's response to those challenges and actions that will be taken to further progress retrofitting of these homes.

Accessibility and Affordability

Evidence shows that one of the key barriers to retrofitting is household financial constraints. High upfront costs and long payback periods mean that a home energy upgrade, particularly a deeper retrofit, is often beyond a household's budget. This is particularly acute for lower-income households which are most at risk of energy poverty and are among those least likely to be able to afford to pay for a retrofit themselves.

In response to this, Government funds free retrofits through the SEAI Warmer Homes Scheme and the Social Housing Retrofit Programme. This year, over 60% of the Government's total annual retrofit budget of €329m for 2022 is dedicated to these schemes.

Warmer Homes Scheme

- The Warmer Homes Scheme offers free energy upgrades to eligible homeowners who are most at risk of energy poverty. Since 2000, over 149,000 free upgrades have been supported by the scheme.
- Under the scheme homes can typically receive a package of measures including wall insulation, attic insulation, ventilation, as well as heating system replacements and window upgrades where appropriate.
- Earlier this year a number of changes were introduced to the Warmer Homes scheme to ensure that the scheme is targeting those most in need. These included:
    - Re-opening the scheme to homeowners who previously received works under the scheme but could still benefit from the deeper measures now available.
    - Extension of the eligibility criteria for the scheme to encompass people who are in receipt of the Disability Allowance for over 6 months who have a child under 7 years
    - Targeting the worst performing homes first by prioritising homes built and occupied before 1993 and have a BER rating of E, F or G on the waiting list for new applications.
- As evident from the table below, spending under this scheme per home has ramped up significantly in recent years. This means that the investment per home is providing a deeper upgrade and a significant improvement in energy performance. As such, it is of much more benefit to the homeowner. The average investment per home under the Warmer Homes Scheme completed in the first half of 2022 was €18,750.
- 2022 has seen a large increase in both the number of homes retrofitted under the scheme and in demand for the scheme, with output increasing in recent months to an average of 400 homes per month, up from 170 in 2021.

	total homes completed	total capital spend (€M)	**average spend per home**
2017	6,549	€22.97	€3,450
2018	5,218	€35.51	€6,757
2019	3,138	€39.81	€12,671
2020	1,510	€23.39	€15,350

2021	2,123	€38.09	€17,100
2022 (year to date)	3,068	€58.65	€18,753

Social Housing Retrofit Programme

- A quarter of the local authority housing stock has been built since 2008 and is therefore built to higher energy efficiency standards than older homes. Since 2013 Government has funded energy upgrade work on some 75,000 social homes providing funding of €183 million to the end of 2021.
- The Climate Action Plan commits to upgrading an additional 36,500 local authority owned homes to B2 by 2030. 2022 sees the second year of the Energy Efficiency retrofit programme with the funding being provided having increased year on year and is expected to increase in 2023. The average available for the retrofit of dwellings available to the local authority sector for retrofitting homes to a B2 or Cost Optimal Equivalent have also increased.
- In 2021 there was a total of 1,038 retrofits completed to B2 or Cost Optimal BER from both the national retrofit programme and the midlands programme. 750 of these retrofits included the installation of a heat pump. In 2022 there is an estimated 2,370 dwellings either currently being retrofitted onsite or completed. Full details in relation to the 2022 outturn will be available early in 2023.

Step by step upgrades supports

Earlier this year Government launched a package of new supports to make it easier and more affordable for homeowners to undertake home energy upgrades, helping to protect households from energy poverty. These new measures included significant increases in grant supports through the Better Energy Homes Scheme for homeowners that want to take a step-by-step approach to upgrading their homes by installing one or two energy upgrade measures at a time. Most notably, a special enhanced grant rate, covering a significant amount of the typical cost, for attic and cavity wall insulation for all households was introduced, to urgently reduce energy use as part of the Government's response to current exceptionally high energy prices. These grants focus on low cost, high impact measures such as attic insulation, where the balance of the cost to the homeowner is minimal. Since the introduction of the enhanced attic and cavity supports, demand has been very strong. As of end-September, applications have nearly tripled with almost 3,400 homes benefitting from roof/attic insulation and over 2,800 homes benefitting from cavity wall insulation.

Semi-detached house	Typical Cost	Grant	Average savings on heating bill
Attic insulation	€1,500	€1,200	€200 per year
Cavity wall insulation	€1,516	€1,300	€300 per year

Energy Efficiency Obligation Scheme

The Government also requires larger energy companies to help households at risk of energy poverty with upgrading their homes through the Energy Efficiency Obligation Scheme. Since 2014, 65,622 homes at risk of energy poverty have been supported under this scheme.

Community Energy Grants Scheme

The Community Energy Grant scheme provides retrofit supports for households at risk of energy poverty as part of group upgrade projects. A total of 13,484 energy poverty upgrades have been supported under this scheme since 2012.

Actions

As set out in the National Retrofit Plan, the Government has committed to retrofit the equivalent of 500,000 homes to a BER B2/Cost Optimal level and install 400,000 heat pumps in existing homes by 2030. An Exchequer investment of €8 billion to 2030 has been ring fenced to support the achievement of these targets. Ensuring fairness to all, supporting a just transition for all consumer segments including energy poor households are key principles underpinning the Plan. Through the implementation of the actions set out below Government will continue, improve and expand the accessibility and affordability of retrofitting for those in energy poverty.

Energy Upgrade Grant supports

Government will drive delivery of retrofitting under SEAI schemes and improve the condition of our homes at a time of high energy prices by:

- Providing a record allocation for SEAI schemes totalling €337million for 2023 (Q1-Q4 2023).
    - This will deliver over 37,000 home energy upgrades including over 13,800 homes to a BER of B2 or Cost Optimal equivalent.
- The allocation for the Better Energy Homes Scheme will be increased to its highest ever level in 2023 (Q1-Q4 2023).

    - This will allow more homes to take a step-by-step approach to retrofitting their home. Crucially, it will also allow many more households to avail of the 80% grants for attic and cavity wall insulation.

- Introducing a mechanism to ensure that homeowners have the option of only paying the cost of their upgrade "net of grant" (Q1 2023)
    - A mechanism will be introduced to ensure that homeowners have the option of only needing to pay the cost of their retrofit net of the grant. This recognises that not all homeowners will have the funds available upfront to cover the total cost of the upgrade from Government

- Exploring options to further support homeowners to convert from oil and solid fuel heating to heat pumps (Q1 2023)
    - This recognises that households living in homes heated by oil or solid fuel are more likely to experience energy poverty and that homes heated by oil are not covered by the consumer protection measures to the same extent as those heated by gas or electricity.

Warmer Homes Scheme

Government will significantly increase monthly completions under the Warmer Homes Scheme and prioritise those living in the poorest performing homes. This will in part be funded through an additional funding allocation of €248 million which has been secured for the scheme from the European Regional Development Fund for the years 2022 to 2027

Key actions to progress this include:

- Provide a record budget allocation of €148.5 million for the Warmer Homes Scheme in 2023 in order to deliver 6,000 free upgrades (Q1-Q4 2023)
- Identify approach to further increase delivery of SEAI energy poverty upgrades (Q1 2023)
- Pilot approaches to increase the number of B2 upgrades and heat pumps installed in energy poor households (Ongoing).

Social Housing Retrofit Programme

The budget available in 2023 for implementation of the social housing retrofit programme is €87 million, which is a €2 million increase when compared to 2022. This will allow for the retrofitting of circa 2,400 local authority owned dwellings.

The proper management and maintenance of such a valuable State asset is a very important objective for the Department of Housing Local Government and Heritage (DHLGH). Of equal importance however is the requirement that the Local Authority tenants who are occupying those properties and paying their weekly rents, are living in homes which provide good comfort levels for their occupants.

In accordance with section 58 of the Housing Act 1966, Local Authorities are legally responsible for the management and maintenance of their housing stock, including pre-letting repairs to vacant properties, the implementation of a planned maintenance programme and carrying out of responsive repairs. Local Authorities also have a legal obligation to ensure that all of their tenanted properties are compliant with the provisions of the Housing (Standards for Rented Houses) Regulations 2019.

Notwithstanding the legal obligation on Local Authorities to manage and maintain their own stock,DHLGH provides annual funding support to Local Authorities under a number of stock improvement programmes.

DHLGH and Local Authorities are working to transition from a largely “response and voids” based approach to housing stock management and maintenance, to a planned maintenance approach as referenced in Housing for All, policy objective 20.6. This will require the completion of stock condition surveys by all Local Authorities and the subsequent development of strategic and informed work programmes in response. DHLGH will support these work programmes by ensuring that the funding available under the various stock improvement programmes is aligned with this approach. To that end €5 million in funding has been ring-fenced for Planned Maintenance under this years Planned Maintenance/Voids Programme to support the implementation of an ICT asset management system for the local authority sector and to provide a funding contribution for the commencement of stock condition surveys.

Key actions to progress include:

- Review the performance of the 2022 local authority retrofit programme Q1 2023
- Pilot ICT Asset Management Pilot to take place in Q1 2023 for Local Authority owned social housing
- Examine and Identify approaches to strategic and informed planned maintenance based on stock condition surveys
- Monitor progress of the local authority retrofit programme ensuring a minimum of 2,400 dwellings are retrofit in 2023.

- Where appropriate expand delivery of the local authority retrofit scheme were it is clear local authorities have the ability to deliver additional retrofit work.
- Roll out the ICT asset management system to all Local Authorities Q4 2023.

Energy Efficiency Obligation Scheme

- Government will ensure that energy poor households are a key focus of the new Energy Efficiency Obligation Scheme which will commence in January 2023.

Rented Sector and Approved Housing Bodies

In the residential rental sector, the incentives to invest in energy upgrades are misaligned between landlords and tenants, which impacts negatively on the energy performance of these homes. This is a complex problem seen in many countries. While newer rental properties are built to very high energy performance standards and require a low amount of energy to run, older rental stock is often much more inefficient. The ESRI[14] has also found that renters are more likely to go without heating because they cannot afford it. In addition, renters may not be eligible for income supports and therefore it is important to ensure that their homes need as little energy as possible to heat in order to protect them from energy poverty and energy deprivation.

There are significant numbers of social housing, people with disabilities and older person tenants in Approved Housing Body housing and this is a priority for DECC and SEAI, along with the Warmer Homes Scheme.

A range of supports are currently available to landlords and Approved Housing Bodies (AHBs) to improve the efficiency of their rental properties including:

- The National Home Energy Upgrade Scheme (One Stop Shop Service) provides grant support of approximately 50% of the typical cost for private landlords with higher supports available for AHBs.
- The Better Energy Homes Scheme provides support to landlords for step-by-step retrofits
- 80% grants are available to landlords for attic and cavity wall insulation, which are low-cost measures that can be installed quickly and cost effectively

[14] Michelle Barrett, Niall Farrell & Barra Roantree. ESRI Research Series No. 144, June 2022: Energy poverty and deprivation in Ireland. https://www.esri.ie/system/files/publications/RS144.pdf

- The Community Energy Grant scheme provides retrofit supports for rental properties as part of group upgrade projects.
    - Owners of rental properties are also eligible for supports from Local Authorities such as the Repair and Leasing scheme which can also cover energy efficiency upgrades.

Actions

Government will take a number of steps to increase uptake of energy efficiency improvements among landlords, helping to alleviate energy poverty for tenants, and improve comfort levels in rental homes.

Grants

- The record allocations for SEAI retrofit schemes will enable more landlords to retrofit their properties in advance of the introduction of minimum Building Energy Ratings (Ongoing).
- Individual grants including the 80% grant support for attic and cavity wall insulation will continue to be available for rental properties (Ongoing).

Financing

- A new low-cost loan scheme for residential retrofit to be introduced in 2023 will be available to small scale landlords (Q1 2023).
    - This scheme will enable credit institutions to offer loans with reduced interest rates to non-corporate landlords to make home energy efficiency upgrades more affordable.
- A new tax incentive to encourage small-scale landlords to undertake retrofitting works while the tenant remains in situ will be introduced (Q4 2022)

Regulation

- Implement Minimum BER standards, where feasible, for private rental properties, commencing in 2025, in line with the Housing for All Strategy

Research

Building on the work carried out as part of the consultation on improving the energy efficiency of rented homes, as set out in the 2016 Strategy, DHLGH, in collaboration with the ESRI is now undertaking further research into the “split-incentive”. The report will assess the gap between landlord resources/wealth and the cost of upgrading. A final report is expected in Q3-Q4 2023.

Homes requiring alternative solutions

Free energy upgrades provided by SEAI are typically suited to dwellings built using standard construction methods rather than those built using less common materials and techniques, which therefore have unique needs ("hard to treat homes"). In many circumstances it is not possible to carry out energy upgrades on these homes in line with the relevant requirements and guidance set out either in legislation, by the National Standards Authority, or by product manufacturers.

Examples of buildings that may require an alternative or non-standard approach to upgrading include:

- "traditionally-built" -this term generally applies to buildings built before 1940 with solid masonry walls and includes significant numbers of structures built in the 18th, 19th and early 20th centuries. It is estimated that some 15 - 18% of dwellings fall into the traditionally-built category. Many have statutory protection.
- Multi-unit developments
- Caravans/mobile homes

Uncertainty about what retrofit treatments are allowable, safe and appropriate has contributed to a limited amount of energy efficiency retrofit on these homes generally.

Actions

Government will take a number of steps to address the challenges faced by those seeking to improve the energy performance of homes that are difficult to upgrade as follows.

Traditional Buildings

- New guidance for the retrofitting of traditional buildings will be published by the Department of Housing, Local Government and Heritage (Q3 2023)

Caravans and mobile homes

DHLGH introduced an expanded nationwide pilot Caravan Loan Scheme in July 2022. The purpose of the scheme is to enable local authorities to provide loans to Travellers to purchase their own caravans/mobile homes for use as a primary residence on suitable sites at preferential rates.

- Increase and improve accommodation for the Traveller Community in line with commitments in Housing for All

Multi-unit Developments

- Support for energy upgrades for multi-unit developments will be available under the Community Energy Grant Scheme

Awareness

Following the launch of a new package of retrofit supports in February 2022, there has been significant increased demand across SEAI schemes for retrofitting. As of end-September over 35,300 applications for support were received (up 75% year-on-year). While this is extremely positive and has resulted in a strong pipeline of retrofitting for 2023 it will be important to continue to inform householders about the supports available and the steps they can take themselves to reduce their energy usage in their homes.

Actions

- SEAI will implement a national awareness and demand generation campaign for residential retrofit (Ongoing)
- Utilise Sustainable Energy Communities to drive community activation (Q4 2023)

Actions Recap: Energy Efficiency and Retrofit

- Providing a record allocation for SEAI schemes totalling €337million for 2023 (Q1-Q4 2023).
- The allocation for the Better Energy Homes Scheme will be increased to its highest ever level in 2023 (Q1-Q4 2023).
- Introduce a mechanism to ensure that homeowners have the option of only paying the cost of their upgrade "net of grant" (Q1 2023)
- Explore options to further support homeowners to convert from oil and solid fuel heating to heat pumps (Q1 2023)
- Provide a record budget allocation of €148.5 million for the Warmer Homes Scheme in 2023 in order to deliver 6,000 free upgrades (Q1-Q4 2023)
- Identify approach to further increase delivery of SEAI energy poverty upgrades (Q1 2023)

- Pilot approaches to increase the number of B2 upgrades and heat pumps installed in energy poor households (Ongoing).
- Review the performance of the 2022 local authority retrofit programme Q1 2023
- Pilot ICT Asset Management Pilot to take place in Q1 2023 for Local Authority owned social housing
- Examine and Identify approaches to strategic and informed planned maintenance based on stock condition surveys
- Monitor progress of the local authority retrofit programme ensuring a minimum of 2,400 dwellings are retrofit in 2023.
- Where appropriate expand delivery of the local authority retrofit scheme were it is clear local authorities have the ability to deliver additional retrofit work.
- Roll out the ICT asset management system to all local authorities Q4 2023.
- Implement Minimum BER standards, where feasible, for private rental properties, commencing in 2025, in line with the Housing for All Strategy
- Government will ensure that energy poor households are a key focus of the new Energy Efficiency Obligation Scheme which will commence in January 2023.
- The record allocations for SEAI retrofit schemes will enable more landlords to retrofit their properties in advance of the introduction of minimum Building Energy Ratings (Ongoing).
- Individual grants including the 80% grant support for attic and cavity wall insultation will continue to be available for rental properties (Ongoing).
- A new low-cost loan scheme for residential retrofit to be introduced in 2023 will be available to small scale landlords (Q1 2023).
- A new tax incentive to encourage small-scale landlords to undertake retrofitting works while the tenant remains in situ will be introduced (Q4 2022)
- A new report assessing the gap between landlord resources/wealth and the cost of upgrading will be completed in Q4 2023
- New guidance for the retrofitting of traditional buildings will be published by DHLGH (Q3 2023)

- Increase and improve accommodation for the Traveller Community in line with commitments in Housing for All (Ongoing)
- Support for energy upgrades of multi-unit developments will be available under the Community Energy Grant Scheme (Ongoing)
- SEAI will implement a national retrofit awareness and demand generation campaign for residential retrofit (Ongoing)
- Utilise Sustainable Energy Communities to drive community activation (Q4 2023)
- Under the new Public Libraries Strategy 2023-2027, all libraries will offer users access to resources to support home energy saving awareness and assessment

Chapter 3 – Research and Evidence

Context

As the previous chapters have outlined, Government has implemented a range of policies and measures to help support households that are at risk of energy poverty. Government has continued to allocate significant funding to these measures over the past number of years and has committed to continue funding these measures in the future.

The ESRI have found that these policies successfully target a certain number of lower-income households who live in energy-inefficient homes[15], who are likely to be among those most at risk of energy poverty. However, it has also been highlighted by the ESRI [16] and others[17] that our measurement of energy poverty and consequently information on the impact of these policies on levels energy poverty, as well as who is benefitting from them, could be improved. It is also acknowledged that improving our measurements and data collection will assist in identifying the severity of energy poverty being experienced by households and therefore, where additional supports could be further targeted.

This chapter sets out some of the challenges in defining, measuring and tracking energy poverty as well as in using those definitions and measurements to effectively target and monitor the impact policies and measures. New actions that will be taken to overcome these challenges over the coming years are set out.

Defining, measuring and tracking energy poverty

Despite 30 years of research on the topic, how to best measure energy poverty is still an open question. There are competing definitions and measurements outlined in the literature on fuel poverty. These include:

1. Expenditure-based measurements, including the one used most recently by the ESRI, are linked to the share of income a household must spend on its energy needs. These measurements do not account for the energy efficiency condition of the

[15] Arya Pillai, Miguel Tovar Reaños & John Curtis. ESRI Working Paper No. 729, June 2022: Fuel poverty in Ireland: an analysis of trends and profiles. https://www.esri.ie/system/files/publications/WP729.pdf

[16] Michelle Barrett, Niall Farrell & Barra Roantree. ESRI Research Series No. 144, June 2022: Energy poverty and deprivation in Ireland. https://www.esri.ie/system/files/publications/RS144.pdf

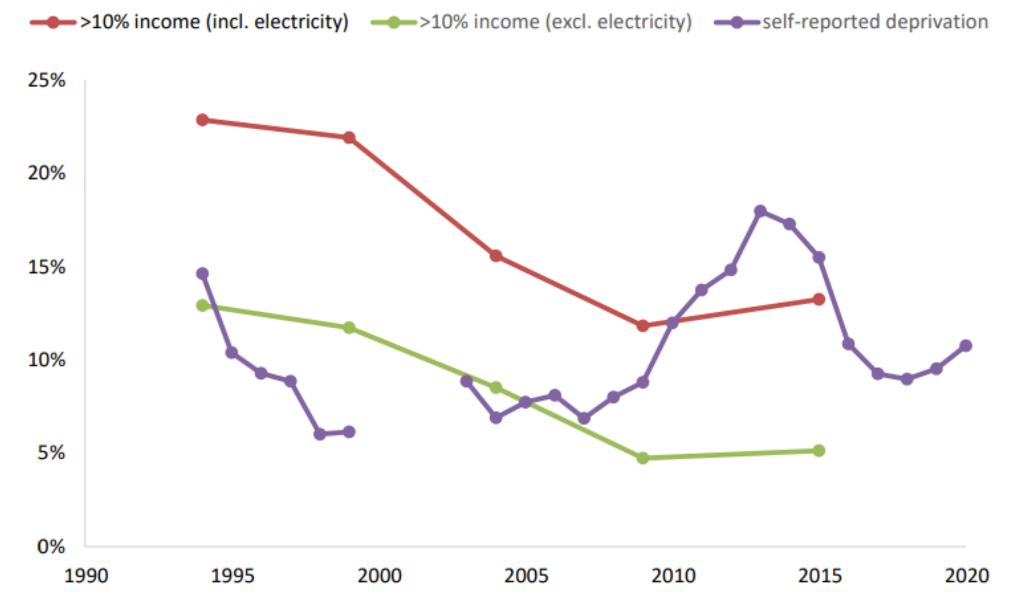
[17] Nestor, Ronan. Social Impact Assessment – SEAI Programmes Targeting Energy Poverty https://igees.gov.ie/wp-content/uploads/2020/11/Social-Impact-Assessment-%E2%80%93-SEAI-Programmes-Targeting-Energy-Poverty.pdf

home and, according to Tovar and Lynch (2022), are unable to identify households with the largest burden after increases in energy prices.

2. Self-reported indicators include indicators such as ability to pay bills, ability to afford energy and ability to keep the home warm. These are recorded annually by the Survey on Income and Living Conditions and offer an important insight into how people are actually feeling in their homes, as well providing a useful comparison with other EU Member States. Again, this measurement does not record detail on the condition of the home.
3. The third type of method includes multidimensional approaches that look at several dimensions of deprivation, moving away from income and expenditure by including physical measurement of the dwelling's energy efficiency. However, a lack of data means that it is often difficult to capture the influence of energy efficiency on energy poverty with this approach.

The chart below shows the level of energy poverty in Ireland as measured by the ESRI using 1 and 2 above and a metric of self-deprivation. This shows that there is a declining trend in fuel poverty and deprivation metrics at the beginning of the period. However, in the last years, the relationship is not very clear.

FIGURE 2.1 TRAJECTORY OF ENERGY POVERTY/DEPRIVATION IN IRELAND (1994–2020)



Source: Authors' calculations using the Household Budget Survey, Living in Ireland Survey, and Survey of Income and Living Conditions.

However, as noted by the ESRI, these measurements (1 and 2 above) could not identify households with low income and/or with larger energy needs/cost burdens. This measurement limitation is a real concern under the current situation of high energy prices. In a recent article, Pillai et al. (2022) found that households with higher income levels, but which are still below the median income, could be left behind by policies to tackle fuel poverty. Tovar (2021) argues that the metrics measure energy poverty as a head count, but they do not provide a measurement of its intensity.

Currently, the measurement most commonly used in Ireland is based on method 1 above or estimates of the level of expenditure on energy in a household. Households spending above 10% of total income on their energy needs (excluding energy for transport) are counted in the current measurement of energy poverty. Therefore, energy poverty in Ireland is currently defined based on only two variables: disposable household income, and energy expenditure. Further, the measurement does not currently capture the extent to which a household is experiencing energy poverty, i.e. in some cases they could be spending far more than 10% of their total income.

The ESRI published analysis earlier this year which indicates that under this current measurement and following the recent period of high and sustained energy inflation, the share of households that could be at risk of energy poverty has risen to 29.4%[18].

However, it is accepted that energy poverty is influenced not only by a person's income and the cost of the energy they use in their home, but also by the energy efficiency of their home. Lower income households living in inefficient homes are more at risk of energy poverty when energy prices increase, as the proportion of their income needed to meet their energy needs increases. Analysis also shows that energy poverty in Ireland is better regarded as an aspect of low living standards rather than being a distinct dimension of deprivation[19]. However, our current measurement of energy poverty includes households who are not in poverty more generally as well as households living in very efficient homes. This is partly due to a lack of data, meaning that it is often difficult to capture the influence of energy efficiency on energy poverty.

It is also accepted that other factors can influence energy poverty such as location, tenure, household composition, year of construction and type of fuel used.

It is important therefore that we develop more sophisticated measures of energy poverty and methods of tracking energy poverty over time.

[18] Michelle Barrett, Niall Farrell & Barra Roantree. ESRI Research Series No. 144, June 2022: Energy poverty and deprivation in Ireland. https://www.esri.ie/system/files/publications/RS144.pdf

[19] Watson, Dorothy; Maitre, Bertrand. 'Is fuel poverty in Ireland a distinct type of deprivation?'. The Economic and Social Review, 46(2): 267-291. http://hdl.handle.net/2262/71985.

In order to overcome the current problems with the methodology and data, a research network chaired by the ESRI has been established. The Group consists of representatives from DECC, DSP, SEAI and the Central Statistics Office (CSO). The main goal is to provide insights that enhance policy design to protect vulnerable households. A research agenda has been developed through coordinated effort of these different institutions.

Measuring impact of and targeting Government policies

As outlined earlier in this document Government has a range of policies and measures in place to help support households that are at risk of energy poverty. As set out earlier these measures include supplementing lower income households through the provision of a weekly Fuel Allowance during the winter months, the Household Benefits Package, among other payments. ESRI research has shown that Ireland's fuel allowances have, in general, helped to reduce the number of households in energy poverty prior to recent energy inflation[20].

The Government's measures also include a range of free energy efficiency upgrades which are provided through the Sustainable Energy Authority of Ireland's (SEAI) Warmer Homes and Warmth & Wellbeing Schemes. Analysis of the Warmer Homes scheme carried out by the Irish Government Economic and Evaluation Service (IGEES) found that there was insufficient data collected to determine whether the scheme had helped to alleviate energy poverty[21].

Developing evidence-based policies to combat energy poverty

It has been highlighted by the ESRI and others that current government policies to alleviate energy poverty are targeted broadly at those on lower incomes. While these reach a significant number of households who would be at risk of energy poverty they are not always capable of being targeted to those most in need or reaching all of the households who could be at risk of energy poverty.

Improvements have been made in how supports are provided including:

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[20] Arya Pillai, Miguel Tovar Reaños & John Curtis. ESRI Working Paper No. 729, June 2022: Fuel poverty in Ireland: an analysis of trends and profiles. https://www.esri.ie/system/files/publications/WP729.pdf

[21] Nestor, Ronan. Social Impact Assessment – SEAI Programmes Targeting Energy Poverty https://igees.gov.ie/wp-content/uploads/2020/11/Social-Impact-Assessment-%E2%80%93-SEAI-Programmes-Targeting-Energy-Poverty.pdf

- Changes to the free energy upgrade scheme in 2022 to improve targeting which will mean that in future these upgrades will be prioritised for those on the lowest incomes living in the worst performing homes,
- The carbon tax revenues are redistributed according to where they can support those most affected by increased prices.

It is important that supports continue to be informed by evidence. As such, evidence from the ESRI programme of research will be used to inform consideration of potential policy options around income supports or energy market measures e.g. a guaranteed price for a portion of electricity used.

Actions

As part of the ESRI's research programme Government will provide funding to examine whether existing supports are well-targeted towards those who are at risk of energy poverty and the impact of those supports on the level of energy poverty. As part of this research they will:

- Identify strategies to target households experiencing each of the drivers of fuel poverty and which of the different supports available these households could benefit from;
- Examine the distributional effects of the current schemes for retrofitting and the targeting efficiency of policies to tackle fuel poverty.

Government will fund the ESRI to work with the research network to:

- propose a metric for measuring energy poverty that combines expenditure and energy efficiency;
- propose metrics to measure changes in the trend of fuel poverty regarding the number of households and its severity;
- break down the relative contribution of income, energy prices and dwelling-related factors toward fuel poverty;
- quantify which characteristics are driving dwelling-related fuel poverty;
- quantify which socioeconomic characteristics are driving income-related fuel poverty (e.g. homeowners vs. renters);
- pilot a survey collecting data on consumption of fuels and dwelling conditions;
- prepare a map of the deprivation and energy efficiency distribution in Ireland.

Chapter 4 – Governance and Communications

Context

Energy poverty is a cross-governmental issue which is also currently closely linked to the broader cost of living pressures. As the previous chapters show, the policy levers and responsibility for implementing the measures that can alleviate energy poverty are in place across a range of Government departments and agencies. Therefore, implementation requires a whole of Government response based on collaboration across all of these Government departments and bodies. To achieve this, appropriate governance and communication arrangements are essential.

Communicating the breadth of activity and supports available to support those at risk of energy poverty in a clear and concise way is essential to ensure that those in need of support are getting it. It is a complex message to get across. The feedback gained from ongoing communications will also provide greater understanding of the barriers that remain and the policy options for addressing them.

Ensuring a Whole of Government Approach

A Cross-Departmental and inter-agency Energy Poverty Steering Group has been established to develop, implement, and oversee policies and measures aimed at alleviating energy poverty. This Action Plan has been drafted over the past number of months by the Group, taking account of the Progress review and the responses to the consultation which was published alongside that review.

The Group is chaired by DECC and has been meeting since August 2022. From the publication of this plan the Group will commence quarterly meetings. The members of the Group represent:

- Department of the Environment, Climate & Communications
- Department of Social Protection
- Department of Housing, Local Government & Heritage
- Department of Health
- Sustainable Energy Authority of Ireland (SEAI)
- Commission for Regulation of Utilities (CRU)
- Health Service Executive

- Department of Public Expenditure and Reform
- Department of Finance
- Department of Rural and Community Development

Providing Transparency and Policy Input

The Steering Group will be responsible for drawing together updates on key indicators from across its membership to provide short quarterly updates on issues such as volumes of disconnections and arrears, and consumer sentiment. An annual report outlining activity and progress under the various strategy actions in the previous year will be submitted to Government and published. The Group may also make recommendations for policy changes or new measures as part of these reports.

Engagement with stakeholders

A central part of the work of the Steering Group will be to provide structured, whole of Government, engagement with key stakeholders. This will include arrangements for consultation with relevant stakeholders, including NGOs, and events such as an annual plenary session with stakeholders to ensure their voices are heard as part of the annual report process. This builds on the very significant engagement that has continued with stakeholders since the consultation was held and this Plan developed with MABS and NGO's. It has also involved engagement with individual energy suppliers and very close working with the CRU and SEAI.

Communications and Awareness Strategy

The Communications Strategy for this Action Plan will build on the work, which began in Spring of 2022 on the Reduce Your Use campaign. This was developed in response to rising energy prices and the need to reduce energy use in response to the Russian invasion of Ukraine to provide a clear, whole of Government, message on how reducing energy use can save money and contribute to a national effort.

The driver for the establishment of this campaign was the need for Ireland to play its part in the overall EU drive to reduce energy demand as part of the immediate need to break dependence on Russian energy imports. One of its key aims is to demonstrate how the public sector is leading by example in reducing energy use.

However, it was also recognised that there are many people for whom reducing energy use is simply not possible or advisable. As outlined in Chapter 2 on Energy Efficiency, many people in, or at risk of, energy poverty do not actually use enough energy in the first place, with consequent detrimental effects to their health and wellbeing and that of their families. Therefore, the Stay Warm & Well this Winter message was developed as part of the wider campaign. See Annex I for all the detail on Stay Warm & Well, including energy advice and where to go and who to contact for help.

The overarching aim of this communications approach is to reach out to consumers and provide them with an easy to use ‘entry point’ for all of the information on the income, social protection and energy efficiency supports available to them. While the content of this plan is evidence that there are many different supports available, creating a consumer-focused overview of how to navigate all of this hugely important for people struggling to pay their bills. Whether people have struggled over time to meet their energy costs or they are experiencing this for the first time, reaching out for help can be really difficult. It has also become clear that communications need to be tailored to help people who may still be managing their energy costs but are feeling increasingly anxious about them.

The complexity of this communications challenge has prompted DECC to initiate a consumer sentiment research initiative. This is using a market research approach to build a detailed picture of actual consumer experience of the impacts of rising energy costs on a day-to-day basis. This will provide invaluable insights on areas that it have proved difficult to amass concrete data on such as self-disconnection levels among PAYG customers. The results of this work will inform the communications strategy on an ongoing basis and ultimately be a critical input to the development of further policy action.

In addition, following the launch of a new package of retrofit supports in February, there has been significant increased demand across SEAI schemes for retrofitting. As of end-September over 35,300 applications for support received (up 75% year-on-year). While this is extremely positive and has resulted in a strong pipeline of retrofitting for 2023 it will be important to continue to inform householders about the supports available and the steps they can take themselves to reduce their energy usage in their homes.

What also distinguishes this communications strategy is how it is being developed and implemented using a partnership approach, spanning:

- Department of the Taoiseach
- Department of Social Protection
- Department of Transport
- Department of Enterprise, Trade & Employment

- The Commission for Regulation of Utilities
- Sustainable Energy Authority of Ireland
- ESB Networks
- EirGrid
- Gas Networks Ireland
- Money Advice & Budgeting Service (MABS)
- ALONE

The practical knowledge and expertise, and connections to the community, that these organisations have is proving a critical element in understanding the scale of the challenge and the opportunities that can also be taken to support people to meet the cost of their energy and, ultimately, ensure an inclusive transition to net zero.

The campaign is scheduled to run from October 2022 to end March 2023 across the full range of media channels to reach 99% of adults in Ireland. This approach will be reviewed at the end of 2022 to apply research learnings and plan for the period January to March 2023.

Annex 1 – Stay Warm & Well – Information on How to Access Support

For further help, advice and support:

An Coimisiún um Rialáil Fóntais
Commission for Regulation of Utilities

CRU has a Customer Care Team to help domestic and small business customers who have questions about their electricity or gas suppliers.

Email: **customercare@cru.ie**
Website: **cru.ie**

SUSTAINABLE ENERGY AUTHORITY OF IRELAND

The SEAI has information on grants available for home energy upgrades, as well as useful advice on energy efficiency.

Email: **info@seai.ie**
Website: **seai.ie**

YOU'RE NOT ALONE

The charity ALONE, in partnership with the Department of Environment Climate and Communications (DECC), has a national support line for older people who may need support with their energy bills or any other challenges this winter.

Helpline: **0818 22 2024**
7 days per week, 8am-8pm,
Website: **alone.ie**

Money Advice & Budgeting Service

MABS is a free, independent, confidential and non-judgmental money advice and budgeting service for all members of the public. If you are struggling with debts including energy bills, contact MABS for advice and support.

Helpline: **0818 07 2000**
Mon-Fri, 9am-8pm
Website: **mabs.ie**

Annex 2 – Glossary

ANP	Additional Needs payment
BER	Building Energy Rating
CEP	Community Enhancement Programme
CRU	Commission for Regulation of Utilities
CSF	Community Support Fund
CSO	Central Statistics Office
CVESS	Community and Voluntary Sector Supports
CWS	Community Welfare Service
DECC	Department of The Environment, Climate and Communications
DRCD	Department of Rural and Community Development
DSP	Department of Social Protection
EEOS	Energy Efficiency Obligation Scheme
ERDF	European Regional Development Fund
ESBN	Electricity supply Board Networks
ESRI	Economic and Social Research Institute
HHB	Household Benefits Package
HSE	Health Service Executive
ICT	Information and Communications Technology
IGEES	Irish Government Economic and Evaluation Service
LCDC	Local Community Development Committees
MABS	Money Advice and Budgeting Service
MPRN	Meter Point Reference Number
NGO	Non-Governmental organisation
PAYG	Pay As You Go

PSO	Public Service Obligation Levy
SEAI	Sustainable Energy Authority of Ireland
VAT	Value Added Tax

Annex 3 – Summary of Actions

Meeting the Cost of Energy

Income supports

- **Electricity Costs Emergency Benefit Payment**

As part of Government's package of once off measures worth €2.5 billion included in Budget 2023, a new Electricity Costs Emergency Benefit Scheme of €550.47 (exclusive of VAT) will be credited to each domestic electricity account in three payments of €183.49 (exclusive of VAT) in each of the following billing periods - November/December 2022, January/February 2023 and March/April 2023. The estimated cost of this scheme is €1.211 billion.

This builds on the first Electricity Costs Emergency Benefit Scheme delivered in Q2 2022, which saw payments of €176.22 (ex. VAT) made automatically to 2,138,939 domestic electricity accounts, or over 99.3% of eligible accounts. This means that, on the completion of the second Scheme, the support given to each domestic electricity account between March 2022 and March 2023 will total €726.

- **Targeted Social Protection Supports**

- An increase to the Qualified Child Payment of €2 per week for children under 12 and €2 per week for children over 12 (in addition to a general rate increase of €12 per week) for low-income families, bringing the rates to €42 and €50 per week respectively.
- An €80 increase to the means threshold applied to eligibility for Fuel Allowance increasing it to €200 above the relevant rate of State Pension (Contributory).
- An increase to the threshold for eligibility for the Working Family Payment of €40 per week for all family sizes.
- A new means test for the Fuel Allowance for the over 70s of €500 for a single person and €1,000 for a couple.

- **Wider Social Protection Measures**

The Household Benefits package (HHB) comprises the electricity or gas allowance, and the free television licence. The gas or electricity element is paid at a rate of €35 per month for 12 months of the year, with one benefit paid per household.

From January 2023, the weekly means threshold for those aged under 70 will be increased from €120 to €200 above the appropriate rate of State Pension (Contributory).

- **Budget 2023 and One-Off Social Protection Measures**

- A one-off payment of €400 to all households in receipt of fuel allowance
- A one-off payment of €500 to people in receipt of disability payments and to carers who qualify for the Carer's Support Grant
- A one-off payment of €500 for people in receipt of the working family payment
- A one of payment of €200 for people in receipt of the living alone allowance
- A double week 'autumn' payment to recipients of weekly long-term welfare payments
- A double week Christmas bonus payment
- A double child benefit payment of an extra €140 per child
- A permanent increase of €12 per week in weekly welfare payments from January 2023

- **€10 Million Fund Additional Safeguard**

In light of the exceptional energy costs situation, as an additional safeguard measure for those who may not be able to access other emergency financial supports, and to help ensure no one has to go without heat or light this winter, the Department of the Environment, Climate & Communications will establish a €10 million fund to provide a further safeguard in addition to the existing sources of support for people in difficulty paying their energy bills, such as the supplier hardship funds or the Additional Needs Payment scheme run by the Department of Social Protection. A key driver for this measure is the particular needs of PAYG customers in danger of self-disconnection (i.e. running out of credit on their electricity or gas meter so that they go without light or heat until such time as they have funds to buy more credit).

Financial Measures

- ◦ **VAT**

The Government introduced a reduction in VAT from 13.5% to 9% from the first of May 2022 and this was extended until the end of February 2023 in Budget 2023. For average use of electricity and gas this will result in a €64 reduction saving on bills.

- ◦ **Windfall tax**

The proceeds from the cap on market revenues will used to finance measures in support of final electricity customers that mitigate the impact of high electricity prices. The proceeds from the temporary solidarity contribution may be used for a wider range of measures including supporting vulnerable households to mitigate the effects of high energy prices, financial support measures to help reduce energy consumption, and financial support measures to support companies in energy intensive industries.

Consumer Protection

The Commission for Regulation of Utilities (CRU) announced enhanced consumer protection measures for winter 2022/3 including:

- A requirement on suppliers to ensure that all customers with a financial hardship meter are automatically placed on the most economic tariff.
- Extended moratoria on disconnections for billpay customers, for vulnerable customers the moratorium began on the 1st of October and will continue until the end of March. The winter moratorium against disconnections for all billpay customers was extended from the 1st of December until the end of February. Priority customers (medically vulnerable) cannot be disconnected for non-payment of accounts.
- An obligation that suppliers must make customers entering, or on a payment plan aware of the option to extend the repayment plan to a minimum of 24 months. Suppliers will not disconnect a customer who is engaging with them
- Reduced debt burden on pay-as-you-go top-ups where a maximum of 10% of a single customer vend can be attributed to debt this is reduced from 25% and applies to all PAYG meters.
- A requirement on suppliers to inform all domestic customers of the eligibility criteria for Vulnerable Customers, how to apply, and the benefits of registering as one
- No charge to move from PAYG to billpay meters for either electricity

DECC will also extend the definition of Vulnerable Customers to include financial vulnerability for the winter 2022/2023 and 2023/2024.

- **Community and Voluntary Sector Supports**

The Department of Rural & Community Development (DRCD) administers the €10m Community and Voluntary Energy Support Scheme (CVESS), to support community and voluntary organisations and charities with energy costs.

A €10m Community Support Fund (CSF) was launched in November 2022 to support groups, particularly in disadvantaged areas, with their running costs such as utility or insurance bills, as well as with minor improvements to their facilities.

Energy Efficiency and Retrofit

- Provide a record allocation for SEAI schemes totalling €337million for 2023 (Q1-Q4 2023)
- The allocation for the Better Energy Homes Scheme will be increased to its highest ever level in 2023 (Q1-Q4 2023)
- Introduce a mechanism to ensure that homeowners have the option of only paying the cost of their upgrade "net of grant" (Q1 2023)
- Explore options to further support homeowners to convert from oil and solid fuel heating to heat pumps (Q1 2023)
- Provide a record budget allocation for the Warmer Homes Scheme in 2023 in order to deliver 6,000 free upgrades (Q1-Q4 2023)
- Identify approach to further increase delivery of SEAI energy poverty upgrades (Q1 2023)
- Pilot approaches to increase the number of B2 upgrades and heat pumps installed in energy poor households (Ongoing).
- Review the performance of the 2022 local authority retrofit programme Q1 2023
- Pilot ICT Asset Management Pilot to take place in Q1 2023
- Examine and Identify approaches to strategic and informed planned maintenance based on stock condition surveys
- Monitor progress of the local authority retrofit programme ensuring a minimum of 2,400 dwellings are retrofit in 2023.

- Where appropriate expand delivery of the local authority retrofit scheme were it is clear local authorities have the ability to deliver additional retrofit work.
- Roll out the ICT asset management system to all local authorities Q4 2023.
- Implement Minimum BER standards, where feasible, for private rental properties, commencing in 2025, in line with the Housing for All Strategy
- Government will ensure that energy poor households are a key focus of the new Energy Efficiency Obligation Scheme which will commence in January 2023.
- The record allocations for SEAI retrofit schemes will enable more landlords to retrofit their properties in advance of the introduction of minimum Building Energy Ratings (Ongoing).
- Individual grants including the 80% grant support for attic and cavity wall insultation will continue to be available for rental properties (Ongoing).
- A new low-cost loan scheme for residential retrofit to be introduced in 2023 will be available to small scale landlords (Q1 2023).
- A new tax incentive to encourage small-scale landlords to undertake retrofitting works while the tenant remains in situ will be introduced (Q4 2022)
- New guidance for the retrofitting of traditional buildings will be published by the Department of Housing, Local Government and Heritage (Q3 2023)
- Increase and improve accommodation for the Traveller Community in line with commitments in Housing for All
- Support for energy upgrades of multi-unit developments will be available under the Community Energy Grant Scheme (Ongoing)
- SEAI will implement a national retrofit awareness and demand generation campaign for residential retrofit (Ongoing)
- Utilise Sustainable Energy Communities to drive community activation (Q4 2023)

Awareness

- SEAI will drive awareness of retrofit supports through a Home Energy Upgrade campaign

Research and Evidence

Government will fund the ESRI to work with the research network to:

- propose a metric for measuring energy poverty that combines expenditure and energy efficiency;
- propose metrics to measure changes in the trend of fuel poverty regarding the number of households and its severity;
- break down the relative contribution of income, energy prices and dwelling-related factors toward fuel poverty;
- quantify which characteristics are driving dwelling-related fuel poverty;
- quantify which socioeconomic characteristics are driving income-related fuel poverty (e.g. homeowners vs. renters);
- pilot a survey collecting data on consumption of fuels and dwelling conditions;
- prepare a map of the deprivation and energy efficiency distribution in Ireland.

As part of the ESRI's research programme Government will provide funding to examine whether existing supports are well-targeted towards those who are at risk of energy poverty and the impact of those supports on the level of energy poverty. As part of this research they will:

- Identify strategies to target households experiencing each of the drivers of fuel poverty and which of the different supports available these households could benefit from;
- Examine the distributional effects of the current schemes for retrofitting and the targeting efficiency of policies to tackle fuel poverty.

Annex 4 – Energy Poverty Consultation Report

Background

The Review of the Strategy to Combat Energy Poverty was published by DECC in August 2022. The review set out the progress that had been made against the actions set out in the Strategy, as well as the further activity, policies and measures to alleviate energy poverty implemented over the period since 2015. The review was informed by stakeholder consultation and was accompanied by a public consultation to inform decisions in relation to Budget 2023 and the development of a new Energy Poverty Action Plan.

This report sets out the findings of the public consultation, as well as the stakeholder consultation, relevant pre-Budget submissions and stakeholder fora. The report also details where the Action Plan has addressed the issues that were highlighted through the various consultation strands.

Consultation Approach

There were a number of strands to the consultation which fed into the publication of the Review of the Strategy to Combat Energy Poverty and into the design of the Energy Poverty Action Plan. These included:

- Stakeholder interviews carried out by consultants.
- Face to face consultations, run by various government departments as part of pre-budget fora, social inclusion fora and other regular meetings with environmental and community and voluntary pillars.
- Submissions and input received from NGOs in advance of the publication of the review and Budget 2023.
- A public consultation, which ran from 3rd August to 5th September 2022. The consultation invited participants to take into consideration 5 questions when submitting a response.

Participants

In response to the public consultation, over 70 submissions were received. A number of group responses were also received on behalf of several NGOs.

The breakdown of submissions received is set out below:

- 2 group responses one representing 42 NGOs and one representing 20 NGOs;

- 28 individual NGOs;
- 35 members of the public;
- 9 businesses;
- 1 public body;
- 1 political party.

8 responses were received after the deadline but the Department was in a position to also consider those responses in the preparation of this report.

Key themes across submissions

The responses to the consultation centred around a number of key themes. These included:

What is Working Well

- Participants spoke highly of the SEAI home upgrade grants, particularly the expanded eligibility on the Warmer Homes Scheme, increased average values of retrofits provided and the increased budgets for the schemes. The Warmth and Wellbeing Scheme was also highlighted as a positive.
- The provision of the Electricity Costs Emergency Benefit Payment was also referenced and there were suggestions that a further payment be provided

Gaps in Supports Available

Participants felt that the following would address the gaps in support for those at risk of energy poverty:

- Better retrofit grant supports for those in private rental homes
- Introduction of an Energy Guarantee Scheme for those on lower incomes
- Increased rates of Social Welfare payments
- Introduction of local energy advisors to advise people on energy use and on energy efficiency upgrades

Governance

- Participants requested that the strategy be placed on a statutory footing once finalised and to develop a whole-of-government approach to its implementation

- Responses suggested that the views of those who have lived experience of energy poverty should be considered at all stages of the design of the Energy Poverty Strategy
- Participants also called for better monitoring of those living in energy poverty

Summary of Responses Received

Participants of the consultation were asked to take into consideration five questions when submitting a response. A response to each question was not necessary. Respondents were also asked to provide evidence or analysis where relevant.

The sections below summarise the main points made in response to each question.

- **Q1. What further action could be taken to alleviate energy poverty through home energy upgrades?**

Participants felt strongly that the SEAI's Better Energy Warmer Homes Scheme could be improved. The responses highlighted that there are lengthy waiting times for applicants which they felt need to be reduced. The below suggestions for changes to the scheme were also referenced:

- The introduction of a sliding scale of grants and low-cost loans for those on lower incomes should be considered
- The eligibility criteria for the scheme should be expanded to include those on State Pension;
- The learnings from the Warmth & Wellbeing pilot scheme should be incorporated into the Warmer Homes scheme;
- Participants felt that the fossil fuel boilers should no longer be replaced in homes receiving works under the scheme and that the focus should instead be on the introduction of heat pumps.

It was also suggested that the barriers to retrofitting experienced by many across the country needed to be addressed with additional supports. Participants felt that those who are most affected by energy poverty require more targeted measures from government grant supports.

In particular, it was felt that those living in rural areas and those relying on solid fuel heating systems should be prioritised or supported further. A dedicated home energy upgrade scheme for those living in rural areas was suggested.

Participants also highlighted the importance of prioritising the retrofitting of Ireland's social housing stock and to increase the targets for that sector from those set out in the Climate Action Plan. The need to provide more financial support for those living in social housing and who are at risk of fuel poverty was also highlighted. Respondees felt that there is a need to provide Local Authorities with enough resources to continually review the current housing stock and provide retrofits where required.

Action Plan Response

A range of Government funded home energy upgrade supports are available from the Sustainable Energy Authority of Ireland. Fully funded upgrades are available for eligible homeowners as well as grants of up to 80%. A budget of over €8 billion has been provided to support the growth of these schemes to 2030. A low interest loan scheme aimed at home energy upgrades will also be available shortly. The Department of Housing, Local Government and Heritage are providing additional funding for Traveller accommodation this year.

A pilot to install heat pumps into homes availing of the Warmer Homes Scheme has commenced. This will aim to reduce the number of fossil fuel systems being provided under the scheme. The Warmth & Wellbeing scheme has closed, however the learnings from the scheme have been applied to the Warmer Homes Scheme.

As set out in the Climate Action Plan, the target for Local Authority retrofits out to 2030 is 36,500. 2022 sees the second year of the Local Authority Energy Efficiency retrofit programme with the funding being provided having increased year on year and is expected to increase again in 2023. The average available for the retrofit of dwellings available to the local authority sector for retrofitting homes to a B2 or Cost Optimal Equivalent have also increased. Since 2013 the Department of Housing has provided energy upgrade work on some 75,000 social homes providing funding of some €183m to the end of 2021.

Very significant investment has been provided to local authorities over recent years. Social authorities should now be in a strong position to begin the transition to a strategic and informed planned maintenance approach to stock management and maintenance.

- **Q2. What further action could be taken to alleviate energy poverty in the rental sector?**

Many participants felt that there should be further focus on providing retrofit grants to the worst performing homes in the rental sector. It was also stressed that evictions due to home energy upgrades should be avoided entirely by ensuring long term leases are provided and introducing rent controls. A tailored retrofitting grant scheme for the sector was also suggested.

A number of suggestions were submitted in relation to supports for those on the Housing Assistance Payment. Participants felt that a “pay as you go” hardship meter should be provided at the outset of a tenancy or at the request of a tenant at any point of their tenancy. It was also suggested that a scheme similar to the SEAI Better Energy Warmer Homes scheme should be introduced for those in receipt of this payment.

The introduction of Minimum Energy Performance Standards in the private rental sector was suggested alongside technical and financial support for landlords and tenants on long term leases to improve the efficiency of their properties. Respondents felt that supplying the Building Energy Rating of a property to the Residential Tenancies Board should also be mandatory as part of the tenancy registration process.

Respondents felt that more information should be provided to those within this sector. It was suggested that a communications campaign for landlords and tenants, focusing on the energy efficiency improvement supports available, should be implemented. It was felt that promoting the benefits of retrofits to private and institutional landlords would encourage more work in this area.

Action Plan Response

As part of Housing for All the Department of Housing is committed to introducing a minimum BER for rental properties by 2025. As part of this work the Department will examine the various issues raised as part of this consultation. The Department is working with the ESRI on research that will examine the scope of the challenge faced in the rental sector. Recommended approaches to maximise the improvements that can be made to the national rental stock whilst ensuring that the supply in the market is not unduly affected will be a key part of this research. To this end there will be a focus on how to overcome the so-called ‘split incentive’ effect. The results of this detailed piece of research should be available before the end of 2023.

A new tax incentive to encourage small-scale landlords to undertake retrofitting works has been announced by the Minister for Finance. This measure will provide for a tax deduction of up to €10,000 per property, against Case V rental income, for certain retrofitting expenses incurred by the landlord on rented residential properties, for a maximum of two rental properties. This new tax deduction is in addition to the SEAI’s grants and the combination of both measures offers substantial support to landlords to retrofit their rental properties.

- **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?**

Across the majority of responses, participants felt that the social welfare payments relating to energy needed to be reformed. Increasing the amounts paid as well as widening the eligibility criteria for the fuel allowance were noted in a number of responses.

In relation to energy bills, the application of further electricity credits was suggested as well as the need to ensure the credit is paid to those households that have not yet received it. Participants suggested:

- the introduction of an energy guarantee scheme for low-income homes,
- a cap on the amount companies can charge,
- a reduction of standing charges on bills and
- an introduction of regulations on energy suppliers to absorb consumer debt.

A need for greater promotion of the potential for energy saving in the home via energy bills was also highlighted with suggestions for a public campaign.

The need for an extension to the moratorium on disconnections during the Winter months was highlighted, with responses suggesting a full ban on disconnections into 2023.

A number of participants also called for:

- the introduction of a windfall tax on energy companies,
- to extend the reduction of VAT on energy costs and
- to reduce or eliminate VAT for energy efficiency measures and
- to eliminate fossil fuel subsidies.

Action Plan response

In Budget 2023, a number of reforms were made to the Fuel Allowance scheme with up to 81,000 new households to benefit from the major expansion of the scheme. These reforms include:

- From January 2023, a new means threshold will be introduced for people aged 70 years and over. The new means threshold will be €500 for a single person and €1,000 for a couple.

- From January 2023, the weekly means threshold for those aged under 70 will be increased by €80 from €120 to €200 above the appropriate rate of State Pension (Contributory).
- From January 2023, the Disablement Benefit payment will be disregarded when assessing means for Fuel Allowance purposes.
- From January 2023, the Half-Rate Carer's Allowance payment will be disregarded when assessing means for Fuel Allowance purposes.
- A €400 additional Lump Sum payment paid to all households in receipt of the Fuel Allowance in November 2022. This will bring the total value of the Fuel Allowance for winter 2022/3 to €1,324 per household.

Budget 2023 also introduced a second Electricity Costs Emergency Benefit Scheme which will see three payments of €183.49 (exclusive of VAT; €200 including VAT), a total of €550.47, to domestic electricity accounts to be paid in the November/December 2022, January/February 2023 and March/April 2023 at a total estimated cost of €1.211 billion.

Budget 2023 extended the VAT reduction on electricity and gas until the end of February 2023 which, for average electricity and gas consumption, will result in a €64 saving. Analysis by the ESRI indicates that these measures will insulate low income households from energy price increases this winter.

In addition to their longstanding consumer protection measures, the Commission for the Regulation of Utilities, CRU, introduced a suite of enhanced customer protection measures including extended moratoria on disconnections, payment plans of 24 months, reduced debt burden for those on Pay as You go (PAYG) meters and an obligation on suppliers to put those on financial hardship meters on the most economical tariff. This obligation is already in place for Vulnerable Customers. There is also no charge for customers moving from PAYG to billpay.

As outlined in Chapter 1, in addition to CRU's strengthened consumer protection measures DECC will legislate to extend the definition of vulnerable customers to include financially for the years 2022/2023 and 2023/2024. This will result in financially vulnerable customers being able to avail of longer moratoria against disconnection.

As also outlined in Chapter 1, Ireland is implementing the EU Regulation on windfall gains, revenues from which may be used to target support for energy consumers.

Consideration of an energy guarantee scheme is a body of work that needs to be undertaken alongside the project outlined in Chapter 3 to develop the methodology for how energy poverty is measured in Ireland.

- **Q4. In the area of governance, research, measurement and evidence, what further action could be taken to alleviate energy poverty?**

Submissions highlighted the need to place the Action Plan on statutory footing and to ensure a whole of Government approach to its implementation. It was noted that collaboration between relevant Government departments will be essential. Continued public participation in the development of the plan was also raised, with suggestions to include organisations representing marginalised groups on an Energy Poverty Steering Group.

Participants requested that Government commit to the delivery of a new Energy Poverty Act, which would include a new definition of Energy Poverty along with a measurement framework.

The importance of monitoring energy poverty was highlighted in responses. The need for the strategy to have specific targets relating to the groups most at risk of energy poverty must be included. Monitoring needs to be clear with measurable accountability mechanisms in place.

Respondents wanted to ensure that the strategy remain aligned with climate justice. Actions should aim to both reduce energy poverty while continuing to tackle energy pollution.

Action Plan response

A Cross-Departmental and inter-agency Energy Poverty Steering Group has been established to develop, implement, and oversee policies and measures aimed at alleviating energy poverty. The group is chaired by DECC and has been meeting regularly since August 2022. From the publication of this plan the group will commence quarterly meetings.

The Steering Group will be responsible for publishing annual progress reports outlining activity that has taken place under the various strategy actions in the previous year. The Group may also make recommendations for policy changes or new measures as part of these progress reports.

The Communications Plan to support the Action Plan will build upon the Reduce Your Use Campaign and the Stay Warm & Well this Winter message which are already in place.

Government will fund the ESRI to carry out a programme of research on energy poverty. This will involve measuring energy poverty with more accuracy as well as improved assessment of the effectiveness of policies and schemes to address energy poverty.

Q5. Please also provide any additional relevant information or views that you would like to submit.

There were a number of suggestions and issues raised under this question that have been taken under consideration in the development of this Plan.

Conclusion

Across the different strands of the consultation, there was a wide range of priorities raised, but also some common themes. The Plan aims to address many of the issues raised and ensures that further engagement will be facilitated as the Plan is implemented.

Acknowledgements

On behalf of all of those involved in the process of this public consultation and the design of the Plan, we would like to thank those who contributed to the consultation process, either individually or through their representative organisations, and to the organisations that facilitated these voices being heard.