



Rialtas na hÉireann
Government of Ireland

Energy Poverty Strategy Review Consultation Summary of Responses

2022

Prepared by the Department of the
Environment Climate and Communications

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 3 August to 5 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.