

Statement of Friends of the Earth to the Committee on Social Protection, Community and Rural Development, and the Islands

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Introduction

I wish to thank the Chair and committee members for the opportunity to address the issue of energy poverty with a specific focus on retrofit schemes and the suitability of fuel allowance to meet the needs of Irish households. Friends of the Earth wholeheartedly welcome the committee's focus on this issue and appreciate the in-depth debate that has taken place over the past number of weeks. We believe the Committee has established a comprehensive overview of the current challenges and barriers. I will therefore focus this statement on putting forward solutions that address both energy poverty and access to home retrofitting.

We agree with Irish Rural Link's comment last week that we are in a crisis situation. In the context of continued high energy costs driven by fossil fuels, the highest level of energy poverty on record, and a rapidly worsening climate crisis, we must see the government urgently prioritise solutions that address the structural causes of each of these interlinked problems. Friends of the Earth previously published a [report](#), "Still Left Out in the Cold", containing an in-depth analysis of government policies on energy poverty and climate action to date. This includes 49 specific recommendations on how the government can prioritise win-win solutions for both energy poverty and climate action.¹ I will now speak to 6 areas which should be addressed in the Committee's report including recommendations from our previous research alongside some of our upcoming research on solutions to address energy poverty through energy renovations. We ask that the Committee include Friends of the Earth's recommendations in their future report on this matter.

Context

To provide context, Irish homes currently rank 7th highest in the EU for residential energy consumption for heating.² Ireland also has the lowest levels of renewable heat across the EU.³

¹ Friends of the Earth (2023) Still Left out in the Cold
https://www.friendsoftheearth.ie/assets/files/pdf/still_left_out_in_the_cold_-_full_report.pdf

² Climate Change Advisory Council (2023)
<https://www.climatecouncil.ie/councilpublications/councilworkingpaperseries/Residential%20retrofit%20review%20report%20FINAL%20WEB.pdf>

³ Eurostat 2022: <https://ec.europa.eu/eurostat/en/web/products-eurostat-news/-/edn-20220211-1>

A future where we have halved our emissions by 2030 will mean not only warm retrofitted homes, but also clean heat delivered by heat pumps or renewably-sourced district heating. Retrofitting 500,000 homes to a BER of B2 and aiming to install 400,000 heat pumps in homes is the correct level of ambition required. However current grants, skewed towards households who have sufficient disposable income, leaves many locked out of the energy transition, dependent on increasingly expensive fossil fuels, including gas. We also note that even where grant support is available, other issues such as lack of information, lack of trust, and inability to navigate the current grant application system remain prevalent.⁴

I will now discuss 6 areas for consideration by the Committee.

1. Accessibility of Retrofitting Schemes

I will firstly address the issue of accessibility to energy renovation and put forward solutions to increase affordability and accessibility for energy-poor households. Friends of the Earth is aware that many of the challenges faced by households experiencing energy hardship and the barriers preventing people from accessing energy efficiency improvements have been addressed in detail over the last couple of committee sessions. Friends of the Earth also produced [research](#) in this area in 2022.

Friends of the Earth welcomes the continued expansion of the Warmer Home Scheme for homeowners receiving certain social welfare payments, which is a positive example of how the government can tackle inefficient housing, energy poverty and emissions reductions effectively. The expansion of the eligibility criteria for this scheme, as well as a stronger focus on deep retrofits have been hugely progressive steps.

Yet despite these steps, we still see many households falling through the cracks, whereby they do not have the upfront capital to avail of the general SEAI grants, but fall outside eligibility for the Warmer Homes scheme. Tenants in the private rental sector in particular remain excluded from this scheme.

Friends of the Earth therefore recommends that:

- a. **Review and update SEAI's overall mandate to include a greater focus on supporting those most at risk of energy poverty.** Better supporting the most vulnerable through the energy renovation journey is also critical to bring everyone on board and deliver on Ireland's climate targets.

⁴ Friends of the Earth (2022) Barriers to Retrofit and Heat Pump Installation in Ireland https://www.friendsoftheearth.ie/assets/files/pdf/blockages_to_retrofitting_and_heat-pump_installation_in_ireland.pdf

- b. **The Warmer Homes Scheme should be expanded to ensure all low-income households in low BER homes are eligible**, regardless of home ownership status. This should include tenants receiving HAP on the condition of a long-term lease (5+ years) being offered. This would be a step towards addressing the “split-incentives” issue between landlords and tenants.
- c. **Better targeting of the most vulnerable households through GIS mapping and deployment of a network of energy renovation advisors** would support a greater prioritisation of households eligible for the Warmer Homes Scheme. The Government should mandate the development of high-quality GIS maps at local authority level to identify areas at risk of energy poverty and actively prioritise these areas as part of all energy renovation programmes and for project aggregation (area-based renovation).
- d. **Free or subsidised BER and Heat Pump assessments should be provided to lower income households.**

2. Fossil Fuel Lock-In

Friends of the Earth is extremely concerned about the slow rollout of renewable heat across the country. We are especially concerned that the Warmer Homes scheme continues to install oil and gas boilers into the homes of people at-risk of energy poverty. Between January and September of 2023, 861 fossil fuel boilers and just 39 heat pumps were installed through this scheme. This creates a fossil fuel lock-in for these households who likely will not replace these boilers for the next decade or two. We are also concerned that Gas Networks Ireland have plans to continue connection of households for the coming years despite this function running directly counter to the Government’s energy and decarbonisation targets. This could effectively create a two-tier energy system, whereby wealthier households have the agency and choice to install heat pumps and move off fossil fuels, and those unable to are left to shoulder the burden of ever more expensive and polluting fuels.

Friends of the Earth therefore recommend that:

- a. The Warmer Homes Scheme prioritise ensuring that all eligible households are given the opportunity to transition from solid fuels, oil, or gas home heating systems to renewable solutions like heat pumps and district heating.
- b. Government should review and update the mandates of all relevant Government bodies including Gas Networks Ireland to prevent fossil fuel lock-in and ensure these bodies make carbon budget planning explicit within energy projections and forecasting.⁵

⁵ https://www.friendsoftheearth.ie/assets/files/pdf/ucc_marei_-_research_report_-_final.pdf

3. Whole-of-Government Approach

We particularly welcome the inclusion of DECC, DSP, DHLGH and a number of civil society organisations at these committee meetings. It must be recognised that energy deprivation is a complex social problem, which means that it requires a systematic and holistic solution. Issues of energy poverty, general poverty, energy, housing, heat, and reducing fossil fuel dependency are intimately and structurally linked, and therefore cannot be tackled in isolation.

The European Commission recently published its [recommendations](#) on energy poverty, which we encourage the committee to consider and incorporate into its upcoming report.⁶ It should be noted that many of the recommendations from the Commission focus on the need for member states to ensure energy poverty is included in wider and integrated social policies, and the need for holistic and cross-departmental collaboration. This is relevant given the upcoming review and update of the government's Energy Poverty Action Plan (EPAP), which will require a whole-of-government approach if it is to effectively tackle the structural causes of energy poverty. We recommend the committee take into account civil society's [joint recommendations](#) on development of a new Energy Poverty Action Plan, particularly noting the need to put this strategy on a statutory footing.⁷

Friends of the Earth therefore recommends that:

- a. **A national cross-disciplinary permanent working group is established to provide leadership in addressing energy poverty.** Energy poverty requires cross-departmental cooperation and extensive engagement with civil society and industry on an ongoing basis. The last EPAP included the establishment of an energy poverty advisory group which did not include civil society representatives. Expanding the composition of this group to include civil society and representatives of groups vulnerable to energy poverty would be a step towards ensuring an open and collaborative approach to the development and implementation of the Energy Poverty Action Plan.
- b. **Recommendations from the European Commission's recommendation on energy poverty are addressed** in this committee's report and the new Energy Poverty Action Plan, including the recommendation for swift transposition of a new legal definition of energy poverty; to take actions to prioritise the worst-performing housing stock in retrofit efforts; to ensure support measures for households affected by energy poverty

⁶ Commission Recommendation (EU) 2023/2407 of 20 October 2023 on energy poverty https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202302407

⁷ Recommendations for Ireland's Energy Poverty Strategy <https://communitylawandmediation.ie/change/community-organisations-issue-joint-call-and-recommendations-for-a-new-energy-poverty-strategy/>

avoid exclusion of either homeowners or tenants affected by energy poverty; and to ensure equal access to the use of renewable energies and to the benefits of fossil fuel phaseout in the heating sector.

- c. **Recommendations are made by this committee towards the development of the new Energy Poverty Strategy**, including the recommendation that it be placed on a statutory footing.
- d. **The committee supports development of an Energy Poverty Act** that defines fuel poverty, sets down duties across all relevant ministers, introduces legally bound targets, and sets up an independent energy poverty advisory council. Learning should be drawn from the experience of the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019.

4. Energy Affordability

To date, energy poverty has been addressed primarily through addressing energy affordability through direct income supports. The government's broad based electricity credit provided some short-term relief but does not address long-term risks as it does not target resources to those in most need of support and does not respond to fundamental issues of income inadequacy and inability to carry out retrofitting measures.

Current social protection income supplements such as the Fuel Allowance are vital for addressing income inadequacy. However, they do not reach everyone who needs them, especially those in poorly insulated housing, and are not sufficient to prevent energy deprivation for some households. There is scope to redesign these payments, not least to remove qualifying criteria that make households ineligible for reasons not related to income.

We also note that while energy efficiency first must remain the priority to improve thermal comfort, research shows that energy renovation on its own is not enough to bring everyone out of energy poverty. We welcome the committee's engagement with Energy Cloud last week and support the rollout of innovative schemes like this to be made available to social housing tenants, to households currently on the waiting list for the Warmer Homes scheme, and to tenants receiving HAP.

Friends of the Earth therefore recommends that:

- a. **Core welfare rates need to increase significantly** (at least by €20) and be benchmarked and indexed against the cost of living
- b. **More consideration should be given to redesigning the Fuel Allowance income supplement**, not just expanding eligibility. For example, a year-round payment delinked

from fuel type, potentially a tiered payment and one with eligibility based on BER as well as household income, such as the “Energy Guarantee Scheme” proposed by Age Action⁸ and the MESL Research Centre.⁹

- c. **Support for renewable technologies is included in energy poverty schemes.** While energy efficiency first must remain the priority to improve thermal comfort, research shows that energy renovation on its own is not enough to bring everyone out of energy poverty. Renewable solutions (such as solar PV) should be made more accessible for energy poor households through schemes such as “Warmer Homes”. The Government should consider widening the roll out of innovative approaches such as Energy Cloud to private homes eligible for the SEAI free upgrade scheme.

5. Social Housing & AHBs

I will take this opportunity to raise our recommendations on retrofitting of the social housing and AHB stock, which has huge potential to both improve the least efficient housing stock and address energy vulnerability. We know that tenants in local authority housing are more likely to be in energy poverty than other household tenure types.¹⁰ Current government targets have set 36,500, or around 25% of properties owned by local authorities to be retrofitted by 2030. The budget allocated to the energy renovation of local authorities’ social housing stock has increased from €85 million in 2022 to €90 million in 2024.

We recently commissioned research by the Irish Green Building Council which found that there are inconsistencies in how social housing retrofitting is being addressed across local authorities across the country based on capacity and capability of the local authority. This must be looked at and capacity built across all local authorities to accelerate their retrofitting efforts. Trust also must be built

Friends of the Earth therefore recommends that:

- a. **The Department of Housing, Local Government and Heritage set a more ambitious target for the retrofitting of social housing, including AHBs, with a minimum standard of B2 to be achieved in all social housing by 2030.**

⁸ Age Action (2022)

https://www.ageaction.ie/sites/default/files/age_action_energy_guarantee_for_older_persons.pdf

⁹ Vincetian MESL Centre: The Cost of Adequately Heating the Home

https://www.budgeting.ie/download/pdf/the_cost_of_adequately_heating_the_home.pdf

¹⁰ Government of Ireland (2015) Bottom-up Analysis of fuel poverty in Ireland

<https://assets.gov.ie/76593/331e2543-a5a1-4057-a902-d0e2a8827d50.pdf>

- b. **The DHLGH set up a multi-annual strategy for the retrofit of local authorities' social housing stock** so that all local authorities have greater clarity on targets and budget allocation for the next decade and can adequately prepare.
- c. **The DHLGH require local authorities and AHBs to further prioritise the worst performing part of the stock**, where practical. For example, through a prioritisation of homes with a pre-works BER rating of E, F and G, and a year of construction pre-1993, as is already done under the Warmer Homes Scheme.
- d. **The DHLGH increase funding for energy renovation of the local authorities' social housing stock** to ensure the worst performing part of the stock can be effectively prioritised and that all aspects of energy renovation works - including mechanical ventilation and scaffolding to renovate apartment blocks are covered.
- e. **The DHLGH improve funding for the energy renovation of the AHB's stock.** This could be achieved either by increasing funding to match the level of funding made available to local authorities or by further supporting the development of alternative financial mechanisms - e.g. zero or low interest loans.
- f. **Set up a forum to share energy renovation best practices of the social housing stock.** The forum should encourage an increased collaboration between local authorities and Approved Housing Bodies (AHBs) so that they can learn from each other. This should cover both technical and behavioural change aspects of energy renovation.

6. Accessibility & Community Engagement

For a household struggling with energy poverty, access to easy-to-understand, tailored information about home retrofitting is key. A proactive approach must be taken by the state to go directly to communities with this information and support households with retrofitting. Friends of the Earth and other civil society organisations have called for the deployment of community energy advice services across every local authority.¹¹

Last week we presented to politicians in the AV room our [joint partnership with Bohemian Football Club](#) on community engagement for energy efficiency programmes.¹² This project was coordinated by Bohs and involved meeting with expert stakeholders including the local Credit Union, SEAI, industry professionals and Codema (Dublin's Energy Agency) to co-develop community-specific solutions to enhance energy efficiency initiatives amongst Bohs fans, such

¹¹ Pre-budget Statement on Energy Poverty (2023)

https://www.friendsoftheearth.ie/assets/files/pdf/budget_2024_joint_statement_on_energy_poverty_1.pdf

¹² Friends of the Earth and Bohemian FC (2024) "Levelling the Playing Field"

https://www.friendsoftheearth.ie/assets/files/pdf/levelling_the_playing_field_report_print_1.pdf

as tailored finance through credit unions, trust-building with local contractors, and formation of a local Sustainable Energy Community to access community grants.

Friends of the Earth therefore recommend that:

- a. **A well-resourced community energy advice service is established in each local authority that includes Energy Renovation Advisors.** This service would provide a local, tailored service to support people to access the financial advice they need, to help install 'quick win' measures to address energy efficiency, and to apply for appropriate retrofitting grants.
- b. Building on Friends of the Earth's collaboration with Bohemian FC, **the government should initiate partnerships with community groups and sports clubs to leverage their influential platforms for promoting community empowerment related to climate awareness and action**, including retrofitting. This could include co-developing community-based projects that not only address climate issues but also resonate with the local culture and values.

Conclusion

To conclude, I again welcome the committee's focus on energy poverty, something which requires a holistic, whole-of-government approach to address the root causes of high energy costs, inefficient housing, and inadequate income. We ask that the Committee include Friends of the Earth's recommendations in their future report on this matter.