

IGBC's submission to the Energy Poverty Action Plan

Introduction

The Irish Green Building Council (IGBC) welcomes the publication of the revised Energy Poverty Action Plan.

[The Irish Green Building Council](#) (IGBC) is a registered charity with over 400 members drawn from all parts of the value chain, from occupiers, design professionals, contractors, suppliers, academics, and public authorities. The IGBC provides leadership for a sustainable built environment and is affiliated with a global network of 70 national councils within the World Green Building Council. This allows us to create workable solutions and tools to deliver transformative change towards a sustainable built environment. The Irish Green Building Council is also Renovate Europe's national partner in Ireland. Renovate Europe is the only EU-wide campaign that focuses exclusively on ambitious renovation of the building stock in the EU and is the voice for energy efficient renovations, taking a technology neutral, integrated, and holistic approach to energy efficient renovations.

Our **submission is informed by the results of a piece of research on better addressing energy poverty through energy renovation in Ireland** completed between August 2023 and February 2024, which led to the publication of a report entitled '[Bridging the Gap Between Energy Poverty and Energy Renovation – Developing Residential Retrofitting as a Tool to Combat Energy Poverty](#).' Developing the recommendations outlined in the report involved **extensive desk research, complemented by in-depth stakeholder engagement, with over 60 key stakeholders involved**. These stakeholders included representatives **from central government, local government, industry, social housing providers, energy providers, one-stop-shops and NGOs**. This ensured a comprehensive understanding of the issues relating to energy poverty in Ireland. This work provides the basis for our consultation submission below. The full report and the full list of stakeholders involved can be found on our website [here](#).

Meeting the Cost of Energy

1. What barriers do you believe are preventing customers from accessing affordable and reliable energy services?

Our submission focuses on energy renovation as the only action that allows Ireland to address the underlying issues associated with energy poverty. The following key barriers have been identified as preventing customers from undertaking energy renovation projects, and ultimately accessing affordable and reliable energy services.

- **Awareness**

Awareness of deep renovation co-benefits and funding mechanisms for energy renovation remain low at all levels of Irish society. This challenge is often accentuated among the most vulnerable households in society. Addressing this issue is vital to encourage energy renovation in energy-poor homes and improve the energy efficiency of homes across Ireland.

- **Accessibility**

The renovation process can be complex and often presents various challenges across communities. With additional challenges present for people living in energy poverty, such as existing disabilities or low income, there is a need to improve accessibility of available grants and schemes. Our research has shown that the difficult process of applying for energy efficiency upgrades can often discourage households from completing the process and results in less renovations occurring. Offering support during the process is essential to ensure that vulnerable households can understand the sometimes-complex nature of energy renovation, and funding mechanisms available.

Please see the section on *Communications and Governance*, Q1, for further details on ways to address this barrier.

- **Affordability**

Although some people in energy poverty are eligible for the SEAI free energy upgrade scheme, many vulnerable households find themselves just above the criteria threshold. Through our engagement with stakeholders, it became clear that many households at risk of energy poverty are not eligible for the free energy upgrade scheme, but cannot afford to go through the one-stop-shop process either. The introduction of a low-interest loan should partly address this issue, but is most likely insufficient to support those most at risk of energy poverty which are not eligible for the free energy upgrade scheme.

Please see the section on *Meeting the Cost of Energy*, Q 3 for further details on ways to address this barrier.

- **Split Incentive (rental market)**

Energy renovation becomes challenging when both landlords and tenants are reluctant to invest in it, as the benefits of reduced energy use are not evenly distributed. With landlords typically covering the upfront costs of energy-efficient upgrades but tenants reaping the benefits of a warmer home and reduced energy bills, it becomes difficult to incentivise landlords to improve the energy rating of their building. On the other hand, if tenants opted to pay for the energy renovation themselves, they risk having their rent increased or their property sold by the landlords. As a result, people living in the rental sector are often at greater risk of experiencing energy poverty.

Please see the section on *Energy Efficiency*, Q3 for further details on ways to address this barrier.

- **Labour and skill shortages**

There is currently a lack of skilled construction workers across Ireland with reports showing that the estimated number of workers required to reach 2030 Housing for all and CAP targets is 303,430, up 46% compared to estimated current workforce (IGBC, 2023). This lack of workers results in lengthy delays for home energy renovations projects, prolonging the length of time a person is living in energy poverty for.

Note: despite the long waiting list, the IGBC recommends SEAI continue to raise awareness on the Warmer Home Scheme and encourage people in energy poverty to avail of the benefits. Please see section on Energy Efficiency, Q2 for further details on ways to address this barrier.

2. Which groups do you consider have not received enough support, up to now?

Ensuring all members of society are supported in this journey is key so that the impact of the energy transition is equitable and that existing inequalities are not exacerbated. The IGBC believe that the following groups have not received enough support up to now:

- **The working poor and lower-income families**

A substantial portion of households across the country falls just above the thresholds that are in place for the SEAI Fully Funded Energy upgrade. However, due to a lack of disposable income, they often cannot afford to undertake any deep renovation projects. Even with the help of all available grants and One Stop Shop services, many households struggle to find the funds to improve the energy rating of their home. Single measures support by the SEAI will not allow for a deep renovation to occur as they are not currently linked to a clear ambitious energy renovation plan (e.g., a Renovation Passport).

- **Private Rental market**

The issue of the split incentive was a reoccurring theme during our extensive stakeholder engagement process. It is highlighted through ESRI's¹ research that those living in rented dwellings are not being effectively targeted and are not getting adequate support. Households in the private rental market are among groups most at risk of energy poverty with over 44% of rented dwellings having a BER of D or lower (CSO, 2021). This makes it necessary to encourage energy renovation within the private rental market more and ensure that both landlords and tenants receive the right support when they begin the renovation process.

- **Social housing (AHBs/ LAs)**

Due to a combination of lower income, older homes and lack of energy-efficient features, people living in social housing are often a clear group of people that are at risk of energy poverty. However, over the course of extensive stakeholder engagement with over a dozen Local authorities (LAs) and Approved Housing Bodies(AHBs), it became clear that there is not an adequate source of funding or resources needed to address energy poverty in this part of the market. More specifically, a multi-annual programme to provide clarity for Local Authorities relating to funding and targets over a decade would be helpful. An additional challenge for AHBs is that they cannot access the same level of funding as local authorities for renovation projects, making it more challenging for them to undertake large scale energy renovation projects.

3. In the areas of energy prices, meeting the cost of energy and consumer protection, what further actions do you think could be taken to alleviate energy poverty? Please provide any relevant analysis or research to support your suggestions.

The IGBC highlight the need to further support energy renovation, including the production of renewable energy, to ensure energy poverty is adequately addressed. Certain financial assistance such as fuel allowance and energy credits, although beneficial for short term relief, does not tackle the root cause of the problem – an energy poor, leaky building stock. The most important way this can be addressed is through an increase in energy renovation and an enhancement of the support for renewable technologies. Research has shown that energy renovation alone may not lift the most vulnerable out of energy poverty², hence, the need to introduce renewable energy technologies to avoid households falling back into energy poverty.

¹ ESRI (2022). Fuel Poverty in Ireland, an analysis of trends and profiles [Fuel poverty in Ireland: an analysis of trends and profiles \(esri.ie\)](https://www.esri.ie)

² SVP (2023). The cost of adequately heating the home

Consequently, the criteria of the SEAI Free Energy Upgrade programme needs to be reviewed on a regular basis to ensure it provides additionality and that the most vulnerable groups in society have access to it.

Secondly, other financial schemes are needed to ensure nobody is left behind in the carbon transition. For instance, new schemes to better support households falling just above the SEAI Fully Funded Energy Upgrade should be piloted. E.g., the introduction of a sliding scale on the rate of grants based on income as part of a Warmer Homes Plus scheme, the introduction of an equity release scheme for asset rich/cash poor households or 0% interest loans to allow households afford the renovation costs (IGBC, 2024)³.

4. What gaps do you see in the current Energy Poverty Action Plan? How could we address those gaps in a revised Action Plan?

The Irish Green Building Council welcomes the Energy Poverty Action Plan but recognises a variety of gaps that need to be further addressed to ensure a holistic approach is taken to energy renovation.

This includes the need for more stakeholder engagement ensuring that direct engagement with groups experiencing energy poverty is occurring to make sure that all programmes to address energy poverty are co-designed with vulnerable groups and anti-poverty organisations (IGBC, 2024). Furthermore, as outlined in our report to address energy poverty, “it requires cross-departmental cooperation and extensive engagement with civil society and industry on an ongoing basis.” While annual plenary sessions with key stakeholders organised by the Cross-Departmental and inter-agency Energy Poverty Steering Group are positive developments, more regular engagements are needed to ensure a holistic approach to renovation is taken. The IGBC also recognise the need to update the definition of energy poverty as soon as possible to get an accurate picture of this complex phenomenon and to better address it.

In addition, there needs to be better targeting of vulnerable households and an increase in support for energy-poor households going through the renovation process. A combined bottom-up and top-down approach to better target households at risk of energy poverty should be developed and implemented across the country. The Government must ensure that resources are in place to identify households at risk of energy poverty on the ground and target information at energy-poor households. This could include the development of a targeted area-based approach to renovation with the development of quality GIS maps to identify and prioritise areas at risk of energy poverty. Further, SEAI’s overall mandate should be reviewed and updated to include a greater focus on supporting those most at risk and facilitating more holistic renovations, from energy renovation to adaptation⁴. Reviewing and updating the SEAI’s overall mandate to include a greater focus on supporting those most at risk of energy poverty and facilitate more holistic renovations would also help in making better use of limited resources and in better supporting vulnerable households on the ground. Further, the IGBC recommends the setting up of a network of independent energy advisors across the county who would use their local knowledge to work with anti-poverty groups and other relevant NGOs to better identify and target households at risk of energy poverty, signpost all information on renovation (from energy efficiency to adaptability grants and relevant allowances) and support project aggregations.

³ While the IGBC welcomes the Home Energy Upgrade loan, something more is needed for people at risk of energy poverty. With that regard, it might be worth looking at the Netherlands example as the interest rate for households with an income of less than €46k per annum is 0%. See [IGBC-Energy-Poverty-and-Energy-Renovation-Report.pdf](#) for further information.

⁴ Ensuring that vulnerable households can access information on energy renovation and adaptability grants in one place, and that the work can be completed in one go, was raised by several stakeholders as an issue through the consultation process during our research on better addressing energy poverty through energy renovation. .

5. Are there specific programs or initiatives from other countries that you think could be effective in reducing energy poverty in Ireland?

- **Ma Prime Renov'** (France)– this could be introduced as part of a sliding scale for the SEAI grants to ensure everyone experiencing energy poverty can access adequate financial support. This system is means-tested and based on income tax, using a form similar to the P60, that is submitted when applying for the grants.
- **Zero interest loans for low-income households** – This has been introduced in The Netherlands where households with a combined income of up to € 45,014 per year are eligible to a Zero Interest Rate. The grants cover approximately 30% of the cost of energy renovation. Whilst the IGBC supports the recent introduction of the New low-cost Home Energy Upgrade Loan Scheme, further investments could be made to introduce a 0-interest loan scheme in Ireland for poorer households.
- **Green doctors UK** – Trained energy efficiency experts that offer free, impartial advice to help households take control of bills, save energy, and access other services and initiatives available. Their local knowledge, relationships with tenants and face-to-face approach enable housing associations and local authorities to direct their funding to the right places.

6. How can smart energy solutions be integrated into the Energy Poverty Action Plan in a way which supports sustainability and environmental considerations?

The funding mechanisms to address energy poverty must be reviewed on a regular basis to ensure renewable technologies and smart energy solutions that support carbon and financial savings are eligible.

While energy efficiency must remain the priority to improve comfort, health, well-being etc., research shows that energy renovation on its own is not enough to bring everyone out of energy renovation. Renewable solutions should be made more accessible for energy poor households through schemes such as the Fully Funded Energy Upgrade Scheme. Widening the rollout of smart, innovative solutions such as Energy Cloud to private homes eligible for the SEAI free upgrade scheme, and as part of renovation schemes for social housing, should be considered. These solutions can help to improve energy access for vulnerable communities and can provide resilience for energy poor homes.

Energy Efficiency

1. How can renewable energy solutions be integrated into the Energy Poverty Action Plan in a way which supports sustainability and environmental considerations?

The IGBC recommend the following renewable energy mechanisms, [outlined in our report](#), are integrated into the Energy Poverty Action Plan.

- Review funding mechanisms to address energy poverty on a regular basis to ensure renewable technologies and innovative technologies that support carbon and financial savings are eligible.
- Further support the installation of renewable technologies within the social housing stock through an acceleration of the rollout of innovative approaches such as Energy Cloud to all social housing providers. It is also important to consider extending the new requirement to install solar PV in existing public buildings under the EPBD 2024 recast to all social housing stock.

- Funding for renewable solutions (such as solar PV) should be increased and roll-out accelerated under the SEAI Fully Funded Energy Upgrade Scheme.
- New technologies such as district heating or batteries, which could provide households with more energy efficient, cheaper to operate homes should also be considered - at least as part of pilot programmes. Such technologies could include projects such as [RED WoLF](#) – a system that merges batteries and storage heaters to provide heat on demand whilst also storing low-carbon energy drawn from the national grid at times of low demand using new.

Pilot initiatives may be initially required to ensure appropriate implementation. It is necessary to target these renewable energy technologies to those most at risk of energy poverty and living in vulnerable communities. Further, in accordance with our report and how to better address energy poverty, it is vital to complete extensive community engagement ensuring all projects are co-designed with vulnerable groups and anti-poverty organisations.

2. The Government is acutely aware of the need to balance the support available under the Warmer Homes scheme and the waiting times for that support. Do you think the scheme could be adapted in any way to better target the support so that we can achieve that balance? Are the current eligibility criteria still appropriate? Please provide references to any relevant material that would support your response.

While there is an issue relating to the long waiting times under the Warmer Homes Scheme, it is important that this long waiting list does not prevent SEAI/Government from promoting the programme: The continued targeting of vulnerable households is necessary to effectively address energy poverty. GIS mapping could be used to identify areas at risk of energy poverty and actively prioritise and target them, as well as groups most at risk of energy poverty within these areas (e.g., through a network of independent energy renovation advisors). Interim actions such as streamlining the process through greater aggregation and further prioritisation of households should be considered to address the long waiting list in the short term. While the SEAI are prioritising households based on BER and the age of the property, more must be done to further prioritise households e.g., based on annual income using the P60 form.

The IGBC recommend that the criteria of the SEAI Free Energy Upgrade Programme is reviewed on a regular basis to ensure it provides additionality and better targets the most vulnerable households in society.

3. The Government has put in place several supports for landlords (including a range of grants, a tax incentive, and the forthcoming home energy upgrade loan scheme) to upgrade the efficiency of their rented properties. Are there other measures (acknowledging the challenges facing the housing sector) that the Government could take that you think would further support upgrades in the private rented sector? Please provide references to any relevant material that would support your response.

Minimum Energy Performance Standards (MEPS) have a key role to play in the private rental market. Their introduction and gradual increase to support the full decarbonization of the housing stock should be considered. It is necessary to make clear that minimum energy efficiency performance standards will be introduced for private rental properties in accordance with Housing for All's objective to "implement minimum Building Energy Renovation (BER), where feasible, for private rental properties." This can be achieved in conjunction with the transposition of the 2024 recast of the Energy Performance of Buildings Directive (EPBD) which states that each Member State, "shall establish a national trajectory for the progressive renovation of the residential building stock in line with the targets outlined in the national building renovation plan" and "shall not disproportionately exempt

rental residential buildings”. The introduction of MEPS should be flagged well in advance and introduced alongside technical and financial supports to support small landlords and tenants in their journey⁵.

A mechanism similar to the Repair and Leasing Scheme to support energy renovation of rented properties should be piloted. This would provide an incentive, particularly to small landlords that may not have the financial or technical capacity to retrofit their properties. Further recommendations include expanding the SEAI Warmer Homes Scheme to include tenants that have a long-term lease that are receiving Housing Assistance Payments (HAP).

Financial incentives for small landlords should also be reviewed. E.g., It may be worth considering if the current tax break of €10,000 available for landlords completing certain energy renovation projects could be provided in the same year that retrofitting work is completed. Finally, further financial incentives should be considered. These include ‘bullet loans’ as in Flanders – up to €50,000 for up to 20 years at 0% interest, which is repaid at the point of sale or refinanced after 20 years.

Research

1. What best practice regarding research on energy poverty (e.g. dissemination, public engagement, mechanisms for continuity) should we consider?

Our work on energy poverty has highlighted the need to increase research in behavioural science and place a greater importance on community engagement. This is necessary to ensure a deeper understanding of the social, psychological, and cultural factors that contribute to improving energy efficiency and addressing energy poverty in Ireland. In particular, it would be useful in guaranteeing that all programmes to address energy poverty are co-designed with anti-poverty organisations and vulnerable groups.

Furthermore, there is a need to develop 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. This would also allow for the continued monitoring and evaluation of energy poverty alleviation programmes and schemes. Codema’s [report](#) in 2015, identifying the top 10 areas most at risk of energy poverty in Dublin was identified as a best practice and should be replicated and expanded across the country. This work could also build upon the mapping exercise currently being completed by the Economic and Social Research Institute (ESRI) and may include layers such as households on social welfare, POBAL Deprivation Index, BER rating, and actual energy use.

2. Besides the Economic Social Research Institute’s (ESRI) research programme into Energy Poverty, which generally covers measurement and targeting, what other areas do you think should be investigated/researched?

The IGBC welcomes ESRI’s work on measurement and targeting of energy poverty however, as highlighted in other sections, it is necessary to focus more on renewable energy systems and alternative financial incentives.

There is a need to review funding mechanisms to address energy poverty on a regular basis to ensure renewable and innovative technologies are eligible for all vulnerable households and ensure the programmes provide additionality and support the most vulnerable groups in society. Renewable

⁵ The IGBC will be running a workshop in Q3 2024 looking at how the implementation of the revised EPBD can support deeper renovation at scale, with a strong focus on MEPS as the key instrument. This workshop will target a wide range of stakeholders including ministry officials, civil society, financial institutions, as well as a wider scope of industry representatives.

solutions, such as solar PV, should be made more accessible for energy poor households through schemes such as the SEAI Fully Funded Upgrade Scheme. There is also a further need to expand the rollout of different smart energy solutions such as Energy Cloud or REDWoLF.

Further, the need to improve stakeholder engagement cannot be understated. Extensive stakeholder engagement can effectively address energy poverty while promoting social inclusion, and creating resilient, and sustainable communities. By engaging with community members through the process of energy transition, holistic solutions can be developed that improve energy access, affordability, and quality of life for vulnerable communities. While the IGBC welcomes the Cross-Departmental and inter-agency Energy Poverty Steering group, there is a need for a more regular engagement. To achieve this, the IGBC recommends modelling the stakeholder process developed in our research as well as the energy research network led by the ESRI, to ensure ongoing engagement.

3. The ESRI will provide metrics to measure the number of people experiencing energy poverty and the impact of it on them. In your view, what specific indicators will be helpful in monitoring the success of the Energy Poverty Action Plan over time?

In line with the recommendations outlined in the IGBC energy poverty report, the definition of energy poverty needs to be broadened and reviewed to get an accurate picture of this complex phenomenon and to better address it. The definition should be accompanied by robust indicators to monitor its evolution. Besides the four main indicators included in the revised Energy Efficiency Directive – Directive (EU) 2023/1791, the set of indicators included in the 2020 Commission’s Recommendation on Energy Poverty must all be considered. It would also be necessary to have input from anti-poverty groups and industry to select these indicators.

Further, it is important to track the progress of the Energy Poverty action on a regular basis to ensure it is truly supporting those vulnerable households and make data widely available for transparency. As an interim measure, this could be done using the [BUILD UPON Framework for Energy Renovation methodology](#) – Indicator Soc1 relates to Energy Poverty Reduction, which allows local authorities to measure and record the impacts of their retrofit projects in a holistic manner, with a new methodology being developed once the definition of energy poverty is updated.

Communications and Governance

1. How can we better communicate our work in the area of Energy Poverty to all stakeholders?

Direct engagement with groups experiencing energy poverty is crucial to better communicate all work relating to energy poverty. This could be achieved through an acceleration of the roll out of the Healthy Age Friendly Homes Ireland programme and by replicating this model for other groups identified as at risk of energy poverty. Setting up a network of independent energy advisors across the county who would work with anti-poverty groups and other relevant NGOs to better identify and target households at risk of energy poverty is also recommended. These advisors could signpost all information on renovation and support project aggregations – Please see our [Energy Poverty and Energy Renovation Report](#) for further information on how this could be piloted.

Energy poverty is a complex and multifaceted phenomenon, it requires cross-departmental cooperation and extensive engagement with civil society and industry on an ongoing basis. There is hence a need to create a national cross-disciplinary permanent working group to provide leadership in addressing energy poverty. This would ensure an open and collaborative approach to the development and implementation of the Energy Poverty Action Plan. Whilst annual plenary sessions

with key stakeholder organised by the Cross-Departmental and inter-agency Energy Poverty Steering Group are positive developments, more regular engagements are needed.

2. What suggestions do you have for ensuring the inclusion and representation of diverse voices in the development and implementation of the Energy Poverty Action Plan?

The IGBC deems it necessary to ensure all programmes to address energy poverty are co-designed with vulnerable groups and anti-poverty organisations. This would require co-designing programmes and policies in conjunction with most vulnerable households and the renovation industry. This may be achieved through the creation of a national cross-disciplinary permanent working group or with the recruitment of energy poverty officers in DECC/SEAI/DHLGH to ensure all policies, programmes and communications are reviewed to support the most vulnerable households. This could be achieved through an acceleration of the rollout of the Healthy Age Friendly homes Ireland programme and replicating this model for other groups identified as at risk of energy poverty.

Policy design

1. In your view, how can we integrate other policies (e.g. housing, energy market regulation, income tax and income support) in our Plan to tackle Energy Poverty?

The IGBC recommend a review and update to SEAI's overall mandate to include a greater focus on supporting those most at risk of energy poverty and facilitate more holistic renovations. This will ensure that the impact of the transition is "equitable and existing inequalities are not exacerbated." It is also necessary to ensure that other challenges that the IGBC have identified are addressed including the lack of cohesion between energy renovation works with adaptability works for elderly people and disabled people. Giving a greater mandate to SEAI to facilitate more holistic renovations would help in tackling whole-life carbon emissions, while addressing issues around the lack of coordination among funding streams for energy renovation, reuse of buildings, adaptability, etc. In addition to better supporting the most vulnerable in society, it also represents better value for money, ensuring a better use of public finance and limited resources.