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# **An Comhchoiste um Choimirce Shóisialach, Forbairt Pobail agus Tuaithe agus na hOileáin**

Tuarascáil maidir le Bochtaineacht Fuinnimh

Meitheamh 2024

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# **Joint Committee on Social Protection, Community and Rural Development, and the Islands**

Report on Energy Poverty

June 2024

33/JCSPCRI/026



## Contents

<b>Related information .....</b>	<b>4</b>
Publications .....	4
Committee videos.....	4
Contact details.....	4
Terms of reference .....	4
<b>Committee Membership.....</b>	<b>5</b>
Cathaoirleach.....	5
Leas-Cathaoirleach.....	5
Members .....	5
<b>Foreword.....</b>	<b>6</b>
<b>Introduction and Witnesses .....</b>	<b>7</b>
List of witnesses .....	8
<b>Recommendations .....</b>	<b>10</b>
Priority Recommendations.....	10
Additional Recommendations .....	12
<b>Key Issue 1 – Retrofitting of Homes in Rural and Urban Areas.....</b>	<b>15</b>
Social Housing and Approved Housing Bodies .....	23
<b>Key Issue 2 – Effectiveness of the Fuel Allowance.....</b>	<b>24</b>
Main Qualifying Conditions.....	24
<b>Key Issue 3 – Impact of Energy Poverty on Mental and Physical Health .....</b>	<b>28</b>
<b>Conclusion.....</b>	<b>31</b>
<b>Appendix 1: Opening Statements and Submissions .....</b>	<b>32</b>
Opening Statements.....	32
List of written submissions.....	33

## Related information

### Publications

All publications for this committee are available on the [Oireachtas website](#).

### Committee videos

Footage of Committee proceedings can be found on the [Committee videos page](#).

### Contact details

The contact details for the Committee can be found on the [Committee page](#).

### Terms of reference

Read the [terms of reference](#) for the Committee.

## Committee Membership

### Cathaoirleach

[Denis Naughten TD](#), Independent

### Leas-Cathaoirleach

[Marc Ó Cathasaigh TD](#), Green Party

### Members

[Jackie Cahill TD](#), Fianna Fáil

[Joe Carey TD](#), Fine Gael

[Joan Collins TD](#), Independents 4 Change

[Paul Donnelly TD](#), Sinn Féin

[John Paul Phelan TD](#), Fine Gael

[Éamon Ó Cuív TD](#), Fianna Fáil

[Donnchadh Ó Laoghaire TD](#), Sinn Féin

[Senator Paddy Burke](#), Fine Gael

[Senator Róisín Garvey](#), Green Party

[Senator Paul Gavan](#), Sinn Féin

[Senator Eugene Murphy](#), Fianna Fáil

[Senator Mark Wall](#), Labour Party

## Foreword

Energy poverty, a complex issue affecting many households globally, is becoming an urgent concern in Ireland. As we aim for a sustainable and greener future, it's vital that no one is left struggling to meet basic energy needs. High energy costs, low household incomes, and energy-inefficient housing make life harder for many families. The impact of energy poverty isn't just financial - it also affects health and well-being.

Energy Poverty has been an item on the Committee's 2023 and 2024 work programme due to the ongoing rise in living costs. The Committee began its public meetings in this context in May 2023 and concluded in February 2024. This report puts forward 41 recommendations spanning 3 key issues, namely the retrofitting of homes in rural and urban areas, the suitability of the fuel allowance, and the impact of energy poverty on mental and physical health.

In its scrutiny of Energy Poverty, the Committee held meetings with Officials from the Department of the Environment, Climate and Communication, the Department of Social Protection and the Department of Housing, Local Government and Heritage and representatives from the Society of St. Vincent de Paul, the Sustainable Energy Authority of Ireland, Energy Cloud, Irish Rural Link, Friends of the Earth and Irish Cancer Society. The Committee also invited written submissions from interested groups and individuals.

I would like to thank all of the witnesses who came before the Committee in public session for their valuable engagement with the Committee, the organisations who made written submissions, and the Members for their hard work. I would also like to acknowledge the assistance of the Committee Secretariat in preparing this report.

**Denis Naughten TD**

Cathaoirleach to the Committee

June 2024

## Introduction and Witnesses

Energy poverty in Ireland is multifaceted and, in many cases, it is driven primarily by three underlying root causes, these are linked to high energy expenditure in proportion to household budget, low levels on income, and low energy performance of buildings and appliances. Households with higher energy needs, which include families with children, persons with disabilities and older persons, are also more susceptible to energy poverty and its effects. It is imperative in the colder weeks and months of the year that those most vulnerable in society have sufficient heat in their homes to stay healthy and well. The significant increase in the cost of energy has led to an acute level of need. Official enforced deprivation statistics<sup>1</sup> from 2022 showed the number of people unable to keep their home adequately warm had more than doubled since 2021, rising to 377,000. There is little doubt this has only increased with the rapid increases in the cost of living over the past two years.

With support from Science Foundation Ireland and ESB Networks, MaREI, which is the research centre for Energy, Climate and Marine Research and Innovation co-ordinated by the Environmental Research Institute at University College Cork, is leading research regarding the energy transition and climate action on the Dingle Peninsula. MaREI also provides support on governance and structure for the Corca Dhuibhne/Dingle Peninsula 2030 initiative.<sup>2</sup>

The current Energy Poverty Action Plan, published by Government in 2022, was developed with the input of the Commission for the Regulation of Utilities (CRU). The CRU informed the Members in a letter to the Committee<sup>3</sup>, that they remain committed to working with Government on implementation, including inputting to the current consultation on the plan, and aim to provide an updated plan later in 2024. Additionally, the CRU introduced more Customer Protection Measures for domestic customers in September 2022 in light of high and volatile energy prices. These additional measures are aimed at directly tackling issues faced by customers due to increased prices.

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<sup>1</sup> SVP 'Warm, Safe, Connected?' Summary report, available [here](#), page 3

<sup>2</sup> More information available [here](#)

<sup>3</sup> CRU letter. Available [here](#)

## List of witnesses

Meeting date	Witnesses
3 May 2023	<p><b>Society of St. Vincent de Paul</b></p> <ul style="list-style-type: none"> <li>• Tricia Keilthy – Head of Social Justice and Policy</li> <li>• Issy Petrie – Research and Policy Officer</li> </ul>
17 January 2024	<p><b>Society of St. Vincent de Paul</b></p> <ul style="list-style-type: none"> <li>• Tricia Keilthy – Head of Social Justice and Policy</li> <li>• Issy Petrie – Research and Policy Officer</li> </ul> <p><b>Sustainable Energy Authority of Ireland</b></p> <ul style="list-style-type: none"> <li>• Ciaran Byrne – Director of National Retrofit</li> <li>• Brian O’Mahony – Head of Community and National Retrofit</li> <li>• John Randles – Head of Delivery, National Retrofit</li> <li>• Ruth Buggie – Programme Manager, Sustainable Energy Communities</li> </ul>
14 February 2024	<p><b>Department of the Environment, Climate and Communications</b></p> <ul style="list-style-type: none"> <li>• Justina Corcoran – Principal Officer, Retail Energy Policy, Consumer Support and Regulation</li> <li>• Robert Deegan – Principal Officer, Resident Energy Efficiency</li> <li>• Barbara Lambe – Higher Executive Officer, Residential Energy Efficiency Division</li> </ul>
21 February 2024	<p><b>Energy Cloud</b></p> <ul style="list-style-type: none"> <li>• Cathal Lee – Co-Founder</li> <li>• John Mullins – Chairperson</li> <li>• Laura McDonnell – Clúid Housing</li> </ul> <p><b>Irish Rural Link</b></p> <ul style="list-style-type: none"> <li>• Seamus Boland – Chief Executive Officer</li> <li>• Louise Lennon – Policy and Communications Officer</li> </ul>



28 February  
2024

**Department of Social Protection**

- Rónán Hession – Assistant Secretary General, Working Age and Family Policy
- Simon Shevlin – Principal Officer, Supplementary Welfare Allowance
- Helen Kilcullen – Assistant Principal Officer, Supplementary Welfare Allowance Policy
- David O’Callaghan – Higher Executive Officer

**Friends of the Earth**

- Jerry Mac Evilly – Head of Policy
- Clare O’Connor – Energy Policy Officer

**Department of Housing, Local Government and Heritage**

- Áine Stapleton – Assistant Secretary General
- Noel Halvey – Assistant Principal Officer
- Sean Armstrong – Senior Advisor, Climate and Construction Unit

**Irish Cancer Society**

- Averil Power – Chief Executive Officer
  - Suzanne Denieffe – Head of School of Humanities, Southeast Technological University
  - Anna Drynan-Gale – Team Lead Night Nursing Service
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## Recommendations

### Priority Recommendations

1. The Committee recommends a review of the existing SEAI grant schemes to pull together ‘packages of measures’ – such as the ‘insulation package’ and the ‘heat pump / renewables package’ to encourage the uptake of combined measures where a full retrofit is not feasible for financial or structural reasons with appropriate incentives provided for such package. In particular, the Committee recommends where it is not feasible or desirable by the occupiers for a full retrofit to take place, action is taken to ensure that significant shallow measures are implemented to increase the quality of life for occupiers, especially those with living with terminal illness, disabilities or older persons.

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2. The Committee recommends the publication of a long term retrofit plan for the private rented sector with clear milestones, targets, and funding, that incorporates realistic forecasted capacity of the construction sector, in line with the commitment in Housing for All to implement minimum energy efficiency standards.

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3. The Committee recognises that in light of Ireland’s exposure to more frequent extremes of both heat and cold as a result of climate change and the resultant impact in terms of running costs during colder periods or the inadequacy during warmer periods of air source heat pumps, supports on the installation and operation of ground source heat exchange pumps should be encouraged including funding into research for their effective deployment in Irish circumstances for both individual homes and clusters.

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4. The Committee calls for the introduction of Minimum Energy Performance Standard for rental properties (as set out in Housing for All plan but not yet operational) to enhance the energy efficiency of such homes from 2025, with the provision of appropriate financial supports for landlords to ensure that such standards do not lead to any reduction of availability of properties within the rental market.

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5. The Committee recommends the review and update of SEAI’s overall mandate to include a greater focus on supporting those most at risk of energy poverty. A wrap around service to support the most vulnerable through the energy renovation journey is also critical to bring everyone on board and deliver Ireland’s Climate targets.

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6. The Committee is concerned with the inordinate delay outlined by the SEAI in processing Warmer Homes Scheme applications for those in fuel poverty. The

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Committee is of the view that the current 14-month delay between application and survey completion is adding to frustration by homeowners in fuel poverty, postponing other shallow measures which could improve the energy efficiency of the home and leading to an inefficient deployment of contractors who have not seen homes for clustering of works by location. A target should be set of completing the survey within 12 weeks of a valid application being completed.

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7. The Committee is very concerned by the inadequacy of the SEAI policy as it related to older homes which do not meet the criteria for a deep retrofit under the Warmer Homes Scheme. In such circumstances a shallow scheme of works which improve the energy efficiency of a home must be completed in all circumstances ensuring that no one in fuel poverty is abandoned by the State agency. This is in line with the United Nations concept of Human Security and the United Nations Sustainable Development Goals of “leaving no one behind” which is being blatantly disregarded by the SEAI presently.

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  8. As part of all retrofitting of fuel poor homes the SEAI should ensure that properties can avail of Energy Cloud free hot water, smart storage heaters and energy efficient white goods appliances. This programme would commence with those homes in fuel poverty where the SEAI has failed to carry out a deep retrofit under the Warmer Homes Scheme.

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  9. The Committee recommends that the Minister for the Environment, Climate and Communications coordinate with the Minister for Housing, Local Government and Heritage on a strategy of retrofitting the homes of warmer homes scheme applicants and local authority tenants in the same estate through 'clustering'.

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  10. The Committee recommends a thorough review of the Fuel Allowance with regard to; benchmarking all core welfare rates against the cost of living and minimum energy needs of households; a review of income thresholds or introduction of a half-rate fuel allowance; a transition of the payment to a year-round tiered payment delinked from fuel type; and an extension of the period of payments of the fuel allowance by 4 weeks.

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  11. The Committee recommends that the Heating Supplement be reworked in order to meet the special energy requirements of people with illnesses or disabilities, specifically those with a terminal illness and those who require significant levels of electricity for medical devices, such as those undergoing home dialysis
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12. The Committee recommends the provision of automatic entitlement to the Household Benefits Package, Fuel Allowance payment and Additional Needs Payment to people with a life-limiting diagnosis, including children, without means-testing. This would use the existing definition of someone who is diagnosed with a terminal illness with an estimated 24 months or fewer to live, as is used in the case of Emergency Medical Cards.

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13. The Committee recommends that supports for renewable technologies to be included in energy poverty schemes including solar PV which will allow for both reduced energy costs and the benefit of microgeneration. The Committee further recommends awareness of and ease of access to the Solar PV Scheme for Medically Vulnerable Homes and the provision of electricity credits to support electricity costs for the remainder of a person's life for people diagnosed with a terminal illness. This would use the existing definition of someone who is diagnosed with a terminal illness with an estimated 24 months or fewer to live.

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## Additional Recommendations

14. There is a reluctance by homeowners to transition from fossil fuel heating systems to heat pumps despite the availability of grants towards the cost of purchase and installation due to a fear by homeowners of the unknown operational costs. To overcome this reluctance the Committee believes that an operational support for the use of heat pumps should be introduced which would ensure that there is a maximum cap on the running costs

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15. Furthermore, given the need to electrify much of home heating via heat pumps the Committee recommends that a wide-ranging study is conducted to determine the necessary mechanisms to protect the public from the potential for higher bills due to high electricity prices (and differential costs with fossil fuel alternatives). This evaluation should include policies, measures, regulation, taxes, electricity, and fossil fuel market design considerations such as pegging electricity tariffs to natural gas / oil. For example, the European Heat Pump Association have a 2:1 ratio to natural gas, that is that electricity prices should never be more than twice the price of natural gas.

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16. The Committee recommends that CRU are mandated to ensure that households that are at risk of energy poverty have access to smart-meter data and advice on best energy tariffs for usage patterns.

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17. The Committee is critical of the failure by CRU in conjunction with ESB Networks to make smart meter data available to all customers in an accessible & understandable format allowing them to make critical decisions on electricity use, regardless of their existing meter plan.

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18. The Committee believes that the Department of Housing target of having 70% of its housing stock at a BER rating of “A” or “B” by 2030 does not show sufficient ambition in addressing the inefficiency of the State-owned older housing stock and recommends that it be revised upwards as a matter of urgency.

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19. The Committee recognises that existing retrofitting solutions deployed by the SEAI are not as suitable in rural homes as is the case in urban homes, which are relatively unique in European terms, and this requires further detailed analysis and research to be commissioned without delay by the SEAI, to design sustainable long-term solutions for such homes.

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20. The Committee acknowledges that heat pumps are not suitable for all types of existing homes, as exemplified by the SEAI policy of abandoning such homes under the Warmer Homes Scheme. To address this challenge pending the completion and delivery of solutions as set out in recommendation no.44 the State should significantly ramp up the availability of indigenously sourced HVO for domestic homes on Oil Fired Central Heating or solid fuel systems, not on the natural gas network.

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21. The Committee believe that homes with a BER rating of C or lower should be the primary focus of the Warmer Homes Scheme which would align with the prioritisation of the housing stock by the Department of Housing.

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22. Recognising that the Department of Environment, Climate and Communications has in conjunction with the Department of Housing established deep retrofitting standards for ‘heritage homes’, that is those constructed in the main without a cavity wall, revised and enhanced grants should now be made available to assist homeowners and such properties should become eligible for inclusion under the Warmer Homes Scheme.

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23. The Committee recommends the exploration of incentives that will tackle the split-incentive dilemma for low-income households in rental properties

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24. The Committee recommends an urgent review of the outcomes and learnings on energy efficiency of the Department of Housings Voids Programme, the Energy

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Efficiency Programme including the Midland Pilot, housing Aid for older people and Disabled Person Grant Scheme.

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25. The Committee recommends that a policy be introduced to ensure that households who are ineligible for the warmer homes scheme due to income but less able to afford home energy upgrades should be able to avail of a 0% retrofit loan or a possible equivalent mechanism through the tax system.

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26. The Committee recommends that the SEAI commission a software tool to facilitate Energy Cloud providing free electricity units to households at risk of energy poverty via the smart meter in homes, including private homes eligible for the SEAI free upgrade scheme.

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27. The Committee recommend the establishment of a Community Energy Advice Service in every local authority, providing support for households in applying for SEAI grants; giving independent, tailored technical advice on retrofitting and heat pump installation; and pro-actively working with NGOs and civil society organisations to ensure people in energy poverty are directly targeted for retrofit schemes.

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28. The Committee recommends analysis of smart-meter data be carried out to ensure the best energy plan in terms of households at risk. This analysis should be carried out in-person in order to improve engagement and address the digital and literacy divide.

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29. The Committee recommends that the Department of Housing, Local Government and Heritage set a more ambitious target for the retrofitting of social housing, including AHBs. In this context, the Committee also recommend the retrofit of homes before reletting.

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30. The Committee recommends that the Department of Housing, Local Government and Heritage 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.

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31. The Committee recommends the consideration of an Energy Guarantee Scheme, a year-round payment delinked from fuel type, to cover the standing charge and a set number of units. Eligibility based on BER and household income.

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32. The Committee is strongly of the view that curtailed renewable electricity should be provided free of charge to those in receipt of the fuel allowance with a smart meter. Not only would this help to address energy poverty but would help to promote the

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attributes of renewable energy and the acceptability of wind energy deployment in light of the fact that the vast majority of curtailed electricity comes from windfarms.

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33. The Committee recommends the adoption of a new legal definition of energy poverty as recommended in the European Commission's recommendation on energy poverty.<sup>4</sup>

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34. The Committee recommends the immediate publication of the results of the Warmth and Wellbeing pilot scheme research carried out by the London School of Hygiene and Tropical Medicine.

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## Key Issue 1 – Retrofitting of Homes in Rural and Urban Areas

The national retrofit plan sets out the Government's approach to retrofitting the equivalent of 500,000 homes to a building energy rating (BER) of B2 and installing 400,000 heat pumps in existing homes by 2030. Fairness, universality, and customer-centricity are three of the key principals of the national retrofit plan. In line with these principals, the plan recognizes that supports are necessary to help households vulnerable to energy poverty to retrofit their homes.

Liquid Gas Ireland, in their submission to the Committee<sup>5</sup> recognise that the technology of heat pumps will play a critical role in decarbonising Ireland's housing stock, but also raise concerns that a wider suite of options is needed to accelerate the decarbonisation of homes by 2030. Liquid Gas Ireland (LGI) argue that a mixed technology approach that supports the use of lower carbon liquid petroleum gas and renewable liquid gas through the installation of renewable ready gas boilers, as well as heat pump technology, would help achieve this goal. This mixed technology approach is a more effective and fairer way to move rural homes and businesses away from oil and solid fuels to lower carbon emitting options, which will improve energy efficiency and air quality, as well as being a cheaper option.<sup>6</sup>

### Recommendations

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<sup>4</sup> Official Journal of the European Union: Commission Recommendation on Energy Poverty, available [here](#)

<sup>5</sup> Liquid Gas Ireland submission, available [here](#), page 3.

<sup>6</sup> Liquid Gas Ireland submission, available [here](#), page 14.

14. There is a reluctance by homeowners to transition from fossil fuel heating systems to heat pumps despite the availability of grants towards the cost of purchase and installation due to a fear by homeowners of the unknown operational costs. To overcome this reluctance the Committee believes that an operational support for the use of heat pumps should be introduced which would ensure that there is a maximum cap on the running costs.

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15. Furthermore, given the need to electrify much of home heating via heat pumps the Committee recommends that a wide-ranging study is conducted to determine the necessary mechanisms to protect the public from the potential for higher bills due to high electricity prices (and differential costs with fossil fuel alternatives). This evaluation should include policies, measures, regulation, taxes, electricity, and fossil fuel market design considerations such as pegging electricity tariffs to natural gas / oil. For example, the European Heat Pump Association<sup>7</sup> have a 2:1 ratio to natural gas, that is that electricity prices should never be more than twice the price of natural gas.

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16. The Committee recommends that CRU are mandated to ensure that households that are at risk of energy poverty have access to smart-meter data and advice on best energy tariffs for usage patterns.

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17. The Committee is critical of the failure by CRU in conjunction with ESB Networks to make smart meter data available to all customers in an accessible & understandable format allowing them to make critical decisions on electricity use, regardless of their existing meter plan.

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The Sustainable Energy Authority of Ireland (SEAI) administers the national retrofitting scheme. Key measures include a national home energy upgrade scheme providing increased grant levels to bring homes to B2 BER standard; the one-stop shop offering project management services; including access to financing for home energy upgrades; a significant increase in the number of free energy upgrades for those at risk of poverty in the better energy, warmer homes scheme, up to 400 per month from an average of 177 per month in 2021; and a special enhanced grant for attic and cavity wall insulation for all households to reduce energy use as part of the Government's response to the current exceptionally high energy prices.

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<sup>7</sup> [Home - European Heat Pump Association \(ehpa.org\)](https://ehpa.org/)



## Recommendations

18. The Committee believes that the Department of Housing target of having just 70% of its housing stock at a BER rating of “A” or “B” by 2030 does not show sufficient ambition in addressing the inefficiency of the State-owned older housing stock and recommends that it be revised upwards as a matter of urgency.

19. The Committee recognises that existing retrofitting solutions deployed by the SEAI are not as suitable in rural homes as is the case in urban homes, which are relatively unique in European terms, and this requires further detailed analysis and research to be commissioned without delay by the SEAI, to design sustainable long-term solutions for such homes.

20. The Committee acknowledges that heat pumps are not suitable for all types of existing homes, as exemplified by the SEAI policy of abandoning such homes under the Warmer Homes Scheme. To address this challenge, the State should significantly ramp up the availability of indigenously sourced HVO for domestic homes on Oil Fired Central Heating or solid fuel systems, not on the natural gas network.

1. The Committee recommends a review of the existing SEAI grant schemes to pull together ‘packages of measures’ – such as the ‘insulation package’ and the ‘heat pump / renewables package’ to encourage the uptake of combined measures where a full retrofit is not feasible for financial or structural reasons with appropriate incentives provided for such packages. In particular, the Committee recommends where it is not feasible or desirable by the occupiers for a full retrofit to take place, action is taken to ensure that significant shallow measures are implemented to increase the quality of life for occupiers, especially those with living with terminal illness, disabilities or older persons.

21. The Committee believe that homes with a BER rating of C or lower should be the primary focus of the Warmer Homes Scheme which would align with the prioritisation of the housing stock by the Department of Housing.

According to Irish Rural Link<sup>8</sup>, in public session with the Joint Committee, in 2023, under the fully funded energy upgrade schemes, only 13,983 applications were received and only 5,898 properties have been upgraded. Irish Rural Link also raised concerns that the barriers that existed when retrofitting began initially are still in existence. These barriers include a lack of awareness and knowledge, alongside the cost of retrofitting. Seamus Boland, Irish

<sup>8</sup> Official meeting transcript, 21 February 2024, available [here](#), page 5

Rural Link, informed the committee that the average cost to bring a residential property from an E1 BER to an A3 BER is a minimum of €42,000 and those figures can reach as high as €64,000 - €80,000.

### Recommendation

2. The Committee recommends the publication of a long term retrofit plan for the private rented sector with clear milestones, targets, and funding, that incorporates realistic forecasted capacity of the construction sector, in line with the commitment in Housing for All to implement minimum energy efficiency standards.

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22. Recognising that the Department of Environment, Climate and Communications has in conjunction with the Department of Housing established deep retrofitting standards for 'heritage homes', that is those constructed in the main without a cavity wall, revised and enhanced grants should now be made available to assist homeowners and such properties should become eligible for inclusion under the Warmer Homes Scheme.

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3. The Committee recognises that in light of Ireland's exposure to more frequent extremes of both heat and cold as a result of climate change and the resultant impact in terms of running costs during colder periods or the inadequacy during warmer periods of air source heat pumps, supports on the installation and operation of ground source heat exchange pumps should be encouraged including funding into research for their effective deployment in Irish circumstances for both individual homes and clusters.

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4. The Committee calls for the introduction of Minimum Energy Performance Standard for rental properties (as set out in Housing for All plan but not yet operational) to enhance the energy efficiency of such homes from 2025, with the provision of appropriate financial supports for landlords to ensure that such standards do not lead to any reduction of availability of properties within the rental market.

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23. The Committee recommends the exploration of incentives that will tackle the split-incentive<sup>9</sup> dilemma for low-income households in rental properties

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<sup>9</sup> Split incentive refers to a situation where the benefits and costs of an investment are divided between two parties, which makes it less likely that either party will take action. This is relevant in rental properties where the landlords are responsible for making energy-efficiency improvements but the tenants benefit from the lower utility bills.

The Committee raised concerns in public session with the SEAI<sup>10</sup> regarding problems within the general retrofit scheme, which operates irrespective of income, with stone houses and that this is causing problems in providing insulation. The Committee noted that there is sometimes an unwillingness to pay retrofitting grants for stone-built houses. The SEAI told the committee that they have been working very closely with the Department of Housing, Local Government and Heritage (Department of Housing) around the guidance on traditional buildings. Brian O'Mahony, Head of Community and National Retrofit told the Committee that in Ireland there are many homes constructed with traditional types of materials such as solid block or brick and use lime-based mortar. These perform differently from modern construction that uses concrete, typically. The Committee were told that modern insulation is not a suitable product for these houses. Many of the products that could be used in traditional buildings would not meet the requirements set out in the building regulations part D.

The SEAI told Members that in the past two years the Department of Housing and the National Standards Authority of Ireland have been working on guidance for traditional homes. Since this guidance was published, the SEAI have been working with the Department of Housing and the Department of the Environment, Climate and Communications in developing a pilot to deploy this guidance into their schemes. The SEAI expect movement on that in 2024 and this would then be a solution for these traditional homes.

## Recommendations

24. The Committee recommends an urgent review of the outcomes and learnings on energy efficiency of the Department of Housings Voids Programme, the Energy Efficiency Programme including the Midland Pilot, housing Aid for older people and Disabled Person Grant Scheme.
5. The Committee recommends the review and update of SEAI's overall mandate to include a greater focus on supporting those most at risk of energy poverty. A wrap around service to support the most vulnerable through the energy renovation journey is also critical to bring everyone on board and deliver Irelands Climate targets.

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<sup>10</sup> Official meeting transcript, 17 January 2024, available [here](#)

The Committee also raised concerns regarding the speed of retrofitting of the houses of people who are the most vulnerable and questioned the SEAI on the timelines surrounding retrofitting when applying for the grant as a private house owner. Ciaran Byrne, SEAI, informed the committee that homeowners apply for the grant when they are ready, and it is a virtually instantaneous application and checks are done to determine if applicants have got the grant and own the home. It is then up to the homeowners to engage with any number of contractors and they have a period of eight months in which to complete the works. The average cost in that scheme is between €6,000 and €8,000 with the grant covering €3,500 to €4,000 of the cost of the works. The Committee are concerned with the delays in processing Warmer Homes Schemes applications and feels that the current 14-month delay<sup>11</sup> between application and survey completion which is adding to the frustration by homeowners in fuel poverty.

### Recommendation

6. The Committee is concerned with the inordinate delay outlined by the SEAI in processing Warmer Homes Scheme applications for those in fuel poverty. The Committee is of the view that the current 14-month delay between application and survey completion is adding to frustration by homeowners in fuel poverty, postponing other shallow measures which could improve the energy efficiency of the home and leading to an inefficient deployment of contractors who have not seen homes for clustering of works by location. A target should be set of completing the survey within 12 weeks of a valid application being completed.

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7. The Committee is very concerned by the inadequacy of the SEAI policy as it related to older homes which do not meet the criteria for a deep retrofit under the Warmer Homes Scheme. In such circumstances a shallow scheme of works which improve the energy efficiency of a home must be completed in all circumstances ensuring that no one in fuel poverty is abandoned by the State agency. This is in line with the United Nations concept of Human Security and the United Nations Sustainable Development Goals of “leaving no one behind” which is being blatantly disregarded by the SEAI presently.

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8. As part of all retrofitting of fuel poor homes the SEAI would ensure that properties can avail of Energy Cloud free hot water, smart storage heaters and energy efficient white goods appliances. This programme would commence with those homes in fuel

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<sup>11</sup> [Fully Funded Energy Upgrades | Home Energy Grants | SEAI](#)

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poverty where the SEAI has failed to carry out a deep retrofit under the Warmer Homes Scheme.

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The Committee mentioned that one in four people in Ireland cannot afford to heat their homes adequately now, which Members found to be unacceptable. Not all of those people are in receipt of social welfare. Retrofitting targets were targeted and announced to cover 50% of the cost. In his evidence in public session, Dr. Ciaran Byrne, Director of National Retrofit gave a practical example where the grant covered only one third of the cost. Building and material costs have gone up, which means that the grant has effectively reduced. The Committee questioned the SEAI on what is happening to ensure the grant is reflective of what was originally announced as a 50% grant. The people who are being disadvantaged are the people who will have to borrow to do this work and they are the ones who cannot afford it. For people who are cash rich and put the investment in, whether the grant is 50% or 30% will not be a factor as they are not the people who are in energy poverty. Those who are in energy poverty are deeply affected and the difference between a 30% grant and 50% grant is the difference between carrying out the work and not carrying it out.

### Recommendation

27. The Committee recommends that a policy be introduced to ensure that households who are ineligible for the warmer homes scheme due to income but less able to afford home energy upgrades should be able to avail of a 0% retrofit loan or a possible equivalent mechanism through the tax system.

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The Committee raised concerns with the SEAI and Department of the Environment, Climate and Communications (Department of the Environment) in two separate sessions regarding the inefficiency of retrofitting in certain areas. The example discussed highlighted that if there is a street of mixed tenure, where it is apparent that all of the properties require some work to upgrade their energy efficiency. The Committee feel that, especially with terraced buildings, there is potential for cost savings and efficiencies that could be achieved by renovating the properties at the same time. The Committee feel that it would be beneficial

for the Minister for the Environment and the Minister for Housing to discuss having a coordinated strategy of retrofitting the homes of warmer homes scheme applicants and local authority tenants in the same estate. They could be renovated by the same contractor at the same time, which would save local authorities a significant amount of money. This approach could ensure the works were being completed in a timelier manner with greater co-ordination across the board.

This can be done by improving coordination with local authorities and the SEAI on the delivery of retrofitting measures in both local authority housing stock and those in fuel poverty. This would facilitate contractors clustering Warmer Homes Scheme applicants and local authority homes, which would improve delivery times and value under both retrofitting programmes. This clustering could be enhanced through the development of high-quality Geographic Information System (GIS) maps at District Electoral Division (DED) level to identify areas at risk of energy poverty and energy inefficient homes, ensuring that such areas are prioritised for retrofit clustering. The most vulnerable households should be targeted through this GIS mapping by local authorities

Those are the key takeaways that the Committee would like the Minister to consider in the short term to improve the efficiency of these schemes.

### Recommendation

9. The Committee recommends that the Minister for the Environment, Climate and Communications coordinate with the Minister for Housing, Local Government and Heritage on a strategy of retrofitting the homes of warmer homes scheme applicants and local authority tenants in the same estate through 'clustering'.

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28. The Committee recommends that the SEAI commission a software tool to facilitate Energy Cloud providing free electricity units to households at risk of energy poverty via the smart meter in homes, including private homes eligible for the SEAI free upgrade scheme.

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29. The Committee recommends that the Department of Housing, Local Government and Heritage set a more ambitious target for the retrofitting of social housing, including

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AHBs. In this context, the Committee also recommend the retrofit of homes before reletting.

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30. The Committee recommends analysis of smart-meter data be carried out to ensure the best energy plan in terms of households at risk. This analysis should be carried out in-person in order to improve engagement and address the digital and literacy divide.

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In their public session with the Committee, Friends of the Earth<sup>12</sup> proposed the establishment of a ‘community energy advice service’ in every local authority to provide a local, tailored support service so people can access the financial advice they need. This would collaborate with civil society organisations to identify households that are at risk of energy poverty and suitable for retrofitting grants as well as support throughout the retrofitting process. A proactive approach must be taken by the State to go directly to communities with this information and to support households directly with retrofitting.

### Recommendation

31. The Committee recommend the establishment of a Community Energy Advice Service in every county, providing support for households in applying for SEAI grants; giving independent, tailored technical advice on retrofitting and heat pump installation; and pro-actively working with NGOs and civil society organisations to ensure people in energy poverty are directly targeted for retrofit schemes.

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## Social Housing and Approved Housing Bodies

Another issue raised in public session with Friends of the Earth was regarding the retrofitting of social housing and approved housing bodies (AHB), which is a key opportunity to enhance energy efficiency and alleviate energy vulnerability. Current Government targets are set at just 36,500 or 25% of all social housing to be retrofitted by 2030. There is an opportunity for increased target. The Department of Housing could set a more ambitious

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<sup>12</sup> Official Meeting Transcript 28 February 2024, available [here](#), page 5.

target to retrofit all social housing by 2030. This could be done by prioritising the worst performing houses and include a multi-year funding strategy for local authorities and AHBs so they would have clarity on multi-year funding. This would require increased funding for both of these cohorts.

### Recommendation

32. The Committee recommends that the Department of Housing, Local Government and Heritage 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.

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## Key Issue 2 – Effectiveness of the Fuel Allowance

Households with a person over the age of 65 are 1.8 times more likely to fall into fuel poverty than households with people aged below 65. Older people are more at risk of energy poverty due to low income, high expenditure on fuel/heating, more reliance on oil/solid fuels for heating, and low BER-rated homes.<sup>13</sup>

The Fuel Allowance Scheme is means tested and assists pensioners and other welfare dependent householders with meeting the cost of their heating needs during the winter season. The scheme was introduced in 1988 and currently operates over the winter season from late September to April, at an estimated cost of €328 million in 2024.<sup>14</sup>

### Main Qualifying Conditions

One Fuel Allowance is paid to a household and it is payable to those who are in receipt of a long-term social welfare payment aged under 70, who satisfy a means test, and who are either living alone or only with:

- a qualified spouse / civil partner / cohabitant or qualified child(ren); (if the QA is in receipt of half rate carers, in addition to the IQA payment, they may qualify for fuel allowance, subject to a means test) or

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<sup>13</sup> ALONE submission, available [here](#), page 7

<sup>14</sup> Department of Social Protection Submission, available [here](#), page 1



- a person in receipt of a qualifying payment who would be entitled to the allowance in their own right, or
- a person who is in receipt of Carer's Allowance or Carer's Benefit in respect of providing full-time care and attention to the Fuel Allowance applicant or their qualified spouse / civil partner / cohabitant or qualified child(ren), or
- a person receiving short-term Jobseeker's Allowance or Basic SWA (if not pending award of a social welfare payment), or
- a person aged 70 or over, subject to a means test, (this person does not need to be in receipt of a qualifying payment).<sup>15</sup>

A person aged 70 or over does not need to be in receipt of a Social Welfare payment to apply for Fuel Allowance.

In the 2017/2018 fuel season, the option to receive the fuel allowance in 2 lump sums was introduced and in December 2023, 108,457 (26%) of customers had opted for payment via lump sum.<sup>16</sup>

In the first public session with the Society of St. Vincent de Paul<sup>17</sup> (SVP) concerns were raised by the witnesses in relation to the rate of fuel allowance. Core social welfare rates have not kept up with inflation and while a combination of universal and targeted payments have provided essential supports to people, they leave the guaranteed rate of social welfare devalued and people with no certainty about what their income will be in the future. SVP want to see both core and social welfare rates and the fuel allowance adjusted to match inflation, at an absolute minimum, and a commitment given to take an evidence-based approach to increases, which is rooted in the cost of a minimum essential standard of living.

## Recommendations

33. The Committee recommends the consideration of an Energy Guarantee Scheme, a year-round payment delinked from fuel type, to cover the standing charge and a set number of units. Eligibility based on BER and household income.

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<sup>15</sup> Department of Social Protection Submission, available [here](#), page 2

<sup>16</sup> Department of Social Protection Submission, available [here](#), page 3

<sup>17</sup> Official Meeting Transcript 3 May 2023, available [here](#), page 3

In a second public session with the Society of St. Vincent de Paul<sup>18</sup>, the Committee questioned whether the lump sums paid this year and last year helped people in the crucial times of the year. Tricia Keilthy, Society of St. Vincent de Paul (SVP), told Members that the lump sum payments do help. The shift of the fuel allowance from a weekly payment to the option of having the lump sum was a positive move and SVP told Members that they are balancing that between the once-off nature of the payments and the fact that the fuel allowance rate has effectively been frozen for a number of years. The primary concern of St. Vincent de Paul at the meeting was that the fuel allowance needs to be future proofed so that adaptations can be made to ensure that it is meeting the minimum energy needs of households. There is also a strong rationale for the season in which the fuel allowance is paid out to be extended by four weeks to better reflect the heating season for households.

### Recommendations

10. The Committee recommends a thorough review of the Fuel Allowance with regard to; benchmarking all core welfare rates against the cost of living and minimum energy needs of households; a review of income thresholds or introduction of a half-rate fuel allowance; a transition of the payment to a year-round tiered payment delinked from fuel type; and an extension of the period of payments of the fuel allowance by 4 weeks.

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Irish Rural Link in their submission to the Committee<sup>19</sup> welcome the increase in the eligibility of Fuel Allowance to the over 70 age cohort. However, they raised concerns of some of the difficulties still faced by some over 70's in accessing fuel allowance. Due to the income thresholds in place, a couple may qualify for fuel allowance as their joint income is below the income threshold for a couple but if a spouse or a partner passes away, the person left may become ineligible for the allowance if their income is above the single income threshold. The energy costs for the single person remains the same but are now more at risk of energy poverty as they have a reduced income and have lost the financial support.

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<sup>18</sup> Official Meeting Transcript 17 January 2024, available [here](#), page 10

<sup>19</sup> Irish Rural Link Submission, available [here](#), page 3

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The public session with the Department of Social Protection<sup>20</sup>, the Committee discussed a case of a means-tested fuel allowance for those over the age of 70. The problem discussed was that the person in question was assessed on their gross income. This individual is already paying tax on the bit of private pension that they have, and if the fuel allowance was based on their net income, they would be under the fuel allowance eligibility threshold.

The Committee questioned the Department on the costing for a 50% fuel allowance rate if an individual was €100 over the means threshold. Members asked this because they feel that instead of there being a cliff edge if someone is €1 over the limit, there should be a half rate or a slide-off rate. This would offer a solution to people who would be left worse off if there were only €2 or €5 over the limit than someone €10 under.

### Recommendations

34. The Committee is strongly of the view that curtailed renewable electricity should be provided free of charge to those in receipt of the fuel allowance with a smart meter. Not only would this help to address energy poverty but would help to promote the attributes of renewable energy and the acceptability of wind energy deployment in light of the fact that the vast majority of curtailed electricity comes from windfarms.

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Members also raised concerns to the Department of Social Protection around the household composition rule in relation to fuel allowance where there is another person on a social welfare payment in the house which disqualifies the applicant from receiving the fuel allowance. Friends of the Earth, in their opening statement to the Committee<sup>21</sup> also raised concerns regarding eligibility of the fuel allowance but in a context unrelated to income. 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, at least to remove qualifying criteria that make households ineligible for reasons unrelated to income.

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<sup>20</sup> Official Meeting Transcript 28 February 2024, available [here](#), page 31

<sup>21</sup> Friends of the Earth Opening Statement, available [here](#), page 5

## Key Issue 3 – Impact of Energy Poverty on Mental and Physical Health

Inadequate heating and colder temperatures in homes increase the risk of mortality and physical and mental health problems among older people. Energy poverty and low indoor temperatures are connected to greater cardiovascular and respiratory morbidity and mortality, as well as a higher risk of infections and minor illnesses, for example, colds and flus. Energy poverty can also exacerbate existing health conditions.<sup>22</sup>

### Recommendations

11. The Committee recommends that the Heating Supplement be reworked in order to meet the special energy requirements of people with illnesses or disabilities, specifically those with a terminal illness and those who require significant levels of electricity for medical devices, such as those undergoing home dialysis

12. The Committee recommends the provision of automatic entitlement to the Household Benefits Package, Fuel Allowance payment and Additional Needs Payment to people with a life-limiting diagnosis, including children, without means-testing. This would use the existing definition of someone who is diagnosed with a terminal illness with an estimated 24 months or fewer to live, as is used in the case of Emergency Medical Cards.

St. Vincent de Paul’s 2023 ‘*Warm, Safe, Connected?*’ report<sup>23</sup> highlighted the impact of energy poverty on mental and physical health outcomes for people. The report found parents living with the stresses of unmanageable energy costs have an increased risk of depression. The long-term impact of energy poverty on children living below the poverty line is immeasurable. Between 1984 and 2007, Ireland had high levels of excess winter deaths<sup>24</sup>, with could be linked to a household living in fuel poverty and links to class, geography, and demography. The Committee discussed with SVP and the SEAI<sup>25</sup> that the single biggest problem in relation to mould growth in homes is in rented properties,

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<sup>22</sup> ALONE submission, available [here](#), page 10

<sup>23</sup> St Vincent de Paul, Warm, Safe, Connected? Report, available [here](#), page 7

<sup>24</sup> St Vincent de Paul, Warm, Safe, Connected? Report, available [here](#), page 7

<sup>25</sup> Official Meeting Transcript 17 January 2024, available [here](#), page 34

including student and other private rented accommodation. It was highlighted that conditions with low temperatures and high humidity were the biggest causal factors in mould growth in a home and that increasing heat in a bedroom and improving ventilation significantly reduced the incidence of such mould growth. Committee Members noted that if people are living in a healthier, better-ventilated, and warmer home, their health costs will actually be much improved, or reduced, as a result.

### Recommendations

13. The Committee recommends that supports for renewable technologies to be included in energy poverty schemes including solar PV which will allow for both reduced energy costs and the benefit of microgeneration. The Committee further recommends awareness of and ease of access to the Solar PV Scheme for Medically Vulnerable Homes and the provision of electricity credits to support electricity costs for the remainder of a person's life for people diagnosed with a terminal illness. This would use the existing definition of someone who is diagnosed with a terminal illness with an estimated 24 months or fewer to live.

In research carried out by the London School of Hygiene and Tropical Medicines<sup>26</sup> shows that the central role played by retrofitting homes in insulation in delivering these health benefits is noteworthy. Housing in England and Wales is poorly insulated in comparison to other countries, so actions taken towards the improvement of home energy efficiency are particularly beneficial to reducing carbon emissions and improving health. The result of the study shows that retrofitting homes with insulation resulted in 836,000 life-years gained by 2050, which drives the largest benefit to health.

The Committee are concerned around the lack of connectivity between the outcomes of retrofitting homes and health improvements. It is something that the Committee feel that the SEAI, through its research team, could develop the evidence on, take on board evidence already provided by the London School of Hygiene and Tropical Medicines and make the medical case for investment in this retrofitting area. The Committee are concerned that if

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<sup>26</sup> Impact on mortality of pathways to net zero greenhouse gas emissions in England and Wales: a multisectoral modelling study, Available [here](#)

the narrative is pushed that it would be better off investing in electric vehicles rather than retrofitting homes, a fall-off in investment will be seen at a time when that such investment needs to be prioritised, in particular for families living in energy poverty. Members of the Committee feel that resources need to be put into ensuring that retrofitting is high on the agenda, with the impact that it has on health, fuel costs, and carbon emissions.

John Randles, SEAI, told the Committee that there is a definite link between retrofitting and positive health benefits. Robert Deegan of the Department of the Environment told the Committee that retrofitting brings multiple benefits, including improved health and wellbeing. He told the Committee that there is a pilot under the warmer homes scheme for installing heat pumps. The numbers have been relatively low so far but there are hopes to build on that this year and in the coming years. The Department of the Environment<sup>27</sup> are trying to maximise the outputs and deepen the retrofits to ensure that homeowners get the best possible homes for their health and well-being.

In a report by Friends of the Earth, '*Still left out in the cold*'<sup>28</sup> it was highlighted that the health consequences related to energy poverty are well documented and include circulatory and respiratory diseases and mental stress from inability to pay bills. They also state that a cost benefit analysis would show that investment in energy efficiency would lead to reduced ill-health and burdens on the health service.

In a 2019 Oireachtas Committee report, '*Climate Change: A Cross-Party Consensus for Action*'<sup>29</sup>, mentioned that those experiencing energy poverty tend to live in homes with poor energy performance and are more exposed to negative health impacts associated with cold and damp living conditions. Dealing with energy poverty is a multi-faceted set of policy measures. While energy efficiency improvements alone are not sufficient to lift a household out of poverty, improving the energy performance of a home should reduce the energy bill and improve the health conditions within the household.

## Recommendations

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<sup>27</sup> Official meeting transcript 14 February, available [here](#), page 9

<sup>28</sup> Still Left out in the Cold Report, available [here](#), page 17

<sup>29</sup> Joint Committee on Climate Action Report '*Climate Change: A Cross-Party Consensus for Action*' Available [here](#), page 35

35. The Committee recommends the adoption of a new legal definition of energy poverty as recommended in the European Commission's recommendation on energy poverty.<sup>30</sup>

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36. The Committee recommends the immediate publication of the results of the Warmth and Wellbeing pilot scheme research carried out by the London School of Hygiene and Tropical Medicine.

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## Conclusion

The Joint Committee on Social Protection, Community and Rural Development and the Islands welcomed the opportunity to delve deeper into the issue of Energy Poverty in Ireland with the Departments and Organisations who came before the Committee. The Committee calls on the Minister for Social Protection, the Minister for Rural and Community Development, the Minister for the Environment, Climate and Communications, the Minister for Housing, Local Government and Heritage, and the Minister for Health, to implement the recommendations contained in this report in an effort to combat energy poverty in Ireland and requests that the Ministers report to the Committee on the progress of the implementation of those recommendations. The Committee thanks all those who made submissions on this topic and all witnesses who appeared before the Committee in public session.

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<sup>30</sup> Official Journal of the European Union: Commission Recommendation on Energy Poverty, available [here](#)

## Appendix 1: Opening Statements and Submissions

### Opening Statements

Date	Witness	Opening statements
3 May 2023	<b>Society of St. Vincent de Paul</b> Dr. Tricia Keilthy, Head of Social Justice and Policy	Available <a href="#">here</a>
17 January 2024	<b>Sustainable Energy Authority of Ireland</b> Dr. Ciaran Byrne, Director of National Retrofit	Available <a href="#">here</a>
17 January 2024	<b>Society of St. Vincent de Paul</b> Dr. Tricia Keilthy, Head of Social Justice, and Policy	Available <a href="#">here</a>
14 February 2024	<b>Department of the Environment, Climate and Communications</b> Mr. Robert Deegan, Principal Officer	Available <a href="#">here</a>
21 February 2024	<b>Irish Rural Link</b> Mr. Seamus Bolan, Chief Executive Officer	Available <a href="#">here</a>
21 February 2024	<b>Energy Cloud</b> Mr. John Mullins, Chairperson	Available <a href="#">here</a>
28 February 2024	<b>Irish Cancer Society</b> Ms. Averil Power, Chief Executive Officer	Available <a href="#">here</a>
28 February 2024	<b>Department of Social Protection</b> Mr. Rónán Hession, Assistant Secretary General	Available <a href="#">here</a>
28 February 2024	<b>Department of Housing, Local Government and Heritage</b> Ms Áine Stapleton, Assistant Secretary General	Available <a href="#">here</a>
28 February 2024	<b>Friends of the Earth</b> Ms. Clare O'Connor, Energy Policy Officer	Available <a href="#">here</a>



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## List of written submissions

Organisation	Submissions
Society of St Vincent de Paul	<a href="#">Submission</a>
Friends of the Earth	<a href="#">Submission</a>
Department of Social Protection	<a href="#">Submission</a>
Energy Cloud	<a href="#">Submission</a>
Irish Rural Link	<a href="#">Submission</a>
Energy Performance Buildings Directive.	<a href="#">Considered in the drafting of this Report</a>
Liquid Gas Ireland	<a href="#">Submission</a>
ALONE	<a href="#">Submission</a>
Construction Trades Service Policy Proposal	<a href="#">Submission</a>
Commission for the Regulation of Utilities	<a href="#">Letter</a>
Department for the Environment, Climate and Communications	Follow up <a href="#">Submission</a>
ESRI	<a href="#">Research Paper</a>