

**Joint Oireachtas Committee on Housing, Planning and Local Government
Wednesday, 15 May, 2019
Opening Statement by Robert Deegan, Principal Officer, Energy Efficiency and
Affordability Division, Department of Communications, Climate Action and
Environment**

Introduction

Good morning Chair and members of the Committee. Thank you for the invitation to address this morning's meeting on the subject of Energy Efficient Housing.

I am joined by Eileen O'Connor, Assistant Principal Officer in the Energy Efficiency and Affordability Division.

The energy efficiency challenge

Energy efficiency has long been a focus of Irish energy policy. This is because energy efficiency measures are among the most cost effective methods of reducing emissions while providing tangible benefits to people and businesses.

Ireland's target for improving energy efficiency is 20% by 2020 and we are currently on track to achieve 16% efficiency by that deadline. While this represents solid progress, there is clearly more to be done especially in the context of a new, more demanding target for 2030 that will be established as part of the forthcoming All of Government Climate Action Plan.

Energy efficiency in the residential sector

The residential sector accounts for a quarter of Ireland's total energy usage and approximately 10% of our overall greenhouse gas emissions. For that

reason, improving the energy efficiency of our housing stock is one of the main areas of focus in order to achieve our overall efficiency goals.

There are two key energy efficiency challenges to be addressed in Ireland's residential building sector.

Firstly, we must build a generation of new homes that meet our expectations in terms of comfort and functionality while also significantly reducing our energy use and CO2 emissions.

Secondly, we must address the legacy of older housing with poor energy efficiency performance and high levels of CO2 emissions.

The Department of Housing, Planning and Local Government has the lead role in relation to the energy efficiency of new homes while the Department of Communications, Climate Action and Environment supports a range of measures to help households improve the energy performance of homes. I will therefore focus my comments today on the steps being taken by DCCAIE to improve the energy efficiency of existing homes.

Energy efficiency grant schemes

To date, the central plank of the Department's efforts to drive demand for energy efficiency upgrades has been grant schemes funded by DCCAIE and administered by the SEAI.

A range of grant schemes are available to householders and communities to suit their circumstances and the scale of work they wish to undertake. For

instance, grants covering part of the cost of retrofits are available for those that can afford to invest some of their own funds while 100% funding is available for those on lower incomes at risk of fuel poverty. The Department also funds pilot schemes focused on particular issues such as the challenges associated with upgrading to “A” Building Energy Rating and learning about the wider health and wellbeing benefits of energy upgrades for individuals with chronic illnesses. Funding is also provided to support community based partnerships to improve the energy efficiency of the building stock in their area and to encourage innovative measures and solutions. This would include those at risk of energy poverty, community facilities and businesses.

The grant schemes have evolved over time in line with the policy objectives of the Government. For instance, within the last year, the measures available under the schemes have been expanded to promote deeper measures and support the transition away from grant aid for fossil fuel heating systems.

The total funding allocated for these schemes for 2019 is €85million – an increase of €40million compared to 2015.

Since 2000, over 400,000 homes have received direct support under these schemes to carry out work such as installing insulation, heating controls or solar panels to heat water. In 2018 alone, 21,350 households and 37 community groups received support to improve the energy efficiency of their homes.

However, despite this investment, over 80% of homes still have a Building Energy Rating of C or lower. When compared with other EU countries our

homes use 7% more energy and emit nearly 60% more emissions. The Government has accepted the need to redouble our efforts to improve the efficiency of our homes. This is evident from the ambitious commitments made in the National Development Plan.

National Development Plan

The NDP has identified a target of upgrading 45,000 homes to a Building Energy Rating of B, for each year of the lifetime of the Plan, from 2021. This represents a very significant increase in the number and depth of retrofit delivery.

In order to support the achievement of this target, funding of €3bn as well as an additional €700m for switching oil boilers to heat pumps and providing solar technology in existing homes has been allocated under the Plan.

This is clearly a substantial level of Government financial support. However, as Minister Bruton has previously indicated, Exchequer investment alone will not be enough to meet the level of retrofit required. The overall targets could only be achieved by individuals making the decision to play their part in addressing climate change by investing their own money in upgrading their homes. We must now design initiatives to encourage and support people to make these decisions.

All of Government Plan

The Department is of the view that maintaining a focus on the existing grant schemes will not be sufficient to bring about the targeted level of retrofit activity. The Department therefore intends to continue to work closely with

the SEAI to identify the lessons that can be learned from the schemes and apply those lessons in designing the future approaches.

Other steps must also be taken to encourage, support and facilitate energy efficiency upgrades. This could include:

- the introduction of new delivery models to support more widespread retrofit activity;
- building the supply chain to ensure that the necessary businesses and workers are in place and available;
- addressing the particular challenges associated with rented accommodation;
- encouraging greater use of Building Energy Ratings; and
- the development of novel financing schemes to fill the funding gap.

All of this will need to be underpinned by strengthened regulatory measures and the establishment of a more consolidated approach to measuring retrofit activity and impact.

Over the past number of months DCCAIE has been working closely with other Government Departments and agencies including the Department of Housing, Planning and Local Government and the SEAI, to develop new measures for inclusion in the forthcoming All of Government Climate Action Plan.

The Plan will build on the targets set in the NDP and outline the steps Ireland will take to become a leader in climate action including in the area of energy efficient housing. It is anticipated that commitments in relation to the built environment, including homes, will be core elements of the Plan.

Conclusion

In conclusion, significant progress has been made in improving the energy efficiency of our homes. We must now learn from what has worked in the past as well as the experiences in other jurisdictions to design the additional interventions required to meet the Government's new level of ambition for energy efficiency and carbon emissions.

We are happy to address any questions the Committee may have.

Thank you.