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**Friends of the Earth Statement on Energy Poverty to the Joint Oireachtas Committee on  
Environment and Climate Action**

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**Introduction:**

I wish to thank the Chair and the Committee for the opportunity to present today on behalf of Friends of the Earth. We welcome the Committee's focus on energy poverty,<sup>1</sup> given its particular prevalence as a result of the energy crisis, and the pressing need for Government to take further action ahead of this winter. It is vital that responses to the energy crisis align with both the urgent need for emissions reductions and concerted action to reduce energy deprivation.<sup>2</sup>

The success of the government's climate action hinges on widespread public awareness and buy-in, and a coherent approach by relevant Government bodies. Achieving a greater level of support to transition away from fossil fuels is contingent upon addressing the unmet energy needs of many Irish households. Therefore, clean, renewable heating alongside energy efficiency and income supports for low-income households and marginalised groups must be a Government priority.

I will start by discussing the findings of [research](#) produced for Friends of the Earth on energy poverty and climate action. I will then cover the risk of fossil fuel lock-in and inefficient housing for low-income households. Finally, I will put forward solutions to tackle energy poverty and emissions reductions holistically and in a way that puts the furthest behind first.

**Still Left out in the Cold - Research Findings:**

Friends of the Earth commissioned a review of the effectiveness of government responses to energy poverty and the climate crisis, including recent measures announced in the Climate

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<sup>1</sup> Where households can only meet their energy needs by expending a large proportion (>10%) of their income, they are currently defined in Ireland as being in energy poverty, and thereby at risk of deprivation in other areas of basic needs.

<sup>2</sup> Those who are unable to meet their basic needs for energy consumption are said to be experiencing energy deprivation.



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Action Plan 2023 and the Energy Poverty Action Plan, both produced in December last year.

The findings of [the research](#) are as follows:

1. Government policy on energy poverty is lacking in scale and ambition. The Government's broad based electricity credit provides some short-term relief but risks being counterproductive as it does not target resources to those in most need of support and does not respond to fundamental issues of income inadequacy and inability to carry out retrofitting measures.
2. Tenants renting from private landlords are particularly vulnerable to energy poverty as rental accommodation comprises larger numbers of older, low BER dwellings. They also suffer from weak regulation and protection, and do not have control over the level of insulation in their home.
3. There are serious problems with retrofitting programmes, including waiting lists of up to 3 years for the SEAI's Fully Funded Energy Upgrade Scheme, as well as a major labour and skills shortage. This scheme also continues to fund the installation of oil and gas boilers which risk locking households into dirty expensive fossil fuels.
4. The Government's retrofit and heat pump targets are not being achieved. The latest Climate Action Plan does not sufficiently address the need for the SEAI and other public agencies to proactively reach out to communities in order to meet retrofitting targets and prioritise retrofits for households most at risk.
5. The 2023 Climate Action Plan also does not explicitly address the necessary phase out of fossil fuel boilers in existing residential buildings.
6. The Fuel Allowance does not reach everyone who needs it, especially those in poorly insulated housing, and is not sufficient to prevent energy deprivation.
7. The role of the CRU and other relevant public bodies such as GNI must be reformed to ensure that they are optimally supporting the aims of emissions reductions and energy poverty reduction.



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### **Climate Action & Fossil Fuel Dependence:**

I will next focus on the issue of the extremely damaging impact of fossil fuel dependence in our home and the importance of expanding the level of heat from renewable sources and then speak about home retrofitting.

Ireland currently has the lowest levels of renewable heat in the EU. **Irish homes use 7% more energy than the EU average and emit 60% more CO<sub>2</sub>.**<sup>3</sup> Ireland does not have sufficient safeguards to protect against price volatility as a result of the heavy role of polluting fossil fuels, like gas and oil, in home heating and in Ireland's energy mix. While warmer months may now offer a temporary reprieve for some, there is a major risk that the situation will deteriorate later in 2023 given high inflation and continued high energy costs. It's clear that household fossil fuel dependence cannot be allowed to continue. A future where we have halved our emissions by 2030 will mean not only warm retrofitted homes, but also clean heat delivered by heat pumps or renewably-sourced district heating. Aiming to install 400,000 heat pumps in homes is the correct level of ambition required. However current grants, skewed towards households who have sufficient disposable income, leaves many unable to participate in the energy transition.

Friends of the Earth is concerned that Ireland may end up with essentially a 2-tier energy and heating sector, whereby higher income households are able to take progressive measures to reduce their reliance on expensive fossil fuels, while lower income households (and farms and SMEs) are left to struggle in older buildings, dependent on polluting, precarious and increasingly expensive gas and oil.

The Fully-Funded Energy Upgrade Scheme (formerly Warmer Homes scheme) continues to lock low-income households into burning fossil fuels. In 2022, 759 gas boilers, 471 oil boilers, and just 40 heat pumps were installed through this scheme.<sup>4</sup> The average lifespan of an oil or gas boiler is around 15 years. This means that it will likely be well over a decade and potentially 2 before these households make a decision on replacing their heating system, effectively locking them in to continued use of polluting and increasingly expensive fossil fuels, DECC must

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<sup>3</sup> <https://www.seai.ie/data-and-insights/seai-statistics/key-publications/energy-in-residential-sector/>

<sup>4</sup> <https://www.oireachtas.ie/en/debates/question/2023-03-21/159/>



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prioritise retrofitting with the view of getting these homes to the level of being heat pump ready through the Fully Funded Energy Upgrade Scheme.

Friends of the Earth also encourages the Committee to engage Government and relevant bodies on new ways of distributing energy bill costs to make electric heat pumps and district heating cheaper than fossil fuel boilers, as has been done in Denmark.

### **New Gas Connections:**

Friends of the Earth is also increasingly concerned about the role of Gas Networks Ireland in expanding the gas grid and continuing to connect homes to the gas network. This is despite all Net Zero scenarios in the 2022 SEAI Heat Study showing a significantly reduced role for the gas grid. This approach continues to be facilitated by the CRU.

Legislation is now needed to amend the mandates and functions of both the CRU and GNI (among others) to bring them into line with climate obligations. This needs to be backed by new policy and regulation with clear end-dates for the installation of fossil fuel boilers across all tenures. This has been done in the Netherlands through legislation to ban installation of fossil fuel boilers from 2026, and by amending the Gas Act to prevent new buildings from connecting to the gas grid. Austria has recently introduced a Renewable Heat Act, banning oil and coal replacement boilers from 2023 and setting an end-date of 2035 for the use of fossil fuel heating. Signals need to be sent to industry now to prepare for this change, as well as to households, and to state bodies.

### **Energy Efficiency and Energy Poverty**

Although not the only solution to addressing energy poverty, improving the energy performance of a home through retrofitting should reduce energy bills and improve health conditions within the household. Friends of the Earth has also produced [analysis](#) on the hugely damaging health effects of burning oil and gas in the home.<sup>5</sup>

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<sup>5</sup> <https://www.friendsoftheearth.ie/news/health-impacts-of-fossil-fuels-in-our-home/>



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Approximately 388,000 Irish dwellings currently have a BER of E, F or G. **Vulnerable and lower income households with a low BER should be targeted and make up the bulk of the 500,000 homes to be retrofitted by 2030. These same households should be able to access fully subsidised BER assessments, the cost of which currently acts as a barrier to retrofit uptake.** Minimum Energy Performance Standards - which have been proposed through the revision of the EU Energy Performance in Buildings Directive, have huge potential to trigger retrofitting of the least-efficient houses first and **it is essential that Ireland supports ambitious Minimum Energy Performance Standards in the residential sector as part of EU negotiations.**

#### **Private Rental Sector:**

The private rental sector is particularly vulnerable to energy poverty & suffers from weak regulation. Tenants have little to no ability to influence the insulation levels in their homes. It has been estimated that **more than half (55%) of private rented properties had a BER rating of D or less.** The particularly poor insulation levels in the private rental sector, alongside the prevalence of lower income households in this tenure, has been clearly identified as high risk for energy deprivation, which existing government plans do not adequately address.

Minimum Energy Performance Standards for Buildings can be an effective way of improving the efficiency of the worst-performing buildings. Based on recommendations of the citizens' assembly, in 2018 the special committee on climate action recommended the Minister for Housing set a minimum Building Energy Rating (BER) of C for residential rental properties by 2030.<sup>6</sup> The Housing for All strategy has committed to introducing a minimum BER for the private rental sector from Q1 of 2025, however details of this are yet to be announced, signals have yet to be sent to landlords. A similar policy has been implemented in the UK since 2020, where all rental properties have been required to have a BER of E or above. This requirement will increase to a BER of C by 2028.

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[https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/joint\\_committee\\_on\\_climate\\_action/reports/2019/2019-03-28\\_report-climate-change-a-cross-party-consensus-for-action\\_en.pdf](https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/joint_committee_on_climate_action/reports/2019/2019-03-28_report-climate-change-a-cross-party-consensus-for-action_en.pdf)



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**We call for a policy statement to be issued by the Government to give explicit clarity to landlords on the timeline for the introduction of minimum BERs from 2025.** There is also a strong rationale to tighten regulation on multi-property landlords first from 2024, giving the 70% of landlords with only one property more time to adjust.

### **Social Housing:**

Tenants in social housing are the most likely to qualify as experiencing energy poverty, with almost 70% of people in this tenure estimated to be living in energy poverty. Current retrofitting targets for social housing would see just 36,500 households, out of the 140,000 social housing units, retrofitted to a B2 level by 2030. **We recommend a revision of these targets, and setting a new target of ensuring all social housing reaches a BER of B2 by 2030.**

### **Fully Funded Energy Upgrade Scheme (Formerly Warmer Homes):**

Households who qualify for Fuel Allowance or several other welfare payments are eligible for a Fully Funded Energy Upgrade (previously called the Warmer Homes Scheme). However data is not currently available to show how many people receiving qualifying welfare payments are homeowners and therefore eligible.

### **Income Inadequacy:**

Our research report shows that energy poverty cannot be separated from income inadequacy, poverty, energy, housing, social inclusion, health, and consumer protection. One-off electricity credit does not respond to structural issues of income inadequacy and inability to afford retrofitting.

An untargeted electricity credit is a limited measure insofar as it may reduce the incentive on households to reduce their emissions and fails to efficiently target resources to those in most need of support.

We also note the committee's pre-legislative scrutiny of the Windfall tax bill, and welcome the committee recommendation that civil society stakeholders be consulted on the intended beneficiaries of the Temporary Solidarity Contribution.



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The Committee should set out priorities for addressing energy poverty as part of Budget 2024 that address income inadequacy, inefficient housing, and high energy costs. **Friends of the Earth therefore asks that the Committee recommends the following responses to energy poverty:**

1. The committee should write to the Minister for the Environment, Climate and Communications and highlight the need for:
  - a. The SEAI to take a proactive role in reaching households at-risk of energy poverty, and deploying well-resourced community energy advisors in each local authority. The SEAI should also be mandated to work directly with civil society organisations working with households in energy poverty.
  - b. Access to the Fully Funded Energy Upgrade scheme should be expanded to include low-income tenants and tenants on HAP, on the condition of a long-term lease being offered.
  - c. Cessation of installation of oil and gas boilers through the Fully Funded Energy Upgrade scheme, and focus on ensuring houses are retrofitted to be “heat pump ready”.
  - d. The low-cost loan scheme for retrofitting must be launched as a matter of urgency
  - e. BER assessments and technical assessments for heat pump grants should be subsidised
  - f. Expanded membership of the Energy Poverty Steering group that includes civil society organisations working on energy poverty and representatives of marginalised groups most impacted by energy poverty, such as the Traveller community, lone parents, people with disabilities, and older people.
2. The committee should write to the Minister for Housing, Local Government and Heritage highlighting the need for:



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- a. Increased targets for retrofitting of social housing, with the view to ensuring all social housing units reach a minimum BER of B2 by 2030.
- b. A policy statement with a clear timeline for the introduction of minimum BERs in the private rental sector

**We also call on the Government and all Committee members to support the following legislative reforms:**

1. Introduce new legislation to prevent expansion of fossil fuel heating by :
  - c. Amending the legal mandate and function of the CRU and Gas Networks Ireland to ensure they align with climate obligations and prevent fossil fuel lock-in
  - d. Ending new connections to the gas grid from this year, as has been done in the Netherlands and Denmark.
  - e. Introducing obligations for replacement heating systems to be renewable from 2027, as being done in the Netherlands, Denmark, Germany and Austria.
2. An Energy Poverty Act should be introduced that defines energy poverty, sets legally bound targets, sets ministerial duties, independent council (see Scotland's Fuel Poverty Act).

