

## Opening Statement

Society of St Vincent de Paul

Joint Committee on Environment and Climate Action

23<sup>rd</sup> May 2023

We would like to thank the Committee for the invitation to present today on our experience supporting people in energy poverty. This is an important opportunity to reflect on the impacts of this winter and prepare for the year ahead.

### SVP experience and perspective on energy poverty

SVP members are currently seeing the hardship caused by ongoing high energy prices. Last year we saw a 40% increase in requests for assistance related to energy, and in the first quarter of this year we have seen energy requests increase by approximately a further 50% against the same period last year. This is part of a wider trend of our overall requests rising by approximately 20%.

Members are now supporting many households who are facing multiple bills that they cannot clear before the next one comes through. The situation continues to be extreme for prepay customers, who continue to face self-disconnection when there is simply no more money to feed the meter. People are forced to make strategic choices between essentials, food through the week, or energy through the week? No one should be faced with that dilemma. This takes its toll on people emotional, mental and physical health and members see that distress when they are assisting people.

The situation is clearly spelt out in the CSO's energy deprivation figures from 2022.<sup>1</sup> The rates are stark and shows the inequitable distribution of hardship that SVP also witnesses.

Around 1 in 5 single parents (21.5%) and people out of work due to illness and disability (19.5%), or unemployment (17.4%) couldn't afford to keep their home warm enough in 2022. Rates for renters almost doubled (to 13.5%) and are three times as high as owner occupiers (4.7%). The rate for people living rurally increased fourfold.

### Priorities and recommendations

To stop this trend continuing, we need to have clear priorities for action ahead of next winter. Our particular concerns at this time are:

- Putting in place the assistance people need to pay back arrears without cutting back on other essential expenditure.
- Making sure prepay customers do not face another winter without sufficient protections.
- Longer term, making sure we are tackling all the causes of energy poverty to bring it to an end: income, costs, and efficiency.

I will outline a number of our recommendations that we believe are necessary to achieve this.

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<sup>1</sup> CSO (2022) 'Survey on Income and Living Conditions (SILC): Enforced Deprivation 2022' Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-silced/surveyonincomeandlivingconditionssilcenforceddeprivation2022/enforceddeprivation/>

With core social protection rates not keeping up with inflation, we also saw the rate of the Fuel Allowance frozen, with the choice to instead opt for ad hoc payments. While these payments provided essential support to households, we are now faced with a severely devalued Fuel Allowance. The Fuel Allowance also doesn't reach everyone who is in energy poverty, and we are particularly concerned about people on the Working Family Payment, including the 103,000 children in these families.<sup>2</sup>

We would like to see targeted action on energy prices through a government-subsidised social tariff, to provide a discounted energy tariff for households on means-tested social welfare payments. This would enable the government to provide focused support that can offer stable costs on an essential service and respond to market conditions.

We need to see further action on our consumer protection infrastructure to ensure the experiences and voices of consumers are clearly heard in the market. We would like to see further monitoring and research as part of a consumer protection strategy from the Regulator, and a new consumer advocacy agency.

Finally, and crucially, we propose a new service of Community Energy Advisors that provides one-to-one support for people to navigate the energy market, access financial supports, provide energy efficiency advice and easy measures at home, and access retrofitting grants. This is needed to support people through the price crisis but also to ensure a just energy transition in coming years.

### Conclusion

A key point we would like to make today is that while we have left winter behind, we are still facing an energy price, and energy poverty, crisis: it is now that we need to be stepping in with people's bills and addressing the risks facing prepay customers. Ongoing energy costs will continue to be unaffordable for many throughout summer, and we need to enter next winter having learnt lessons from this year. We also need to make sure our longer-term strategies are adequate in the face of ongoing higher prices, higher levels of energy deprivation and a rapidly changing energy landscape.

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<sup>2</sup> Response from Minister for Social Protection in a Dáil Éireann Debate, Thursday - 14 July 2022. Available at: <https://www.oireachtas.ie/en/debates/question/2022-07-14/104/>