

**Joint Committee on Social Protection, Community and Rural Development and the Islands:  
*Energy poverty and the retrofitting of homes in rural and urban areas***

**SVP Opening Statement**

We would like to thank the Committee for the invitation to present today. I will begin by giving an overview of the experience of SVP during the energy crisis and then comment on the importance of energy efficiency, as well as the challenges and priorities from our perspective.

Recent years have seen the assistance we give with energy increase significantly due to the energy crisis and persistence on energy poverty. In 2021, we provided €4.2 million in support to households struggling with energy costs and this increased to €7.1 million in 2022. This level of support is reflected in our requests for assistance. Between 2021 and the end of 2023, calls for help with energy have increased by 68%.

SVP members see many households living in conditions that are unacceptable, including living with damp and mold at home, extremely poor heating systems, and usually facing severe limitations, or are completely prevented from, making improvements to their home themselves. In our experience rural households reliant on oil often cannot afford to fill the tank and must resort to buying solid fuel or containers of kerosene which is unsafe and more expensive.

As well as health implication, there are also of course financial consequences to energy poverty as it leads to utility debt or causes households to fall behind on other costs. While for some people a winter of high bills will be painful, but pass, for far too many people SVP meet on a weekly basis, the financial consequences have instead built up, as unpaid bills are added to ongoing usage. This is the group we are most worried about.

I will touch briefly on three priorities on this subject: the need to include everyone within retrofitting strategies, the need for adequate income supports to accompany energy efficiency; and the need for an energy advice service.

Including everyone in retrofitting plans

We remain concerned about the people not accounted for within current retrofitting plans, including renters. Whilst we have a generous programme for low-income homeowners through Free Energy Upgrades, there are many people in energy poverty who are not eligible for this type of support. The danger of not including everyone in these plans is an increase in inequalities in health and financial outcomes. We would like to see a commitment that all social housing should reach a high BER level by 2030, and a clear pathway for the private rental sector needs to be prepared. This will require a sensitive balance to ensure adverse consequences such as 'renovictions' are avoided. Our primary recommendation in this area is that free upgrades are extended to private rented households in receipt of HAP, conditional on a long term lease.

Adequate Income Support

The Vincentian MESL Research Centre at SVP has recently conducted research into the cost of heating homes to an adequate level at different BER levels.<sup>1</sup> This showed the depth of energy

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<sup>1</sup> [The cost of adequately heating the home \(budgeting.ie\)](https://budgeting.ie/)

poverty experienced by low income households and the impact of improving the energy efficiency of their homes.<sup>2</sup> Prior to the recent energy price crisis, the MESL research showed that energy costs were typically higher in rural areas due to a greater reliance on home heating oil, but this is now the case for urban households due to the exceptional increase in gas prices.

The recent analysis shows there are significant energy cost savings made at each improvement in a households' BER, in many cases halving the cost of heating the home when moving from an E to an A rating - this leads to a decrease in the depth of energy poverty. However, for many scenarios examined, while improving a house from a very low to a very high BER will lift a households out of extreme energy poverty, ie. paying more than 20% of their income, they will still be paying more than 10%, so still in energy poverty using the expenditure based measure. This is also the case for an older person living in a rural area and reliant on home heating oil. Energy poverty is more prevalent and a greater burden when purchasing minimum energy needs by pay-as-you-go.

This overall pattern is due to the inadequate income many households receive in comparison to their essential outgoings, and highlights the need to focus on adequate income supports, such as the Fuel Allowance and core Social Welfare Rates, alongside improvements in energy efficiency – only in combination will energy poverty be alleviated.

#### Community Energy Advice Service

Currently, people in energy poverty do not have a clear point of support that understands that housing standards, income issues, and energy retail issues are interconnected, and can tackle them together. A wraparound advice service that spans these issues, with expertise in the energy market, as well as addressing housing standards and accessing supports for retrofitting is needed. This service should be locally based and person-centered, and help people to navigate out of energy poverty as well as benefit from the energy transition.

To conclude, we know that an energy inefficient home is an expensive home to live in. Every extra Kilowatt needed to heat the home to a decent standard means a disproportionate financial burden for that household, and at a societal level it exacerbates inequality. We need to ensure our current support is adequate until our long term plans are able to reach everyone.

We thank the Committee for their time today, and are happy to answer any follow up questions.

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<sup>2</sup> This research was published in November 2023, based on March 2023 prices.