

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

Wednesday 14th February, 2024

**Opening Statement by Robert Deegan, Principal Officer, Residential Energy
Efficiency Division,
Department of Environment, Climate and Communications**

Introduction

Good morning, Chair and members of the Committee. Thank you for the invitation to discuss the important subject of energy poverty.

I am joined by my colleague, Justina Corcoran, Head of Retail Energy Policy and Regulation Division in DECC.

Background, Cost of Energy, Government support measures

As we are all aware, the high cost of energy, brought on by volatility in wholesale gas market in recent years, has had a significant impact on the cost of living for many households. While most suppliers have announced price reductions in recent months, the average price of electricity and gas is still significantly higher for households compared to pre-energy crisis levels.

The Department, and Government's, key concern has always been to protect the most vulnerable. Proof of this is the range of support measures introduced during Budget 2023 and Budget 2024. Over 2 million households have each received over €1,000 in direct support across three Electricity Cost Emergency Benefit Schemes. A reduced VAT rate on energy, extended disconnection moratoria and increased rates of payment and lump sum payments for recipients of the Fuel Allowance are just some other examples of this support.

Energy Poverty Action Plan

The Energy Poverty Action Plan, which was published in December 2022, set out a range of measures to ensure that those least able to afford increased energy costs were supported and protected to adequately heat and power their homes. Implementation of this Plan is being monitored by a cross-departmental Steering Group and an Annual Report on progress will be published next month.

A revised Energy Poverty Action Plan will be published before the end of Quarter 2 this year. It is the Department's intention to launch a public consultation in the coming weeks to assist with the development of this Action Plan and ensure that stakeholders have the opportunity to contribute to the process

Retrofit

Improving the energy efficiency of our homes is the best way to protect vulnerable households from the effects of higher prices or income changes in the long term. Retrofitting also brings multiple other benefits, such as improved health and wellbeing and better air quality.

The National Retrofit Plan sets out the Government's approach to retrofitting the equivalent of 500,000 homes to a building energy rating of B2 and installing 400,000 heat pumps in existing homes by 2030.

Fairness, universality and customer centricity are three of the key principles of the National Retrofit Plan. In line with these principles, the Plan recognises that supports are necessary to help households vulnerable to energy poverty to retrofit their homes.

The Warmer Homes Scheme which provides fully funded energy upgrades for households at risk of energy poverty is a critical support in that regard.

Much higher budgets have enabled a significant increase in the number of homeowners supported and the depth of the retrofits funded under the scheme in recent years.

Last year alone, 5,900 fully funded upgrades were delivered at a cost of €157 million. This was a 33% increase on 2022 completions.

The depth and complexity of retrofits provided under the scheme have also increased significantly in recent years. This can be seen in the average cost of upgrades provided which increased from €2,600 in 2015 to €24,000 last year.

Waiting times also improved from an average of 26 months in 2022 to an average of 20 months in 2023.

It is important to note that low income households are also supported through other SEAI grant schemes. For instance, last year, over 700 Approved Housing Body and low-income homes were upgraded under the National Home Energy Upgrade Scheme and the Community Energy Grant Scheme.

In addition, 2,445 Local Authority owned homes were upgraded under the Department of Housing, Local Government and Heritage's Local Authority Energy Efficiency Retrofitting programme.

Budget 2024

Budget 2024 has again allocated a record level of funding for retrofitting schemes. Just under €300million has been allocated across the Warmer Homes Scheme and Local Authority retrofit scheme which is 57% of the total Government budget for retrofit.

Conclusion

In conclusion, I would like to again thank the Committee for the invitation to be here today and we're happy address any questions that you may have.

Thank you.