



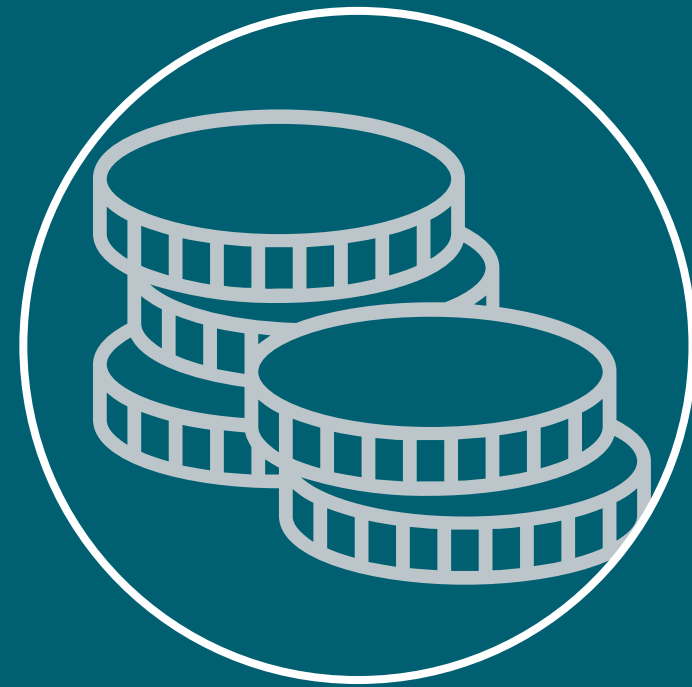
Rialtas na hÉireann  
Government of Ireland

# Energy Poverty Policies and Measures – Ireland

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5th Plenary Meeting Concerted Action on the Energy Efficiency Directive: Working Group 5.1

# Overview of policies and measures



## Cost of Energy

- Electricity Credit
- Social Welfare
  - *Fuel Allowance*
  - *Household Benefits Package*
  - *Additional Needs Payment*
  - *Budget 2025*
- Reduced VAT on electricity and gas (9%)
- ...



## Energy Efficiency & Retrofit

- Free Energy Upgrades
- Social Housing Retrofit
- Grants for Housing Bodies
- Supports for landlords
- Solar PV for medically vulnerable
- Housing Adaptation Grants
- ...



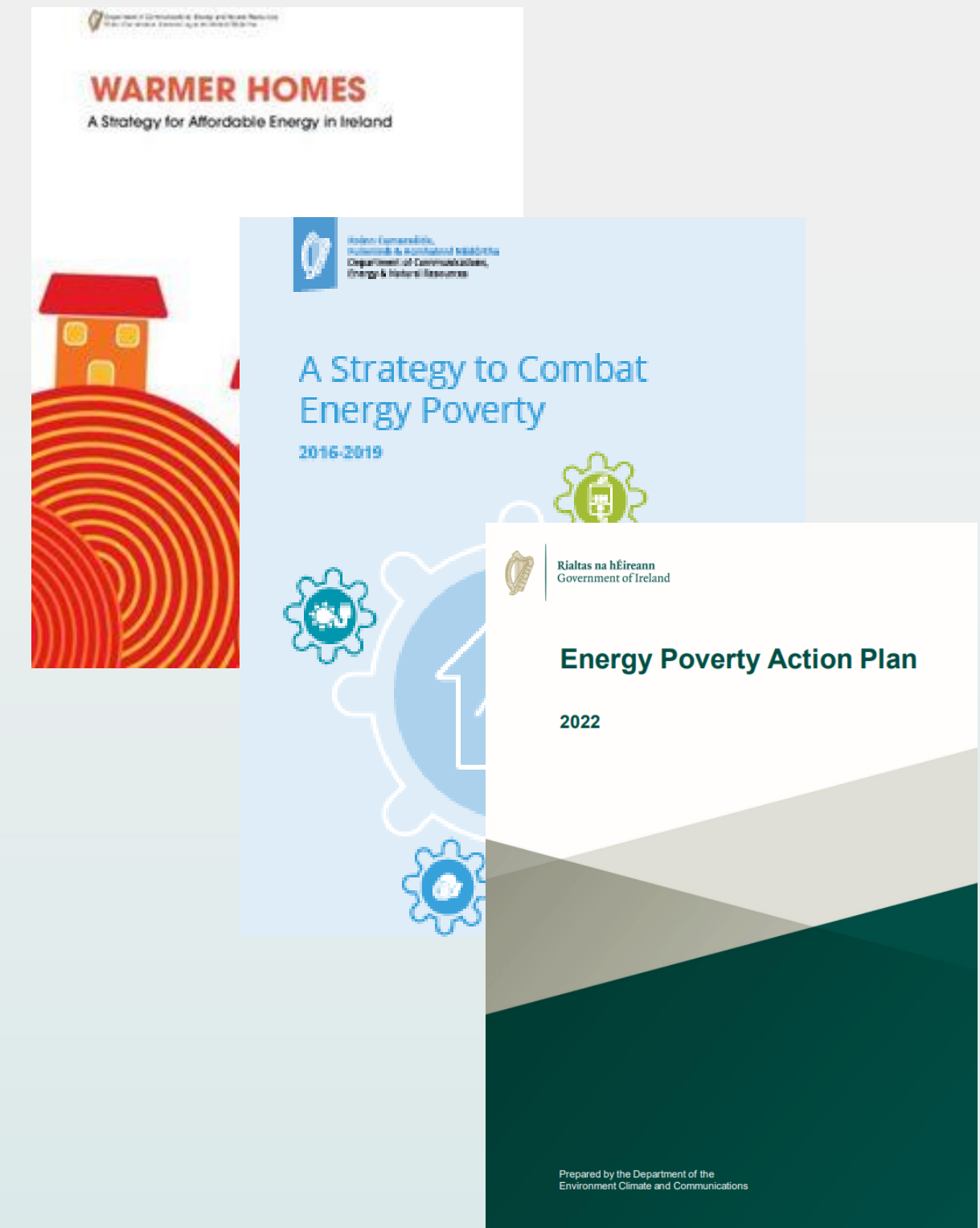
## Consumer Protection

- Codes of practice for electricity and gas suppliers
  - *Disconnections*
  - *Vulnerable Customers*
  - *Smart Services*
  - *Budget Controllers*
- ...

# Background



- Fuel Allowance payment in Winter months in place since 1988.
- Free retrofitting of lower-income homes commenced in 2000.
- First Strategy: Warmer Homes published in 2011; Second Strategy: Combat Energy Poverty in 2016; Most recent Action Plan published in 2022.



# Background



- Energy poverty policy is coordinated by the Energy Department.
- The measures to support people at risk of energy poverty are delivered across multiple other Departments and State bodies including Social Welfare, Housing and the Energy Regulator.
- Greater focus on energy poverty at EU level has supported the focus Ireland has placed on energy poverty.

# Measuring Energy Poverty



- There are competing definitions and measurements outlined in the literature on energy poverty.
- These include:
  - *expenditure based measures,*
  - *self-reported measure*
  - *multi-dimensional measures.*





# Measuring Energy Poverty - Ireland



- Expenditure method: Estimated that 29% of households in Ireland are in energy poverty.
- Self-reported - survey on income and living conditions:
  - *6.7% of households were unable to keep their home adequately warm,*
  - *10.6% went without heating at some stage in the past year.*
- Multi-dimensional: The share indicated for Ireland by the Commission in the context of EED Article 8 targets is 9.85%.

# Measuring Energy Poverty - Ireland



The Irish Government is currently funding research that will:

- *propose a metric for measuring energy poverty that combines expenditure and energy efficiency;*
- *propose metrics to measure changes in the trend of fuel poverty regarding the number of households and its severity.*

This will allow for improved targeting of policies and measures and better analysis of the impact of policies and measures on the level of energy poverty.

# Energy Poverty Action Plan



- Energy Poverty Action Plan launched in December 2022.
- The Action Plan set out the range of measures implemented for winter 2022/2023, as well as key longer-term measures
- Actions in 4 areas:
  - *Meeting the Cost of Energy*
  - *Energy Efficiency*
  - *Research*
  - *Governance and Communications*



# Meeting the Cost of Energy



- Electricity and gas retail markets in Ireland are commercial, liberalised, and competitive.
- Responsibility for the regulation of the electricity and gas markets is solely a matter for the Commission for Regulation of Utilities (CRU).
- The long-term approach in Ireland to insulate consumers from volatility on international wholesale energy markets is to invest in energy efficiency and renewable energy.
- Cutting dependence on fossil fuels and generating power from our own renewable sources will ensure a cleaner, cheaper energy future in the long term.

# Meeting the Cost of Energy

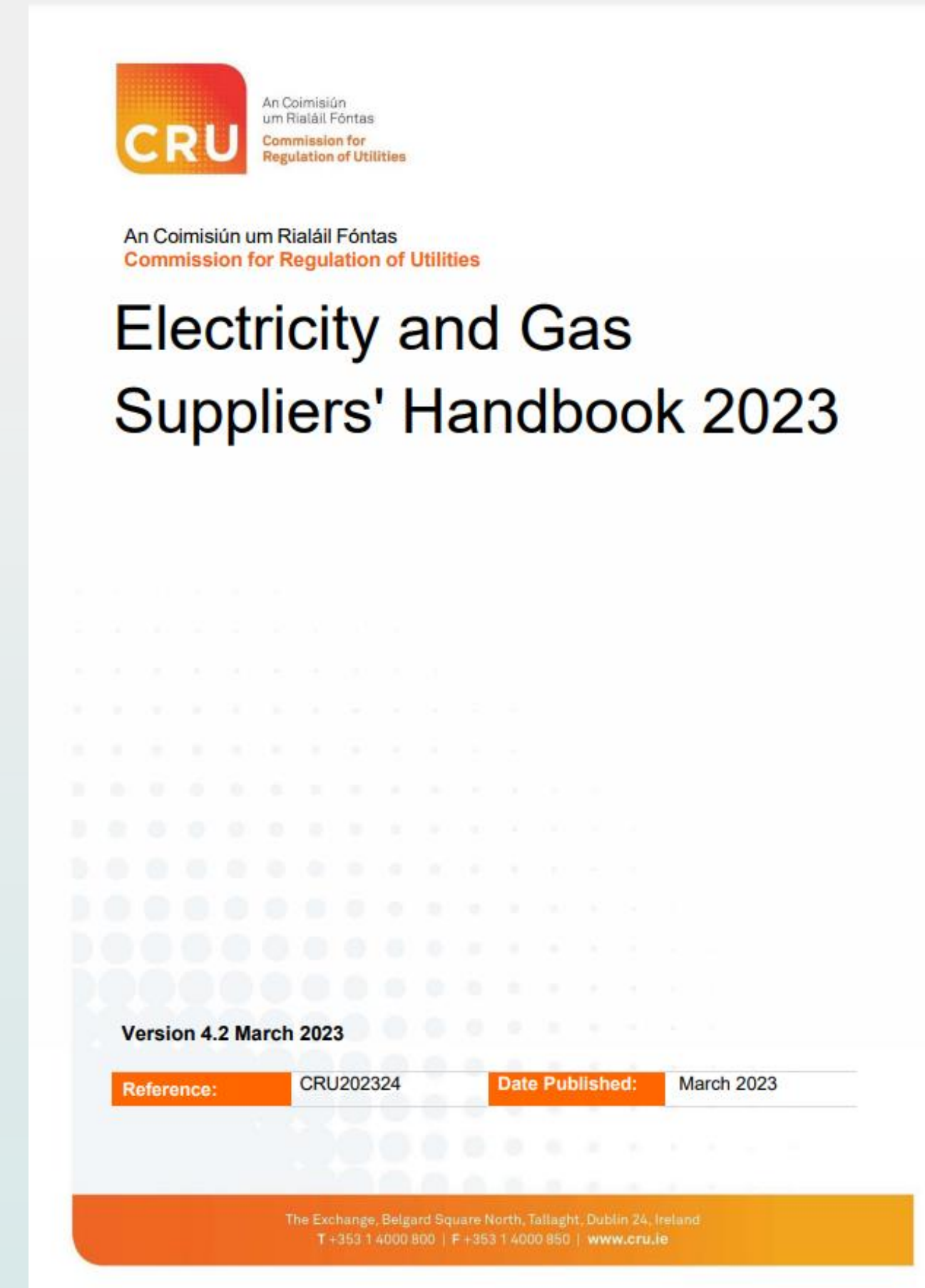


- Electricity Credit – paid directly to all residential electricity accounts in 2022, 2023 and 2024. (€250 per household for 24/25. Previous payments amounted to €1,250 per account.)
- Social Welfare:
  - *Fuel Allowance – weekly payment of €33 from October - April. Plus a €300 lump sum for winter 24/25.*
  - *Household Benefits Package – payment for all aged over 70 of €35 per month.*
  - *Additional Needs Payment – where exceptional circumstances arise – could be used for an unexpected bill.*
- VAT on electricity and gas reduced to 9%.
- Budget 2025: largest Social Welfare package in the history of the State.

# Consumer Protection



- Commission for Regulation of Utilities:
  - *Oversees non-price aspects of competition.*
  - *Places obligations on suppliers and network operators.*
  - *Supplier Handbook – details requirements for codes of practice.*



# Disconnections



Code of practice on disconnections:

- *Disconnection for non-payment of bills is a last resort;*
- *Suppliers must provide options for customers who are in difficulty, including contact details of agencies/charities who can help;*
- *A customer who is engaging with the supplier cannot be disconnected;*
- *Suppliers must offer appropriate repayment plans;*
- *A number of suppliers also operate hardship funds.*



# Vulnerable Customers



- Includes those who are:
  - *critically dependent on electrically powered equipment including medical equipment;*
  - *particularly vulnerable to disconnection during winter months for reasons of advanced age or physical, sensory, intellectual or mental health.*
- Suppliers must ensure that first group are never disconnected, and that second group are never disconnected in winter months.



# Energy Efficiency – targeted schemes



- **Warmer Homes Scheme**
  - *Free upgrades for lower-income households, average cost €26,000.*
  - *Budget 2025 is €240 million, co-funded by the European Regional Development Fund.*
- **Local Authority Upgrade Scheme**
  - *Upgrading social housing stock.*
  - *Installing heat pumps to replace oil and gas boilers.*
  - *Budget of €90 million for 2025.*
- **Increased grant amounts for Approved Housing Bodies**
  - *AHBs provide housing to people who are on social housing waiting lists.*
  - *Grants support them to upgrade their housing stock.*



# Energy Efficiency – part funded



- Better Energy Homes
  - *individual grants, including 80% grants for attic and cavity wall insulation.*
- National Home Energy Upgrade Scheme
  - *Deeper retrofits delivered by a One Stop Shop, including AHBs.*
- Community Energy Grant Scheme
  - *projects upgrading multiple buildings, including AHBs and energy poor homes.*





# Split incentive



- Government commitment to developing a roadmap to implement minimum EPC standards, where feasible, for the private rental sector.
- Meanwhile, a package of supports are available to non-corporate landlords to improve the efficiency of their rented properties including:
  - *Grants providing generous support towards the cost of certain energy efficiency upgrade measures;*
  - *A tax incentive encourage small-scale landlords to undertake retrofitting works while the tenant remains in situ, provides for a tax deduction of up to €10,000 per property;*
  - *The Home Energy Upgrade Loan Scheme, launched in April, enables homeowners, including non-corporate landlords, to borrow €5,000-75,000 at significantly lower interest rates to complete a home energy upgrade. Rates starting from as low as 3% are currently being offered.*

# Article 8, 9, 10 eligible measures



- Grant schemes on previous slides are all counted towards Alternative Measures.
  - *Energy savings from upgrades carried out in homes in energy poverty will count towards the energy poverty sub target.*
- Energy Efficiency Obligation Scheme
  - *Sub target for obligated parties to achieve a % of the savings among households at risk of energy poverty.*





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