

Friends of the Earth Ireland Research Report

# An Examination of Blockages to Retrofitting and Heat-pump Installation in Ireland



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Front cover image credit: Alejandro Gil on behalf of the Right to Energy Coalition

# I Introduction

Friends of the Earth Ireland is a community at the heart of the growing movement for a just world with zero pollution. We are part of the world's largest grassroots environmental network. We campaign and build movement power to bring about the system change that is needed for a just world where people and nature thrive. We promote education and action for environmental sustainability and justice and focus on Ireland's response to the big environmental challenges of our time, including the climate emergency and the achievement of the Sustainable Development Goals. We support people and groups working autonomously to connect their local work to the bigger national and international picture. We have particular experience in participatory education, campaign strategy, shaping public debate and driving policy change.

This report by Friends of the Earth addresses barriers to the implementation of energy efficiency measures in households in Ireland. It is based on interviews by Friends of the

Earth with stakeholders across civil society, academia and the energy efficiency sectors. The report includes a summary of the policy and energy poverty context in Ireland and subsequently sets out findings on obstacles to energy efficiency measures on the basis of interviews with stakeholders. It also sets out recommendations on how these challenges can be overcome in order to reduce emissions, overcome energy poverty, and achieve warmer, healthier homes for Irish households.



Image credit: Alejandro Gil.

## 2 Summary

### Barriers to achieving Ireland's retrofitting targets identified by stakeholders interviewed by Friends of the Earth include:

- ▶ Policy design is not sufficiently tailored to the needs of certain groups including low-income households, tenants, rural dwellers, and the Traveller community;
- ▶ For those who are eligible for SEAI schemes such as the Warmer Homes Scheme, there exists a lack of awareness of eligibility.
- ▶ Oil and gas boilers are still being installed in homes as part of the Warmer Homes Scheme, increasing the risk of fossil fuel lock-in.
- ▶ Government has so far failed to produce an updated Energy Poverty Strategy, despite previous commitments;
- ▶ High upfront costs to carry out renovation work, despite available grants;
- ▶ Low public awareness of the benefits of retrofitting;
- ▶ Low public trust in the retrofitting process;
- ▶ Lack of incentives or tailored support for landlords to retrofit rental properties;
- ▶ Lack of clarity on protections for tenants while retrofitting work is being carried out;
- ▶ Lack of skilled labour available to carry out retrofit work;

### Recommendations to address these barriers identified by stakeholders include:

- ▶ Introduction of tailored measures such as customised finance options and planned outreach strategies that are based on the needs of specific cohorts. Cohorts identified in need of tailored measures include low-income households, landlords, the Traveller community and rural dwellers based on direct and early dialogue with such groups.
- ▶ Introduction of Local Community Energy Advisors by the SEAI across all counties/local authorities to increase awareness amongst hard-to-reach energy users, to enable peer-to-peer learning, and to build

trust in the retrofitting process.

- ▶ The eligibility criteria for the SEAI's Warmer Homes scheme for 100% grants should be expanded to include Housing Assistance Payment (HAP) recipients, in order to ensure it does not exclude households most at-risk of energy poverty.
- ▶ The Department of Environment, Climate and Communications should immediately produce a new energy poverty strategy, updating the current Strategy to Combat Energy Poverty 2016-19 and include the latest analysis of households and communities most at risk following the significant energy price increases since 2021.
- ▶ In relation to landlords and tenants and the challenge of split incentives (see section 6), targeted measures are necessary such as developing tailored One Stop Shops; raising awareness of minimum BERs; incentivising landlords who rent to HAP recipients on long-term leases with free home upgrades.
- ▶ Greater resources to ensure increasing retrofits of local-authority-owned social housing and an increase in targets by the Department of Housing, Local Government and Heritage.
- ▶ In addition to One Stop Shops, support for bottom-up, local community initiatives to offer peer-support and advice for those unsure of the retrofitting process and/or for households and communities interested in progressing retrofits jointly.
- ▶ A public communication or awareness campaign to inform owners of private rented properties of the future introduction of minimum BER on rental properties.
- ▶ DECC and the SEAI should expedite the rollout of area-based approaches to retrofitting and ensure guidance is produced for retrofitting measures for traditional buildings and older dwellings.



# 3 Policy Context

Ireland has several policies in place aimed at improving the energy efficiency of the home heating sector or supporting individuals/communities most at risk. These include the Climate Action Plan, the National Retrofit Scheme, Housing for All, and the Strategy to Combat Energy Poverty 2016-19.

Retrofitting refers to measures to buildings that reduce the energy needed to live comfortably in the property such as: roof and wall insulation, low energy lighting, photovoltaic solar panels (PV), heat pumps, and heating controls. It is the most efficient means of contributing to the EU's climate goals, encompassing economic, social and environmental targets. The European Green Deal aims to make Europe the first climate neutral continent by 2050 whilst ensuring that nobody is left behind in the process as part of which relevant EU Directives are currently being updated, including the Energy Performance of Buildings Directive (EPBD) and the Energy Efficiency Directive (EED).

Projected Cumulative number of home upgrade 2019-2025

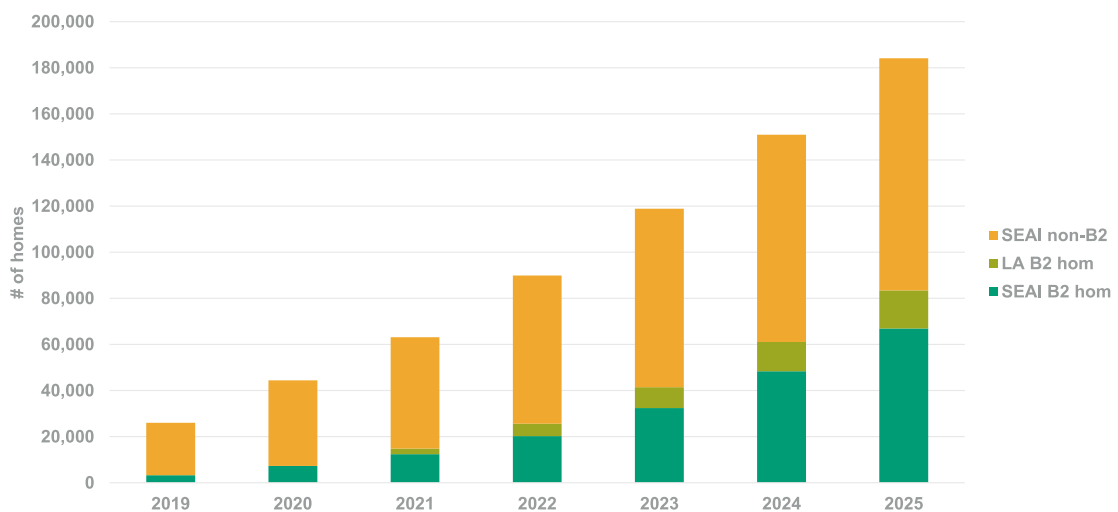


Figure 14.1: Climate Action Plan 2021<sup>1</sup>

<sup>1</sup> <https://www.gov.ie/en/publication/6223e-climate-action-plan-2021/>

Ireland's 2019 Climate Action Plan committed to completing 500,000 home retrofits to a BER standard of at least a B2 (or cost-optimal equivalent), and to install 600,000 heat pumps (400,000 of these in existing buildings) by 2030. The 2021 Climate Action Plan included actions under a new National Retrofit Plan, which sets out the Government's approach to meeting the 2030 retrofit and heat pump targets. As noted in Figure 1, 90,000 home upgrades are projected to be delivered in 2022, and increasing to 180,000 upgrades in 2025. The National Retrofit Plan identifies the challenges to achieving demand for retrofits as lack of awareness, complexity of process, and affordability and high upfront costs. It aims to address these barriers across four key areas: driving demand and activity; financing and affordability; supply chain, skills and standards; and structures and governance. Driving demand for retrofits is addressed most thoroughly throughout the plan, with less detail given to measures to address affordability and the high upfront costs.

The Government has committed to investing €5 billion of carbon tax receipts to support the retrofit and heat pump targets. €250 million has been allocated to Approved Housing Bodies (AHBs) and Local Authorities to retrofit their stock of homes. Funding for the Warmer Homes scheme is also ring-fenced from carbon tax funding. This scheme aims to tackle energy poverty by providing free energy efficiency upgrades for homeowners who receive certain social welfare payments.

In the Housing for All strategy, published in 2021, the government committed to the retrofit of 36,500 Local Authority properties to B2 Building

Energy Rating (BER) or Cost Optimal equivalent by 2030. It also committed to the introduction and implementation of minimum energy efficiency standards in the private rental sector from 2025.

The National Retrofit Scheme, announced in February 2022, included several new measures to increase retrofit uptake in Ireland<sup>2</sup>. This included the launch of:

- ▶ One Stop Shops to assist with project management and access to financing;
- ▶ Grants of up to 50% for full retrofit to BER B2 standard;
- ▶ 80% grants for attic and cavity wall insulation;
- ▶ 100% grants for homeowners who receive social welfare payments under the Warmer Homes Scheme

Responsibility for the policy response to energy poverty in Ireland lies with the Department of Communications, Climate Action and Environment. The Strategy to Combat Energy Poverty 2016-19 included measures to expand the eligibility criteria for energy efficiency schemes such as the Better Energy Warmer Homes scheme, a pilot programme targeting those with health conditions living in poorly insulated homes, and undertaking a consultation on the implementation of energy efficiency standards for the private rented sector. This strategy expired in 2019 and a review of the implementation of the strategy was to be undertaken as part of the Climate Action Plan for Q1 of 2022. As of April 2022, this review is yet to be completed and the strategy yet to be updated.

2 <https://www.seai.ie/news-and-media/government-launches-the-n/>

# 4 Housing and Energy Poverty Context

78% of Irish homes which have been assessed for a BER have a rating of C or less.<sup>3</sup> At least 1 in 5 people in Ireland are at risk of energy poverty. The Government's A Strategy to Combat Energy Poverty 2016-2019 notes that up to 28% of households are in or at risk of energy poverty (equivalent to 475,000 households in 2016). Research from the ESRI in 2020 'Carbon Taxes, Poverty and Compensation Options' includes an estimation of 'core' energy poverty at 17.5% of households (c. 297,500 households)<sup>4</sup> Research by Saint Vincent de Paul in 2021 indicated that 19% of adults had cut back on heating or electricity due to cost since the start of the pandemic.<sup>5</sup> The energy poverty risk is heightened for those on a low income, those who are unemployed, those with ill health, who are one parent households or are tenants.<sup>6</sup> Fuel poverty is a key determinant of health among low-income populations.<sup>7</sup> Research shows that policy measures are particularly needed for younger children in energy poor homes, given the adverse impacts on health.<sup>8</sup> Children who grow up in cold, damp, and mouldy homes with insufficient ventilation have above average rates of respiratory infections and asthma, and are more likely to experience depression, anxiety and slower physical growth.<sup>9</sup>

3 <https://www.cso.ie/en/releasesandpublications/er/dber/domesticbuildingenergyratingsquarter12022/>

4 As summarised in Oireachtas L&RS Note, March 2022. [https://data.oireachtas.ie/ie/oireachtas/libraryResearch/2022/2022-03-04\\_l-rs-note-energy-poverty-in-ireland\\_en.pdf](https://data.oireachtas.ie/ie/oireachtas/libraryResearch/2022/2022-03-04_l-rs-note-energy-poverty-in-ireland_en.pdf)

5 See <https://www.svp.ie/getattachment/2de2b8af-bc90-4c49-be38-d9a4ff6b53e8/Development-of-a-new-Solid-Fuel-Regulation-for-Ir.aspx>

6 Tovar Reaños, M.A.,(2021) "Fuel for poverty: A model for the relationship between income and fuel poverty. Evidence from Irish microdata.", Energy Policy <https://doi.org/10.1016/j.enpol.2021.112444>

7 <https://www.tandfonline.com/doi/full/10.1080/02673037.2019.1577954?scroll=top&needAccess=true>

8 See [https://www.esri.ie/system/files/publications/RB202031\\_0.pdf](https://www.esri.ie/system/files/publications/RB202031_0.pdf)

9 See <https://www.bmj.com/content/376/bmj.o606>



# 5 Obstacles at Government level

## 5.1 Responsibility and Coordination

Challenges with dispersed and varied responsibility for achieving retrofitting targets and associated schemes across Government Departments were raised by certain participants. Responsibility for implementation of the Government's commitments in the National Retrofit Plan lies across several different departments and agencies. Energy efficiency in Ireland's housing stock falls between the Department of Environment, Climate and Communications; the Department of Housing, Local Government and Heritage; and the Department of Further and Higher Education, Research, Innovation and Science.

The Sustainable Energy Authority of Ireland (SEAI) is Ireland's National Retrofit Delivery Body designed to retrofit targets as set out by DECC. Responsibilities of the SEAI include:

- ▶ driving delivery of retrofit targets;
- ▶ promoting retrofit uptake through marketing campaigns;
- ▶ enhancing the appeal of the retrofit supports and improving the customer journey;
- ▶ setting standards for, and developing and registering, One Stop Shops
- ▶ increasing the number of BER assessors;
- ▶ monitoring and managing the quantum and quality of retrofit service provision
- ▶ supporting the supply chain in the area of retrofit.

The SEAI has estimated that 17,000 workers will be needed for the planned programme of retrofitting 500,000 homes by 2030.<sup>10</sup> This issue of shortages in labour and skills falls under the Department of Further and Higher Education, Research, Innovation and Science. The Department has allocated €17 million in funding in Budget 2022 to support 4,550 places on Nearly Zero Energy Building and retrofit-related courses and 60,000 places for upskilling in "green skills" modules.<sup>11</sup>

<sup>10</sup> <https://www.oireachtas.ie/en/debates/debate/dail/2022-02-17/33/>

<sup>11</sup> [https://www.solas.ie/f/70398/x/40d5ac409a/15416\\_solas\\_services-plan\\_web.pdf](https://www.solas.ie/f/70398/x/40d5ac409a/15416_solas_services-plan_web.pdf)

Local Authorities are responsible for the Local Authority Retrofit Programme, with 36,500 local authority-owned housing units to be retrofitted to a B2 standard by 2030. This amounts to approximately 25% of the total number of households renting from a local authority.<sup>12</sup> We note that these targets were set based on a pro-rata allocation from the national housing stock, and not on the premise of prioritising low-income households.<sup>13</sup>

The issue of responsibility for social housing residing with the Department of Housing, Local Government and Heritage was raised during the interviews as a barrier to retrofitting local-authority-owned housing. Several interviewees were of the impression that the department is currently prioritising and funding new-builds over retrofitting of existing housing stock. It was also noted by many that these 2030 targets could, and should, be increased in accordance with prioritising energy poverty.

## 5.2 Centralised Approach

An issue noted by several stakeholders is the challenge associated with a “blanket approach” to household retrofitting and energy efficiency measures, i.e. that a single common nation-wide policy, is not considered sufficient. One energy efficiency organisation noted that this approach does not adequately take into account the specific needs of individual areas, such as differing types of buildings; age of buildings; household type; and cultural differences. A solution proposed was to differentiate based on specific zones, and prioritising different solutions for an area based on these variables. One NGO also noted that issues specific to rural areas have not been adequately addressed in the National Retrofit Scheme, such as reliance on solid-fuel, an older housing stock, and consumer preferences and cultural factors.

The need to coordinate decarbonisation of heat and spatial planning was noted, two areas that are traditionally segregated in Ireland. As policy related to planning is developed at a national level, it has meant that Government authorities responsible for spatial planning have generally led decision-making on energy efficiency measures. Planners have a role to play in reducing the demand for fossil fuel energy and reducing carbon emissions.<sup>14</sup> It was noted that those working at a local authority level may be better placed to identify what are the best energy solutions in particular areas. For example, solutions for areas in the Midlands reliant on turf for home heating will have different needs and solutions than inner-city dwellings. A related challenge identified is that local authorities do not have the remit or sufficient autonomy to deliver energy-efficiency programmes in a more regional-tailored way in comparison with other EU countries.



12 <https://www.cso.ie/en/releasesandpublications/ep/p-cp|hii/cp|hii/tr/>

13 [https://www.oireachtas.ie/en/debates/debate/joint\\_committee\\_on\\_environment\\_and\\_climate\\_action/2022-01-18/2/](https://www.oireachtas.ie/en/debates/debate/joint_committee_on_environment_and_climate_action/2022-01-18/2/)

14 [https://www.codema.ie/images/uploads/docs/SPECIAL\\_Pan\\_Euro-Guide.pdf](https://www.codema.ie/images/uploads/docs/SPECIAL_Pan_Euro-Guide.pdf)

# 6 Behavioural Obstacles

Several behavioural obstacles were seen as barriers to achieving the 2030 retrofit targets including a lack of awareness of the benefits of retrofitting, awareness of grant eligibility, trust in providers of information and delivery of retrofitting measures, as well as perceived “readiness” to retrofit, and the cultural significance of traditional home heating.

## 6.1 Awareness

Across almost all stakeholders, a lack of awareness of grant eligibility, of the benefits of energy efficiency measures, and the uncertainty of quantifiable outcomes among the general public was identified as a barrier to increasing retrofit uptake in Ireland. Outside of cost, which was perceived as the primary barrier, other significant factors included understanding the benefits, the information provided, and the grant application process. An academic stakeholder noted that these households had themselves identified a lack of information as a key barrier, and a solution to this as “having somebody who could sit down with them one to one and say - alright, this is what you’re entitled to”.

The new National Retrofit Plan was identified as lacking in outreach programmes that support group discussion and social participation. Academics and anti-poverty organisations interviewed suggest that this discussion would ideally take place in pre-existing social groups or within groups from similar backgrounds.<sup>15</sup> It was suggested that this could perhaps take place in local communities through pop-ups in community centres or housing estates where people gather. An example of this peer-support and group discussion in action was of a group of rural farmers who had an already-established Whatsapp group and went through the retrofit process together, providing information and support to each other throughout the process.

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15 <https://www.ucc.ie/en/media/research/iss21/ENERGISEpolicybriefingpdf.pdf>

## 6.2 Trust

In order to successfully progress energy efficiency measures in homes, trust is crucial.<sup>16</sup> Knowing who to trust is a key challenge for people looking to undertake retrofitting measures, both in terms of information provision about different retrofit measures, grants and costs; as well as in delivery and quality of renovation works. One Stop



Image credit: Alejandro Gil.

Shops have recently been launched by the SEAI and are designed to help homeowners overcome obstacles to retrofitting by providing information on best energy efficiency solutions for a home, information on grant eligibility and application, financing options, as well as assigning a contractor for delivery and execution of the works. Although roll-out of One Stop Shops is still at an early stage, stakeholders interviewed generally saw the establishment of One Stop Shops as a positive

step towards building trust and legitimacy in the retrofit process.

The issue was raised that rural-dwellers or older persons specifically may prefer workers who are both local and known to them, and thus “trusted” to carry out work in their homes. One energy efficiency organisation suggested the establishment of a register of upskilled workers who are qualified to carry out retrofitting measures as a solution to increasing trust. However, this does not address the issue for rural-dwellers specifically, and one suggestion from an NGO was for local communities to see co-benefits of climate action through employment of members of local communities for retrofitting.

The issue of institutional trust arose for local authority-owned housing specifically, with one NGO noting that some tenants in social housing may not always hold a high-degree of trust in local authorities as a source of information, and alternative messengers and channels would be necessary to provide retrofitting information. It was also noted that social-housing dwellers may not always be positively disposed to their local authorities organising workers to come into their homes to carry out renovation work.

A solution raised to the issue of trust, both in terms of information provision and delivery of retrofits, was the establishment of

<sup>16</sup> De Wilde, M. (2019). The sustainable housing question: On the role of interpersonal, impersonal and professional trust in low-carbon retrofit decisions by homeowners. *Energy Research & Social Science*, 51, 138-147.

trusted Community Energy Advisors as was proposed in SVP's 2021 Climate Action Plan submission<sup>17</sup>. This would take the form of local, trusted advisors working in partnership with the SEAI, who can provide information, advice and guidance on energy efficiency measures. This could aid in engaging hard-to-reach energy users who would benefit most from energy efficiency upgrades.

### 6.3 Public Perception & Readiness to Retrofit

One academic noted that the issue is more complex than individuals having sufficient funds to undertake retrofitting measures. More grants will lead to more retrofits is true for a certain proportion of the population. However, there is another cohort of households who are unlikely to use disposable income or savings on energy saving measures, given the perception that other family or household needs are more pressing or beneficial. This raises the question of how to ensure retrofitting of homes becomes viewed as a priority. For some households, a new car or a holiday every year are seen as a "must-have", and energy efficiency must be raised up the list of priorities amongst homeowners.

Certain stakeholders noted that for many households the issue is one of inertia and the feeling that they're "not ready to retrofit". This may be for a variety of reasons- "a messy attic, visitors staying, Johnny's doing his leaving cert this year". Retrofitting is seen

as "hassle". Government policy currently assumes that all people are currently ready to retrofit, and does not specifically address the issue of "readiness". For some, undertaking a retrofitting project is perceived (in some cases correctly) as a source of stress, which can decrease likelihood of initiating the project. A solution to this could be to have a helpline available, or a peer support/advice system of others going through similar challenges.

### 6.4 Cultural Barriers

The cultural significance in Ireland of home heating was also seen as a barrier not being considered in current policy measures. The attachment to ritual and the emotional significance of gathering around a turf fire may be seen as a barrier to decarbonised home heating.

<sup>17</sup> <https://www.svp.ie/getattachment/d74cc95b-767d-46bb-8691-9df401f0d139/SVP-Submission-to-Climate-Action-Pan-2021.aspx>

# 7 Private Rental Sector

The number of households living in the private rented sector in Ireland is increasing, with 1 in 5 households in Ireland renting privately.<sup>18</sup> Over half of these private rented dwellings have a BER of D or lower.<sup>19</sup> The low standard of private rented housing in Ireland means that tenants can spend large sums of money on energy, and they are particularly vulnerable to price hikes. According to the CSO, in 2020 the “At Risk of Poverty Rate” was highest for those renting, with those receiving state housing supports more at risk than those privately renting without support.<sup>20</sup> Current policy measures include general schemes such as One Stop Shops and Home Energy Grants, but are not tailored towards landlords. The lack of incentives or necessity for landlords to invest in energy efficiency in their properties leads to the challenge of a “split incentive”, which occurs when the benefits do not primarily accrue to the person who pays for the transaction.<sup>21</sup>

Figure 3.8 At Risk of Poverty Rate after rent and mortgage interest by Tenure, 2020

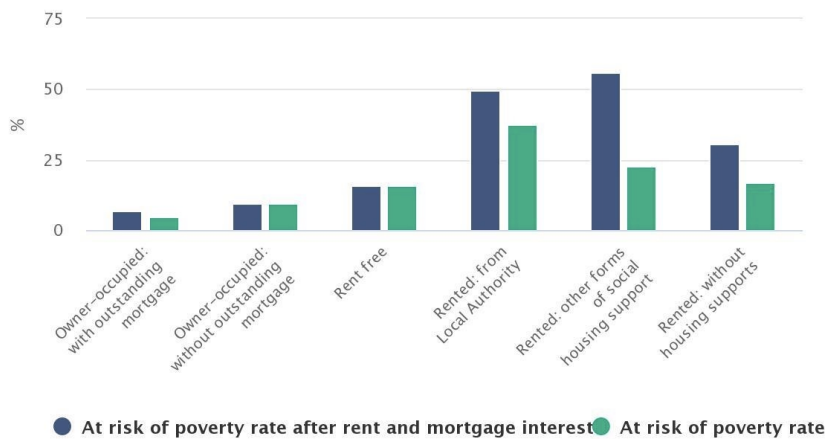


Figure 2: CSO Ireland, Survey on Income and Living Conditions (SILC) 2020<sup>22</sup>

18 <https://www.cso.ie/en/csolatestnews/presspages/2017/census2016profile3-anageprofileofireland/>

19 <https://www.igbc.ie/wp-content/uploads/2019/06/IGBC-SEAI-Report-Final.pdf>

20 <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2020/povertyanddeprivation/>

21 <https://www.svp.ie/getattachment/b950a94b-f443-4982-a317-eee4afc7ebd8/Warm-housing-for-all-Strategies-for-improving-ene.aspx>

22 <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2020/introductionandsummaryofmainresults/>

Currently, minimum standards are not mandatory in the private rented property unless the tenant is availing of the Housing Assistance Payment (HAP).<sup>23</sup> The National Retrofit Plan and Housing for All have committed to introducing a minimum BER from 2025 in the private rented possible “where feasible”.

We note that despite the minimum standards on HAP properties, tenants relying on HAP are still the most likely to be living in inefficient properties.<sup>24</sup> Many of these tenants are also already paying “top-ups” directly to landlords, leading to paying over 40% of their income in rent according to Saint Vincent De Paul.<sup>25</sup> Additionally HAP recipients are more likely to live in properties which are more expensive to heat, pushing these cohorts into fuel poverty.<sup>26</sup>

As it stands, no public communication or awareness campaign has been launched to inform owners of private rented properties of the future introduction of minimum BER on rental properties, which was identified by poverty and housing NGOs as a barrier to future implementation of these standards. One NGO recommended development of a communications strategy by the Department of Housing to ensure landlords are prepared for the introduction of minimum BERs.

It was also noted that a key barrier for landlords to undertake retrofitting measures was a lack of access to finance, whether it was through grants, loans or tax allowances, as well as the fact that the private rental sector was starting from a lower base when it came to BER standards. One NGO raised that as the minimum BER is to be introduced in 2025, a scheme for landlords must be initiated urgently so there is a “carrot” alongside the “stick”. The risk exists that if minimum BERs are brought in without tailored support, many landlords may sell their property and leave the market resulting in even less availability of rental accommodation and further exacerbating the housing crisis.

Strong tenancy rights will be vital to ensure a just renovation wave. It was noted that Irish legislation on evictions due to energy efficiency improvements was already relatively strong. Section 19 of the Residential Tenancies Act sets out when a landlord may increase the rent on a property in a Rent Pressure Zone. Tenants may only be asked to leave when a “substantial change in the nature of the accommodation” has taken place. In the case of energy efficiency measures, a substantial change is defined as “the BER (within the meaning of those Regulations) being improved by not less than 7 building energy ratings”. The concern was

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23 <https://www.rtb.ie/beginning-a-tenancy/what-minimum-standards-must-a-property-meet#:~:text=Minimum%20Standards%20include%3A,good%20and%20safe%20working%20order>

24 <https://www.cso.ie/en/csolatestnews/pressreleases/2021/pressreleases/pressstatementtherentalsectorinireland2021/>

25 Threshold and SVP (2019) ‘The Housing Assistance Payment: making the right impact?’ Available at: [https://www.threshold.ie/assets/files/pdf/00881\\_hap\\_survey\\_report\\_2019\\_-\\_web.pdf](https://www.threshold.ie/assets/files/pdf/00881_hap_survey_report_2019_-_web.pdf)

26 [https://www.threshold.ie/assets/files/pdf/00881\\_hap\\_survey\\_report\\_2019\\_-\\_web.pdf](https://www.threshold.ie/assets/files/pdf/00881_hap_survey_report_2019_-_web.pdf)



raised however, that if a deep retrofit to a B2 standard or higher was undertaken, that tenants may be evicted, and that legal protections are not currently in place to prevent this, notwithstanding recent Government statements that evictions will not take place.



In order to overcome the split incentive issue it was recommended that alongside the introduction of Minimum Energy Performance Standards, additional finance options should be introduced such as landlord-specific grants, loans or tax incentives. It was also recommended that One Stop Shops be tailored to address needs of landlords and tenants, including providing guidelines for retrofitting a rental property with tenants in-situ. It was noted that additional clarity is needed on eviction protections and alternative accommodation provision for tenants whose home is undergoing a retrofit.



## 8 Challenges for lower-income households/those at risk of fuel poverty

To abide by principles of climate and environmental justice, it is imperative that climate policies are designed in a way that does not exacerbate energy poverty. In Ireland the Government currently defines households as energy poor if they spend more than 10% of their disposable income on energy costs in any one year.<sup>27</sup> In 2020, the ESRI highlighted that up to 17.5% of households (approximately 297,500 households) are living in or at-risk of energy poverty.<sup>28</sup> This figure has likely increased due to the ongoing energy crisis, mainly driven by significant gas price increases and Russia's abhorrent invasion of Ukraine. As noted above, the Government has not produced a new energy poverty strategy and up to date figures on current levels of energy poverty have not been released.

Energy poverty is not only a matter of uneven distribution; it is a wider socio-political injustice, as inappropriate energy efficiency measures may reinforce existing social and systematic inequalities.<sup>29</sup> Historically, retrofitting in Ireland has been possible primarily for those with the ability to afford it, and a lack of access to finance is considered a key barrier for households to invest in energy-efficiency measures. A recent study by MABS and UCC found that 90% of households with low disposable income considered the cost of energy efficiency measures to be the biggest barrier in making the

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27 <https://www.gov.ie/en/policy-information/ffe6c5-energy-efficiency/>

28 [https://www.esri.ie/system/files/publications/SUSTAT98\\_0.pdf](https://www.esri.ie/system/files/publications/SUSTAT98_0.pdf)

29 Ross Gillarda, Carolyn Snella MarkBevan 'Advancing an energy justice perspective of fuel poverty: Household vulnerability and domestic retrofit policy in the United Kingdom' Energy Research & Social Science Volume 29, July 2017, Pages 53-61  
<https://doi.org/10.1016/j.erss.2017.05.012>

decision to invest.<sup>30</sup> The same study showed that just 9% of households who were eligible for the Warmer Homes scheme had availed of these grants, and found that financial incentives alone will not be enough to boost energy citizenship of the lowest-income households in Ireland. A more holistic approach is suggested, which would involve taking into account individual circumstances and capacities.

## 8.1 Cost Barriers

Throughout interviews with stakeholders, several challenges specifically for low-income households were raised. These include financial limitations, a lack of awareness of grants available, the grant application process, as well as a general lack of awareness of the benefits of energy efficiency measures.

Unsurprisingly the issue of high upfront costs for retrofitting measures, notwithstanding the SEAI grants, was seen as the key barrier for low-income households in being able to retrofit their homes. It was also flagged that many households with low disposable income may not be in a position to take out a loan for retrofitting works. Recommendations from stakeholders to overcome this barrier did not merely focus on additional Government funding. One academic stated that for those in low-income housing estates, the impact of having a person living in that estate who was “tuned-in” and knew the SEAI schemes and was willing to share the information, made a big difference in awareness and uptake of retrofits. The recommendation regarding deployment of Community Energy Advisors was highlighted by several individuals and organisations as a key measure in reaching households who are eligible for existing schemes such as the Warmer Homes Scheme.

According to one stakeholder, some families in social housing are now using solid fuel exclusively to heat their homes and have been disconnected from the gas network. It was noted that for these households, a heat pump may be perceived as more expensive to run, and a challenge arises as to how to present co-benefits of retrofitting to households who are reliant on solid fuels for home heating.

Most NGOs and academics supported the ramping up of activity and significantly increasing targets for local authority housing as a measure to address energy poverty. However, the perception exists that the DHLGH primary focus is on new builds over retrofitting of current social housing stock.

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30 <https://www.ucc.ie/en/media/research/iss21/ENERGISEpolicybriefingpdf.pdf>

## 8.2 Traveller Community

75% of the Irish Traveller community live in fuel poverty according analysis by MABs.<sup>31</sup> 84% of the Traveller community live in group housing schemes, but for those living on “non-authorized” halting sites, weekly fuel costs in 2019 were up to €158 per week.<sup>32</sup> On “authorized sites”, electricity is paid directly to local authorities and households currently have no autonomy to choose or switch providers. The National Retrofit Plan does not make reference to this community and SEAI schemes do not currently include provisions for traveller accommodation for energy efficiency measures.<sup>33</sup>



It was recommended by an organisation supporting Travellers that the SEAI Warmer Homes scheme be expanded to include HAP recipients, as many Travellers living in group housing schemes relied on this payment. It was also recommended that the Energy Poverty Strategy be updated to reflect the needs of the Traveller community, and that these needs be addressed in future National Retrofit Plans.

31 <https://www.ntmabs.org/publications/development/2019/ntmabs-energy-poverty-report.pdf>

32 <https://www.ntmabs.org/publications/development/2019/ntmabs-energy-poverty-report.pdf>

33 <https://www.gov.ie/en/publication/5052a-national-retrofit-plan/>

# 9 Logistical Challenges

Logistical challenges in achieving the Government's 2030 retrofitting targets include the impact of the COVID-19 pandemic, labour shortages to carry out retrofitting works, a lack of coordination within areas or estates, and lack of guidance for retrofitting of traditional buildings.

## 9.1 | COVID

18,400 retrofits were completed in 2020, and just 4,000 of these were completed to over a B2 standard, with the COVID pandemic cited as the main barrier.<sup>34</sup> The Warmer Homes scheme was halted almost entirely for the duration of the pandemic, leaving 7,000 vulnerable households on a waiting list.<sup>35</sup> SEAI data indicates that, for homes completed in 2021, the average time from application to completion was 26 months for the Warmer Homes Scheme. The 2022 budget allocation aims to increase the number of homes retrofitted from 177 per month in 2021 to 400 per month in 2022. The impact of the pandemic and the long backlog that must be cleared was raised by almost all interviewees as a barrier to reaching 2030 targets.

## 9.2 Skills/Labour Shortages

Across the board, the issue of the capacity of the sector to carry out 500,000 retrofits to a B2 level by 2030 was raised, particularly in the context of the current shortage of skilled workers in the construction sector. The following barriers for increasing labour capacity for retrofitting in Ireland were identified by stakeholders interviewed:

- ▶ Lack of willingness to enter into trades.
- ▶ The industry is in need of rebranding as a modern industry climate friendly with good employment prospects.
- ▶ The housing crisis is a barrier for attracting labourers from outside of Ireland
- ▶ Women are generally less likely to enter the sector

34 <https://www.gov.ie/en/publication/6223e-climate-action-plan-2021/>

35 <https://www.oireachtas.ie/en/debates/question/2022-04-07/191/>

### 9.3 Grouping Retrofits

Currently retrofits are not being undertaken on an area-by-area basis, and instead rely on individuals to apply for grants themselves. The SEAI, in their application form for One Stop Shop registration, does require applicants to address “an area-based approach to engagement and achieving economies of scale”.<sup>36</sup> It was suggested by interviewees that grouping homes together based on area could bring down cost and also create a feeling of cohesion and peer-support throughout the process.

### 9.4 Traditional Buildings

It is estimated that some 18% of dwellings in Ireland fall into the traditionally-built category.<sup>37</sup> For protected structures such as traditional Georgian and Victorian buildings, planning permission is currently required for carrying out external or internal deep retrofitting measures. This was raised by stakeholders as a key challenge for these homes. This was to be addressed in Q1 of 2022 by publishing a “Guidance for the retrofitting for traditional buildings” as per the National Retrofit Plan, but this has yet to be published.


### 9.5 Installation of Fossil Fuel Boilers

A further issue identified was the continued installation of fossil fuel boilers in homes. Specifically, the issue of the SEAI continuing to install oil and gas boilers through the Warmer Homes Scheme was raised. This is of particular concern as the Warmer Homes scheme is designed to tackle energy poverty through provision of free energy upgrades to homeowners on low incomes. Minister Ryan has noted that 574 fossil fuel boilers were installed under the scheme in 2021 and this situation is continuing with 295 boilers installed so far this year.<sup>38</sup> Installation of fossil fuel boilers in homes risks these households being locked-in to expensive fossil fuels for years to come.



Image credit: Alejandro Gil.

36 <https://www.seai.ie/register-with-seai/one-stop-shop/One-Stop-Shop-Registration-Guidelines.pdf>  
37 <https://www.gov.ie/en/publication/5052a-national-retrofit-plan/>  
38 See <https://www.oireachtas.ie/en/debates/question/2022-05-10/197/>




An Examination of  
Blockages to Retrofitting  
and Heat-pump  
Installation in Ireland

Research  
Report  
2022



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