



Irish Rural Link
Nasc Tuaithe na hÉireann

Submission to Energy Poverty Action Plan Consultation

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Contact
Seamus Boland or Louise Lennon

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Rialtas na hÉireann
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Overview

Irish Rural Link (IRL) is the national network of rural community groups, representing over 600 groups and thousands of individuals committed to socially, environmentally and economically sustainable rural communities.

We welcome the opportunity to make a submission to the consultation on the new Energy Poverty Action Plan.

The current cost of living crisis has impacted many households, but most especially, those on fixed or low-income households, who were already struggling with household bills are now having to make extremely tough financial decisions on whether to heat their home or put food on the table for themselves and their families. The recent ESRI report *Energy Poverty and Deprivation in Ireland* highlighted that the level of inflation being experienced at present is “higher for lower-income, older and rural households as a result of their patterns of expenditure”. Through its membership, IRL are very aware of the hardship being experienced by rural households.

The current energy crisis comes as the country emerges from Covid-19, which is still very much with us. It is also as we try to reach our climate targets. It highlights the dependency Ireland has on fossil fuels and the need for a transition for cleaner, greener alternatives. Again, those on low and fixed income are the ones that are most impacted by this transition.

The new Energy Poverty Action Plan must outline actions that will reach those who are furthest behind first. Supports, financial or otherwise must be targeted for low income households and those living in poorly insulated and/or energy inefficient homes.

Q1: What further action could be taken to alleviate energy poverty through home energy upgrades?

While we welcome the SEAI grants and new amendments made to some of the grants, the eligibility for the 100% Warmer Home grant is very narrow and excludes many households on low income and some social welfare payments. Many who are in receipt of the eligible payments do not own the home they are living in so therefore automatically do not qualify. They are dependent on the owner of the property to make the changes, whether this is a local authority or a private landlord. To carry out works with the grants is still beyond the financial capacity of many households in rural areas and especially those on low income or in receipt of state pension.

With the phasing out of the sale of turf, other fossil fuels and the sale of fossil fuel stoves and oil burners being phased out over next few years, more action is now needed to protect those households who will be the most impacted by these changes and who are most at risk of energy poverty.

IRL have proposed a Community Energy Outreach Programme to the Department of Environment, Climate and Communications following the announcement of the ban on the sale of turf earlier in 2022 to ensure that vulnerable groups and households receive necessary assistance through the distribution of clear, concise, and accurate information and advice in relation to retrofitting, alternative fuel sources and fuel poverty. The programme would also incorporate the Government's National Retrofit Plan.

While the changes were postponed, we feel that such a programme is now needed to be put in place to protect the most vulnerable and ensure they have changes made in advance of sale of turf and fossil fuels being phased out. The programme would follow the same process that IRL delivered together with The Wheel on EIRCODES, Digital Switchover and more recently the Covid-19 Community Outreach Programme.

- The aim of the Community Energy Outreach Programme is to ensure that vulnerable groups and households receive necessary assistance through the distribution of clear, concise, and accurate information and advice in relation to retrofitting, alternative fuel sources and fuel poverty. The programme will also incorporate the Government's National Retrofit Plan, "the plan is designed to address barriers to retrofit across four key pillars: driving demand and activity; financing and funding; supply chain, skills and standards; and governance."
- Irish Rural Link working in conjunction with local Authorities and SEAI across Ireland will facilitate households to source the relevant information for them and also enable efficient and timely reporting of issues on retrofitting and fuel poverty.

The Community Champions, using their experience and vast networks will work to reach all 100,000 households who rely on turf as their main fuel source and do not have the financial resources or capacity to retrofit their homes.

The Government's target to upgrade 500,000 older inefficient homes to a B2 Building Energy Rating and move them away from fossil fuel to more efficient heat systems, while ambitious, IRL would believe that there are a higher number of older inefficient homes than this. And feel the proposed programme could work in conjunction with reaching these targets.

While retrofitting has begun on local authority housing, there is a cohort of people who had the opportunity to buy out their local authority house but are now unable to afford to make energy efficiency upgrades to their home. IRL would recommend that these houses are offered to have their house retrofitted while work on houses in the same estate is being carried out at a reduced cost and on their ability to pay.

Q3: In the areas of energy prices, meeting the cost of energy and consumer protection, what further action could be taken to alleviate energy poverty?

The Vincentian Partnership for Social Justice Minimum Essential Standard of Living (MESL) looks at those essential goods included in the Consumer Price Index (CPI) basket of goods and services that are deemed necessary for a minimum standard of living. Such goods and services include; food, clothing, heating, healthcare, transport, education, etc.

Initial findings of the MESL for 2022 has shown that the cost of a MESL has increased for all household types by an average of 5%. For low income households in rural areas, this increase is higher at 14%¹, confirming the results of the ESRI study *Energy Poverty and Deprivation in Ireland* where it found low income and rural households are most impacted by the current cost of living crisis.

The higher rate of change in rural areas is due to increases in household energy and transport related prices. The net increase in MESL home energy costs was an average of 50% for rural households due to dependency on home heating oil, which has now increased by 115.4% in the year to June 2022².

With the ESRI predicting that 43% of households will be at risk of energy poverty in the coming months, direct supports to the most vulnerable households is now needed to protect them from increasing energy prices in the coming weeks.

IRL joined with 42 other organisations calling on Government to protect Irish households and prevent fossil fuel lock-in ahead of a winter of unprecedented energy costs³.

¹VPSJ (2022) Minimum Essential Standard of Living 2022 Interim Report
<https://www.budgeting.ie/publications/mesl-2022/>

² CSO Ibid

³ <https://www.foe.ie/news/42-anti-poverty-environmental-organisations-unite-to-demand/>

Some of the direct financial supports included a doubling of the fuel allowance. IRL in its pre-budget submission have also called for the extension of the fuel allowance to 32 weeks and extend the eligibility of those on social welfare payments who can receive the payment.

IRL also call for the development of other direct supports for households in low-income and fixed income households in rural areas in the form of a comprehensive suite of financial tools This would take the form of sliding scale of grants and low cost guaranteed loans designed on ability to pay.

Q4: In the area of governance, research, measurement and evidence, what further action could be taken to alleviate energy poverty?

IRL have joined with 18 other organisations to call for the new energy poverty plan to be put on a statutory footing.⁴ The organisations have jointly recommended:

1. Place the Strategy on **statutory footing** to ensure policy coherence and a whole-of-government approach.
2. Improve Data Collection on energy poverty and broaden the definition of energy poverty. The current definition focuses entirely on income and does not take into consider home insulation and the additional financial burden households incur as a result of poor insulation.
3. The Strategy must include specific targets for groups at highest risk of energy poverty. Clear monitoring and accountability mechanisms that are measurable, actionable, and time-bound are essential to policy coherence and protecting citizens' rights under the Aarhus Convention.
4. Those with lived experience of energy poverty must be included at all stages in the design and delivery of a new Energy Poverty Strategy.
5. The new strategy is built on a rights-based approach.
6. The new strategy is aligned with climate justice and must aim to eradicate both energy poverty and energy pollution at the same time.
7. The Strategy paves the way for a new Energy Poverty Act in 2023, which will include a legally binding target to reduce energy poverty.

⁴ [Community organisations issue joint call and recommendations for a new Energy Poverty Strategy - Community Law \(communitylawandmediation.ie\)](https://www.communitylawandmediation.ie)

Measurement and evidence

Measurement of energy poverty is very ad hoc with the Survey of Living Conditions (SILC) is often used to give some indication of the level of fuel and energy poverty but is not truly accurate as it is classed as a deprivation if a household can “adequately afford to heat their home” or “have gone without heat at some stage during the year”. Better measurement and more up-to-date data is needed for this new strategy. The MESL gives a good indication of energy costs experienced by low-income households experiencing or at-risk of energy poverty and should be explored as a measurement.

As mentioned above, collecting information on the lived experience of fuel poverty should also be used to give a true picture of energy poverty.

Q5: Further comments

The new Energy Poverty Action Plan must now set out ambitious and meaningful measures to protect those who are already living in energy poverty and who are at risk of energy poverty. There is an opportunity now to protect those most impacted by the current energy crisis while at the same time working towards meeting climate targets. A comprehensive suite of financial tools must be introduced so low income households can access grants and low cost loans to make their homes more energy efficient.

Reaching and supporting the furthest behind in our society first must be the key priority of this new Strategy.

Irish Rural Link the Organisation

Irish Rural Link (IRL), formed in 1991, is a national network of organisations and individuals campaigning for sustainable rural development in Ireland and Europe. IRL, a non-profit organisation, has grown significantly since its inception and now directly represents over 600 community groups with a combined membership of 25,000.

The network provides a structure through which rural groups and individuals, representing disadvantaged rural communities, can articulate their common needs and priorities, share their experiences and present their case to policy-makers at local, national and European Level.

Irish Rural Link is the only group represented at the national social partnership talks solely representing rural communities' interests.

'Our vision is of vibrant, inclusive and sustainable rural communities that contribute to an equitable and just society'

Irish Rural Link's aims are:

- To articulate and facilitate the voices of rural communities in local, regional, national and European policy arenas, especially those experiencing poverty, social exclusion and the challenge of change in the 21st century.
- To promote local and community development in rural communities in order to strengthen and build the capacity of rural community groups to act as primary movers through practical assistance and advice.
- To research, critique and disseminate policies relating to rural communities including issues such as sustainability, social exclusion, equality and poverty
- To facilitate cross-border networking between rural communities

'Our mission is to influence and inform local, regional, national and European development policies and programmes in favour of rural communities especially those who are marginalised as a result of poverty and social exclusion in rural areas.'