

# Submission on the Revised Energy Poverty Action Plan

Submission to the Department of Energy Climate and  
Communications  
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## Introduction

We welcome the opportunity to make a submission to the Department on the revised Energy Poverty Action Plan. In this introduction, we outline the trends SVP is seeing and summarise our key points from the submission. We then answer the consultation questions in detail.

With prices remaining high and recent deprivation data showing energy hardship continues to rise, at SVP we are seeing requests for assistance with energy build year on year.

We must continue to provide assistance through government, the regulator, suppliers themselves, and other support services with the ultimate aim of ending energy poverty. It is essential that we do not accept a ‘new normal’ of higher numbers of people going without the energy they need to stay warm and well. Assistance must now move from a short term basis and instead provide stability for people in the medium to longer term.

### *Assistance given by SVP to help with energy costs*

Requests for assistance with energy to SVP were up 68% in the two years between 2021 and 2023. Since the price crisis we have seen that energy requests are higher all year round, but the spring and summer have seen the most drastic increases in requests for assistance year on year. Between 2021 and 2023, requests in this warmer months of the year have more than doubled. This displays clearly that energy poverty is impacting people year round, and that people are not able to contain their energy payments and repayments to the winter.

In addition to distributing new forms of support through vouchers and supplier hardship funds, in 2021 SVP provided €4.2 million in support to households struggling with energy costs and this increased to €7.1 million in 2022.

We hope that sharing this data displays that the challenge of energy poverty continues to be urgent, and that whilst we have seen prices stabilise - and in some instances decrease somewhat - we cannot take a step back from supports and become accustomed to such high levels of hardship and deprivation amongst people in energy poverty.

### *Key points*

- We welcome the amount of assistance the government has given in terms of electricity credits and additional social protection payments. However, we must now move to normalise the ways in which we support people by permanently increasing social protection rates. This includes restoring the purchasing power of the Fuel Allowance, and extending it to recipients of the Working Family Payment. A feasibility study of a social tariff should also be commissioned to explore whether this could be a targeted, flexible mechanism to support people to afford energy in a time of price volatility.
- We are seeing high levels of inequality in energy deprivation, so it essential there are sufficient actions in place to target groups with the highest levels: we are particularly concerned about the situation for children, for one parent families, people with disabilities, the unemployed, and renters. Innovative schemes such as providing free solar panels for people on the Vulnerable Customer Register are an example of the types of schemes that should be built on and replicated.
- It is imperative that the government addresses the need for wraparound energy advice that supports people facing energy poverty and crisis situations (such as high arrears, self-disconnection, energy poverty impacting health), as well as supporting people onto an energy efficiency pathway. We are seeing the impact of a lack of advice, including in how to use technologies such as heat pumps. This need is only going to grow as we go through the energy transition.
- Whilst recent years has seen important developments within the energy retail sector, we believe many challenges remain, including how to support prepay customers and the consistency of support for people facing high arrears (currently, energy hardship funds provide significant support, but are not a guaranteed solution going forward).

We are disappointed there has been no progress to extend the definition of a Vulnerable Customer through legislation, or use of the pledged €10 million to support prepay customers: we hope to see these gaps in support addressed in the next plan.

- There needs to be a focus on boosting the capacity for consumer advocacy and dialogue, at every level of the energy system. We believe this needs to include greater representation on the energy poverty steering group, a statutory consumer advocate for the energy sector, a consumer protection strategy, and a programme of research into lived experience and upcoming challenges.
- The next iteration of the plan should include a vision and commitment to end the hardship cause by energy poverty. This should build towards the introduction of a statutory target. This moment of energy transition should be harnessed to end people having to go without the energy and warmth they need at home. Once research and recommendations on metrics have been published, the government should introduce a legal commitment to end energy poverty.

Alongside our recommendations, where relevant, we have indicated in which section of the EU Commission Recommendation on energy poverty that we believe our proposals would lead to stronger alignment with.

## **Implementation of Legal Framework**

- 1. Energy poverty has been defined at the EU level, identifying low income, low energy efficiency and high energy expenditures as the main factors. What other factors would you include in a national definition? Which of these do you think is the most important to include in a national definition?**

The three factors identified by the EU commission cover the three facets that contribute to energy poverty: costs, efficiency, and incomes. However, the phrasing does not encompass some experiences of energy poverty that we see at SVP.

For example:

- While many people in energy poverty may have high energy expenditure due to, for eg. Health requirements, or poor energy efficiency, some people would have very low energy expenditure: those that are fearful of bills so are cutting back far below healthy levels, and those that simply don't have money left to top up their prepay meter. This group also needs to be recognised as energy poor.

- While low energy efficiency may be common to most people in energy efficiency, it is still possible to be in energy poverty – ie. Unable to access the energy you need – at high levels of energy efficiency, if incomes are low and energy costs are high enough to make energy unaffordable to that household. <sup>1</sup>

We would therefore recommend a national definition of energy poverty focused more on the outcome and experience of going without sufficient energy (for example using the energy related deprivation items collected annually through the Survey of Income and Living Conditions) . There is no one contributing factor that is more important to include in a definition: ultimately, energy poverty is the experience of having to go without the energy you need to stay safe, warm, and healthy due to cost or other exclusions.

## **Meeting the Cost of Energy**

### **1. What barriers do you believe are preventing customers from accessing affordable and reliable energy services?**

For people in energy poverty, there are significant barriers to accessing adequate energy across the three causes of energy poverty: the cost of energy, income adequacy, and energy efficiency. We address energy efficiency in further sections, so here focus on the role of the cost of energy/navigating the retail market, and people’s incomes.

It is important to note that since the onset of the price crisis there have been developments and progress made which have made a significant difference to people’s lives. Hardship funds from suppliers, distributed in different ways including by SVP members, have brought real, tangible relief to people, reducing arrears amounts and enabling people to meet their essential energy needs. This in turn allows people to meet their other essential needs, such as paying for food and housing costs. From a concerning low base, there has also been a rapid increase in the numbers on the Vulnerable Customer Register, which shows the importance of making people aware of their rights and protections.

The cost of living payments from government have been welcomed and much needed by households SVP members visit, and in many cases enabled people to pay a bill that otherwise would have been entirely beyond a household’s means. Supports such as these reduced the distress brought about by the cost of living crisis. However, there is still much

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<sup>1</sup> [Publications | Minimum Essentials Budget for Ireland \(budgeting.ie\)](#)

work to be done to ensure that people are able to access their essential energy needs. Below, we highlight that income inadequacy is a key barrier people face, and the following table touches on facets of the retail market that can present barriers (*Table 1: Barriers in the energy market*).

### *Income adequacy after a period of high inflation*

Currently, the main support for household energy costs is the Fuel Allowance, along with the Household Benefit Package (HBP). To a lesser extent, there are also individualised supports through Heating Supplements or Additional Needs Payments (ANPs).

Whilst social protection payments such as the Fuel Allowance and HBP make a significant contribution to people's energy costs, recent increases have been in the form of temporary uplifts meaning there is no certainty of the level of support households can expect after the next budget. The opposite of an energy guarantee, this leaves people in limbo about the extent to which they will be able to afford one of their essential needs. Leaving the level of Fuel Allowance down to Budgetary negotiations in Autumn does not sufficiently respect the dignity of recipients.

To support people to have sufficient income to escape energy poverty, core and ongoing rates of social protection must be restored – the Parliamentary Budget Office warned about temporary uplifts leaving core inadequacy in response to budget 2024.<sup>2</sup> We recommend:

- The purchasing power of the Fuel Allowance must be restored if people who receive it are to be able to pay for the energy they need to stay warm and well.<sup>3</sup> The base rate of the FA payment has not increased in favour of lump sums which are not guaranteed year-to-year, this means the FA has become devalued against energy costs. Without sufficient income people have no choice but to go without energy, cut back somewhere else (often the food bill, in SVP's experience), or rack up utility debt. We recommend increasing the FA by €680.40 annually, as we recommended for Budget 2024.<sup>4</sup>

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<sup>2</sup> [PBO Publication 36 of 2023 \(oireachtas.ie\)](#)

<sup>3</sup> The MESL Research Centre at SVP have calculated the loss of purchasing power of the Fuel Allowance against people's energy needs at a variety of BER levels. They calculate that for a household living in a C2 property, in 2020 the FA would have met 45.1% of their needs – in 2023, the FA only meets 26.6% of energy needs. Available here: [The cost of adequately heating the home \(budgeting.ie\)](#)

<sup>4</sup> [Final-PBS-2024.pdf \(svp.ie\)](#)

- The Fuel Allowance must be extended to recipients of the Working Family Payment. This would benefit at least 100,000 children who live in these families<sup>5</sup>.

We have also seen progress in the availability of payments for energy through Additional Needs Payments, including the clarification that payments can be made to prepay customers (though it would be beneficial to see the extent to which this has been utilised due to the application requirements). We have seen timelines for payments processing come down which is welcome. However, the scale of the increases do not match the escalation of need, as seen by SVP, MESL data and in national deprivation statistics. We also think much more could be done to make sure eligible recipients are aware of Heating Supplements, which can provide ongoing support to people with particular needs for heating.

- The availability of payments for energy through the ANP scheme or Heating Supplements need to be increased. For example expenditure through the ANP scheme on bills was €1.1 million in 2021 and €1.8 million in 2022. This compared to expenditure by SVP on energy of €4.2m in 2021 and €7.1m in 2022 (SVP data on 2023 expenditure not available yet). Awareness needs to be raised, and the application process streamlined – especially for people whom the Department for Social Protection already holds their information as they receive another payment and have already satisfied a state means test.

### *Barriers in the energy retail market*

#### *Customers with high arrears and prepay customers*

There are two groups who we believe are currently receiving inconsistent levels of support: customers with high energy arrears, and prepay customers. Whilst there have been developments from suppliers and the wider retail market, such as the welcome relaunch of the ‘Energy Engage Code’ from EAI, as well as the government ‘Stay Warm and Well’ campaign, there now needs to be further regulation to make sure these groups are consistently receiving every support available to them. Our report from March 2023 ‘Warm, Safe, Connected?’ details our perspective in supporting both bill-pay and prepay customers.<sup>6</sup> Our primary concerns for prepay customers is the impact of self-rationing to very low levels of energy use, including going without energy for extended periods – this continues to be a

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<sup>5</sup> [Report February 2023 \(svp.ie\)](#)

<sup>6</sup> [Report February 2023 \(svp.ie\)](#)

widespread challenge seen regularly by SVP members and must be addressed as a priority through policy, regulation, and supplier practice.

- The €10 million fund pledged in the current EPAP, which was to be used to support prepay customers, should be used to fund a programme of work to specifically support prepay customers, including research into the challenges prepay customers face and how they can better be supported (through regulation, supplier practices, and other support services), and direct funding of support such as voucher schemes or credit waivers.
- Challenges such as high regular amounts or initial lump sum payments expected for those in energy arrears, or continued self-disconnections for prepay customers, need to be addressed with urgency, including a transparent assessment from the CRU of practices – good and bad – currently taking place in the market. New requirements for repayment affordability assessments and proactively supporting prepay customers then need to be incorporated into the supplier handbook. Our full recommendations are detailed in the second part (Regulation and Practice: Consumer Protection during a price crisis’) of our report ‘Warm, Safe, Connected?’.<sup>7</sup>

### *Other barriers in the market*

We have noted some of the barriers in accessing energy within the retail market in the table below. The first two columns are taken from a UK government paper produced by the Service Communities Team in the Government Digital Services: ‘*Developing a framework for inclusive services*’.<sup>8</sup> It sets out 11 ‘universal barriers’ that can be used as lenses to assess inclusivity within any service. In the third column we have focused on experiences within the retail market, rather than people’s experience of energy more widely which would include advice on retrofitting, etc.

Some of the barriers we mention are explored in research SVP commissioned in 2023 called ‘Keeping the Lights on: Pathways through energy hardship and support’.<sup>9</sup> Through a survey and focus groups, this research presented insights into how people navigate struggling with the costs of energy and sought support from different places, such as suppliers, government services, or different voluntary sector supports.

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<sup>7</sup> [Report February 2023 \(svp.ie\)](#)

<sup>8</sup> [universal barriers - short summary .pdf - Google Drive](#)

<sup>9</sup> [Keeping-the-Lights-On.pdf \(svp.ie\)](#)



Table 1: Barriers in the energy market

<b>Taken from 'Developing a framework for inclusive services'<sup>10</sup></b>		<b>SVP's perspective on how this barrier plays out amongst people in energy poverty in the retail market.</b>
<b>Name of barrier</b>	<b>Description of barrier</b>	
<i>Time</i>	<i>eg to gather information, fill out forms, travel, spend time on the phone, wait for a response</i>	People facing multiple challenges at once, eg. Rent arrears at the same time as utility arrears, or trying to line up financial assistance (from DSP or, eg. SVP) at the same time as negotiating with a supplier. Feelings of panic and urgency when notices of disconnection are sent with deadlines for repayment.
<i>Finance</i>	<i>eg to risk a fine, to pay a fee, to get the bus, to use the phone, to be away from work, to risk other benefits</i>	Financial barriers present in multiple ways in accessing energy: day to day money to keep a prepay meter topped up, month to month budgeting to pay energy bills, including shock bills or unexpected arrears. Ability to negotiate a repayment plan, practice of suppliers negotiating up front lump sums. Balancing debt repayments to multiple lenders. Unexpected income hits or outgoings in mean people have to prioritise a payment other than energy (eg. A funeral, a rental deposit).
<i>Access</i>	<i>eg to an office, a printer, a computer, a Citizens Advice bureau or a photo booth</i>	Access to energy-specific advice is extremely limited. When using a new technology such as a heat pump, access requirements to support for this new technology are currently a significant gap – and things like in house displays and understanding how best to use thermostats (if they are working/present) are variable. Access to new offers, such as ToU tariffs, smart meter data, or even accessing 'standard' tariffs if someone has significant debt, is not guaranteed to all customers. Not all customers have their own energy meter, or are allowed by the landlord to make their own energy choices.
<i>Interface/</i>	<i>eg ability to talk face to face,</i>	Access to face to face support is much more limited to speak to, for eg. DSP CWS, and applications for an ANP require

<sup>10</sup> [universal barriers - short summary .pdf - Google Drive](#)

<i>Interaction Capability</i>	<i>computer skills, verbal ability, handwriting</i>	<p>significant amounts of evidence. Phone lines to suppliers are often busy. Digital access varies in its inclusive design. Price comparison, for eg. Is almost exclusively online, and discounts applied for online management.</p> <p>People often have to repeat their circumstances to multiple people, whether different customer service advisors or different organisations, which can be extremely emotionally taxing.</p>
<i>Self Confidence</i>	<i>eg belief in ability to understand a process, complete complex tasks or deal with uncertainty</i>	<p>Confidence to switch between tariffs or choose the best deal is limited by the risk and uncertainty it poses to people on low incomes – people will often choose to stay in the same situation. When dealing with a new technology such as heat pump, or new ToU tariffs, navigating these options becomes increasingly complicated with a big financial repercussions. People can have confidence knocked if they've had a poor experience of switching or heard about a poor experience. If people have had a poor interaction with a supplier previously they may not engage with them, and try and solve a situation independently. Likewise an interaction with another support service.</p>
<i>Awareness</i>	<i>eg knowing there's a phone line to call for help, knowing the service exists at all</i>	<p>While awareness of Vulnerable Customer Registers has grown, it is from a very small base and there are still many eligible people who don't know about this essential protection. In general there is low awareness of customer protections such as lump sum repayments being optional. People on prepay meters often don't know that they could ask a supplier for help if they can't top up, or seek an ANP from the CWS.</p>
<i>Comprehension</i>	<i>eg ability to full understand spoken advice, signage at a venue, or written content</i>	<p>Bills are very difficult to understand. Tariffs are increasingly complex and only set to get more complex. Using a heat pump is more complex (at least initially) than using a boiler or solid fuel set up (eg. Difficult to know what's gone wrong if it's using a lot of electricity).</p>
<i>Emotional State</i>	<i>eg feeling psychologically</i>	<p>People are most often experiencing energy poverty in the midst of other forms of hardship and deprivation, and if they are in an emergency they will most often be in complex</p>

	<i>strong enough to take on a task</i>	circumstances. Navigating and explaining this, and making choices and financial commitments, can be very difficult. This is often why people don't engage with a supplier who they experience as threatening. It may also be why there are many people on very high energy repayment plans as people feel they need to commit to have one less thing to worry about.
<i>Trust</i>	<i>eg confident that the technology and people involved will be secure and reliable</i>	People's trust is required to seek support, either from their supplier, a government service, or another service: this can be variable, including being influenced by past experiences. Trust is also needed to disclose personal information, such as eligibility for Vulnerable Customer Protections, or personal circumstances that might be contributing to eg. Arrears.
<i>Evidence</i>	<i>eg to provide bank statements, photo identification or character witness statements</i>	Large amounts of evidence are required to access an ANP. Conversely, there is very little assessment of affordability made by suppliers when agreeing/proposing repayment plans, meaning many people make commitments well beyond their means to avoid disconnections.
<i>Enthusiasm</i>	<i>eg to try an online version of a paper form, to apply for help, to agree to a request</i>	People's enthusiasm can be dented if they have had a poor experience in the past: this can cause reticence to engage, or reticence to switch to a new supplier to try a better tariff.

The range of issues detailed in the table show the breadth of developments needed to create a truly inclusive energy market.

- We therefore recommend the CRU is required to set a consumer protection strategy that makes progress on priority areas in coming years.<sup>11</sup>

Recent years have brought consecutive crises impacting energy customers, and the Regulator has taken important action to protect customers in energy poverty and Vulnerable

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<sup>11</sup> Further details on our recommendation are available here: [Report February 2023 \(svp.ie\)](#)

customers. This has included significant measures such as moratorium on disconnections, moving all 'hardship' prepay meter customers onto the cheapest tariff and reducing the amount of arrears repaid with each prepay top up. SVP believe this rapid reactive development in consumer protections needs to be harnessed and move towards proactively planning to improve outcomes in the market for those most at risk.

For customers in energy poverty, we believe the priority outcomes for a consumer protection strategy should be:

- Customers are able to use the energy they need for their health and wellbeing.
- Customers are supported to manage their energy costs sustainably. This includes not having to cut back on essential energy expenditure or spending on other essential needs.
- Customers receive support when they need it in a way that works best for them.

We recognise that developing this strategy will require significant resources, however on the back of successive crises (the impact of the pandemic followed by inflation) we believe this is needed - not only to increase the market's resilience should another unexpected event occur, but to create increasingly equal outcomes during 'business as usual'.

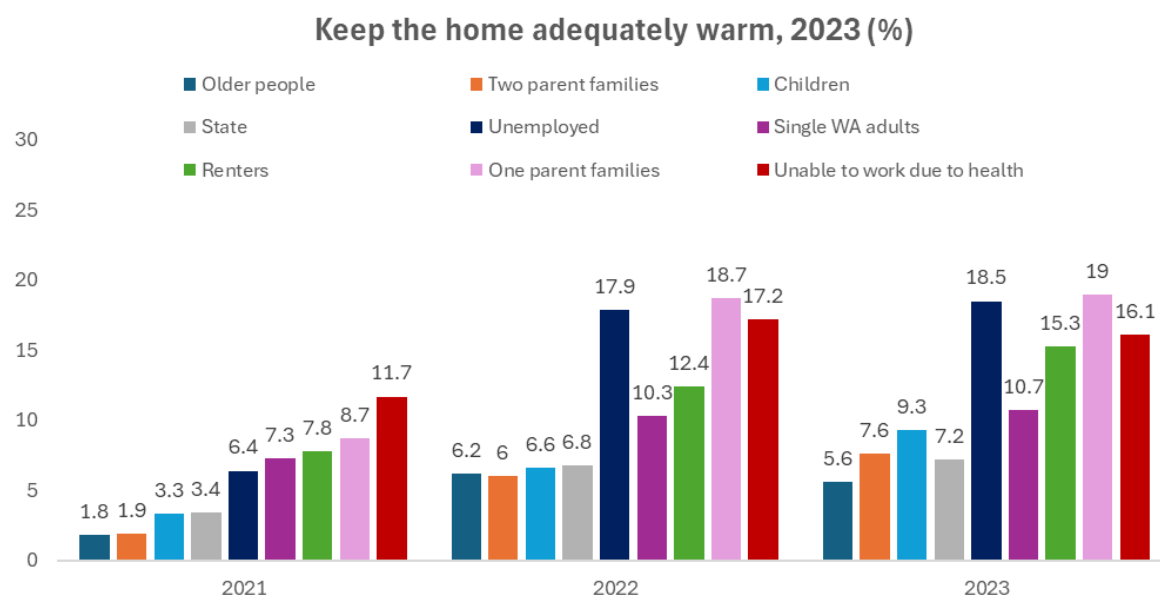
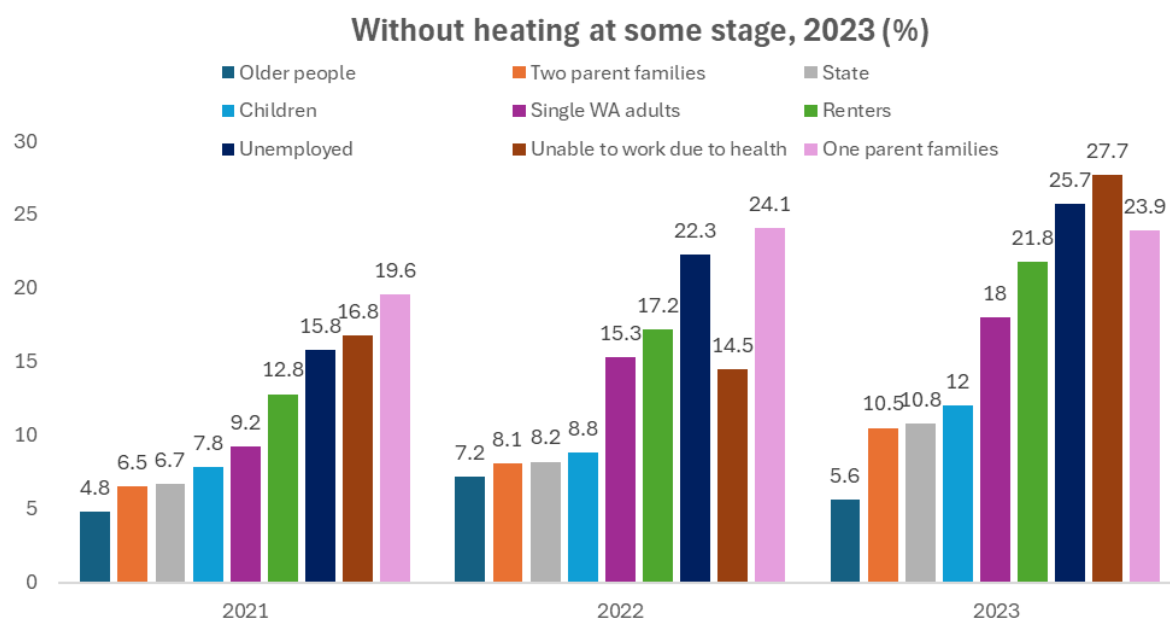
## **2. Which groups do you consider have not received enough support, up to now?**

Recent deprivation data shows the numbers and rates of energy hardship over the last year.<sup>12</sup> The data clearly shows there are a number of groups who have not received sufficient levels of support to make sure they could afford the energy they need to stay warm and well. It is important to acknowledge that many of the households who, as the graphs show, are experiencing very high energy deprivation, have received significant supports through a combination of universal and targeted payments. We acknowledge the efforts and resources from government over the course of price crisis. However in answering this question we

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<sup>12</sup> [Deprivation Items Survey on Income and Living Conditions \(SILC\): Enforced Deprivation 2023 - Central Statistics Office](#)

hope to shine a light on the groups who have still experienced energy hardship throughout the recent period – and continue to experience energy deprivation and its consequences. We cannot become accustomed to a ‘new normal’ level of energy deprivation.



Source: Survey of Income and Living Conditions, Enforced Deprivation, 2023 (CSO)

#### People unable to work due to ill-health

People who cannot work due to health or disability are at very high risk of poverty and deprivation, and this extends to energy deprivation. Over a quarter of this group had gone without heating in 2023 (27.7%), the highest rate for any demographic group, and 16.1% hadn’t been able to keep their home warm enough. Whilst there was some targeted supports

towards this group – including a targeted social welfare payment and the roll out of solar panels to some households on the vulnerable customer register – this clearly has not lead to any level of equity in the standard of living this group is able to access.

Whilst the contributing factors are complex, important factors include:

- For this group incomes will be largely contingent on social welfare policy, which is not benchmarked or indexed to the cost of living, and does not acknowledge the additional costs of living with a disability. This means people with a disability are forced to compromise on their essential needs, displayed in this year’s energy, as well as food, deprivation figures.
- People with ill health or disability can often need to use a higher level of energy, either to stay warm or to use assistive or medical equipment.

There are a number of actions the revised Action Plan should include:

- Continue to roll out, and expand, the provision of renewable technologies to households on the Priority Services register. This was a very welcome innovation that we hope to see continue. Once this scheme has the capacity, this could be advertised through (for eg. ) the DSP or HSE, and would lead to the dual benefit of lower bills and more eligible households on the Priority services register, which leads to protections from disconnection, being put on the most economic tariff, and higher visibility of support needs from the supplier.
- Likewise, innovations such as Energy Cloud should be harnessed as far as possible for people with ill health and disabilities who need to use additional energy.
- The Disability Allowance only confers eligibility to a free energy upgrade if the household has a child under 7 – this should be extended to all households who receive DA.
- The SEAI should consider incorporating criteria, such as the health impact of energy hardship being experienced by a household, into their retrofitting prioritising process (for example utilising the criteria used in the Warmth and Well-Being Programme).
- We believe there would be merit in piloting an ‘energy prescription’ type scheme, which would see healthcare providers able to offer vouchers for energy usage.<sup>13</sup>

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<sup>13</sup> [Warm Home Prescription recommended by 93% of health professionals \(catapult.org.uk\)](https://www.catapult.org.uk/news/2022/03/22/warm-home-prescription-recommended-by-93-of-health-professionals)

- It is essential that the report of the Warmth and Wellbeing pilot is published and lessons from the evaluation are incorporated into ongoing policy and delivery.
- Again, while this is beyond the remit of DECC, without additional recognition of the cost of disability within the social protection system, this group will continue to be forced into compromising on essential needs.

### *People who are unemployed*

People living in unemployed households have consistently amongst the highest energy deprivation rates – over a quarter (25.7%) went without heating at some stage in 2023, and 18.5% couldn't keep their home warm enough. The risk of these households not being able to keep their homes warm enough has almost tripled in the 2-year period between 2021 and 2023. To tackle this extremely high level of deprivation, we recommend:

- The wait for the Fuel Allowance should be eradicated for jobseekers.
- Previous recommendations on increasing the rate of the Fuel Allowance, and extending retrofitting supports available to renters, would also provide essential assistance.

### *One parent families*

One parent families are the household group most often supported at SVP, and this group consistently shows extremely high levels of energy deprivation. In 2023 almost a quarter (23.9%) of one parent families had gone without heating, and almost one in five (19%) hadn't been able to keep their home warm enough. We believe this is due to a combination of the numbers of one parent families living on very low incomes, including from employment and social protection, and also being more likely to live in rented accommodation<sup>14</sup> which tends to be of lower energy efficiency. Other cost pressures on one parent families, such as housing, also mean that too often single parents will have to juggle between essentials, and we see parents turning the heating off in order to make sure the food shop is paid for that week. We recommend that:

- The purchasing power of the Fuel Allowance is restored by increasing the annual value by €680.40<sup>15</sup> and the payment is extended to recipients of the Working Family Payment.

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<sup>14</sup> [Facts & Figures – One Family Ireland](#)

<sup>15</sup> [Final-PBS-2024.pdf \(svp.ie\)](#)

- Targeted measures to support people in energy poverty in the private rented sector need to be introduced, including an extension of free upgrades to HAP recipients (this is discussed in greater detail further on in this submission), and there needs to be greater ambition in the retrofitting of social housing.

### Children

There are extremely concerning trends for children living in homes experiencing energy deprivation. The rate for children living in homes that couldn't be kept adequately warm almost tripled between 2021 and 2022, rising from 3.3% to 9.6%. The rate for children living in homes that had gone without heating rose from 7.8 to 12%. Focussing on household composition, we can see that there are particularly worrying rates for one parent families being able to keep their homes adequately warm, with the rate rising from 8.7% in 2021 to 19% in 2023. For two parent families, the increase over three years is staggering, with 1.9% unable to keep their home warm in 2021, rising to 7.6% in 2023. The majority of households supported by SVP are households with children, so we are particularly aware of the impact of energy poverty on both children themselves, and their parents. There are serious health impacts to children growing up in energy poverty, including on respiratory health,<sup>16</sup> and there are also mental health impacts particular to parenting whilst in energy poverty.<sup>17</sup>

We believe there may be a number of mechanisms leading to these increases for children:

- Households in work who receive Working Family Payment, are not eligible for the Fuel Allowance.
- Social protection rates targeted at children have not met the recommended increases needed to provide a Minimum Essential Standard of Living in recent Budgets.<sup>18</sup>

For children, we recommend:

- The Fuel Allowance must be extended to households receiving WFP. This would benefit at least 100,00 children who live in these families.<sup>19</sup>

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<sup>16</sup> [Final-Energy-Poverty-Briefing-9-DEC.pdf \(svp.ie\)](#)

<sup>17</sup> [The impact of household energy poverty on the mental health of parents of young children | ESRI](#)

<sup>18</sup> [mesl impact briefing - budget 2024.pdf \(budgeting.ie\)](#)

<sup>19</sup> [Report February 2023 \(svp.ie\)](#)



- Social protection rates need to keep up with the cost of living and provide for households to afford a Minimum Essential Standard of Living.
- Retrofitting grants need to better target households with children. Currently, free upgrades are offered to low-income homeowners, but families with children in poverty tend not to own their own home.<sup>20</sup> Local authorities need to increase the speed at which they are upgrading the property. Importantly, the increasing number of children who are growing up in the PRS need to be included in retrofitting plans: currently, there are no strategies in place targeted at this growing group. The Warmth and Well-Being Pilot had a specific focus on children and include those who were living in social housing. Consideration should be given to the learning from this pilot and considered as part of the overall strategy by DECC and the Child Poverty and Well-Being Programme Office in the Department of an Taoiseach.

### Renters

Between 2021 and 2023 energy deprivation rates for renters increased significantly. For households unable to keep their home warm enough, the rates increased from 7.8% to 15.3%, and for households who had to go without heating at some point, the rates increased from 12.8% to 21.8%.

At SVP we see this concentration of energy poverty amongst both social and private renters, who are the groups we support most often. We often find that people are trying to manage their energy costs in the face of very low standard housing, including outdated or malfunctioning heating systems, or living with damp and mould problems. The power dynamics between tenants and landlords often means the tenant has to live with the situation. Members would often support people in the dilemma of knowing they need to keep the heating on in a damp home, concerned about the health impacts on their children or themselves, but simply unable to afford to keep the meter topped up or meet bill payments.

The lack of progress on energy efficiency standards in the private rented sector is leaving many households - including increasing numbers of households with children<sup>21</sup> as well as

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<sup>20</sup> [Final-Energy-Poverty-Briefing-9-DEC.pdf \(svp.ie\)](#)

<sup>21</sup> [svp.ie/wp-content/uploads/2022/09/Final-Energy-Poverty-Briefing-9-DEC.pdf](#)

older person households<sup>22</sup> - forced to pay over the odds for energy to heat inefficient homes they have no ability to upgrade. We detail our recommendations further on in this submission (*'Energy Efficiency' Question 3*).

### *Travellers*

It is really important to note that these statistics don't cover some groups with the highest poverty rates, including Travellers. We know that the Traveller community has incredibly high rates of energy poverty, and some members of the Traveller community were not able to access cost of living supports on the same footing as everyone else due to issues with Fuel Allowance eligibility, and the payment of electricity credits per MPRN, meaning the payments will not have reached all those who needed it. We recommend:

- Fixing the issues with Fuel Allowance identified previously by National Traveller MABS when multiple households share a bay but are only able to receive one Fuel Allowance payment.<sup>23</sup>
- Updating the Caravan Loans Scheme so that energy efficient and high quality mobile homes can be purchased, and introducing a rental scheme so that buying isn't the only option.<sup>24,25</sup>

We have provided further details on different groups of customers – including those in arrears and prepay customers – who from our perspective need greater support in answer to the previous question: *'Meeting the Cost of Energy Question 1: What barriers do you believe are preventing customers from accessing affordable and reliable energy services?'*

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<sup>22</sup> [A quarter of older renters expect to remain in the private rental sector for life Joint ALONE/Threshold Report - ALONE](#)

<sup>23</sup> <https://www.ntmabs.org/publications/development/2019/ntmabs-energy-poverty-report.pdf>

<sup>24</sup> <https://communitylawandmediation.ie/wp-content/uploads/2020/08/The-Legal-Implications-and-Lived-Experiences-of-the-Caravan-Loan-Scheme-FINAL.pdf>

<sup>25</sup>

### 3. In the areas of energy prices, meeting the cost of energy and consumer protection, what further actions do you think could be taken to alleviate energy poverty? Please provide any relevant analysis or research to support your suggestions.

A period of high and volatile energy prices has coincided with the energy market undergoing the dual transitions of decarbonisation and digitalisation. Combined, these significant shifts are impacting households in diverse and intersecting ways: some of these impacts are immediate and obvious, and some will play out in the medium-to-longer term. Our answer to this question will address both immediate actions and the much-needed strategic response to energy prices and consumer protection.

#### *Immediate recommendations*

- Restore the purchasing power of the Fuel Allowance in Budget 2025 to move away from reliance on ad payments. This will allow households to plan in confidence for their energy costs for the year. Extend the Fuel Allowance to WFP recipients to make sure people in work, and more children, are protected from energy poverty.
- If legislation is not passed to extend the definition of a Vulnerable energy customer to include low income households, an alternate mechanism should be created that offers additional protection from disconnection, and moves these households onto cheaper energy tariffs (equivalent to the Special Services register). Knowing who the customers are who are at the highest risk of energy poverty is really important to ensure that we can offer targeted supports when they are needed – this lack of visibility currently hinders the government, regulator and suppliers ability to support people. Ofgem have produced a Consumer Vulnerability Strategy which shows some options for how the market could better support these customers,<sup>26</sup> and Energy UK has a voluntary commitment amongst suppliers.<sup>27</sup>

Changes in Ireland could take the form of an extension of the Energy Engage Code which particularly recognises household circumstances. The CRU could also require suppliers to show how they seek to understand people's circumstances and take appropriate supportive action, including checking affordability of repayment arrangements.

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<sup>26</sup> [Consumer Vulnerability Strategy 2025 | Ofgem](#)

<sup>27</sup> [Vulnerability Commitment - Energy UK \(energy-uk.org.uk\)](#)

- DECC should require CRU to carry out research into the challenges facing customers in arrears, including the repayment practices being used, and to introduce further consumer protections to ensure every household is guaranteed affordable repayment arrangements. Practices such as negotiating high repayment amounts or lump sum payments for those in energy arrears should be assessed by the CRU and practices – good and bad – should be used to develop new minimum standards for the affordability checks we expect from suppliers. New requirements should then be incorporated into the supplier handbook.
- A similar assessment should take place into the challenges facing prepay customers. In GB Ofgem introduced further requirements in relation to proactively supporting prepay customers who are rationing and self-disconnecting<sup>28</sup> and qualitative research has recently been undertaken to understand the challenges they face.<sup>29</sup>
- The €10 million fund pledged in the current EPAP, which was to be used to support prepay customers, should be used to fund a programme of work to specifically support prepay customers, including research into the challenges prepay customers face and how they can better be supported (through regulation, supplier practices, and other support services), and direct funding of support such as voucher schemes or credit waivers.

*The above recommendations would support alignment with Commission Recommendation on energy poverty (EU) 2023/2407 Section II 6. And 7.*

#### *Medium term recommendations to begin now*

- Commission a feasibility study of how a social tariff could provide targeted yet flexible support to customers at risk of energy poverty.<sup>30</sup> There is currently too little targeted government intervention in the costs that these households have to contend with, instead universal electricity credits were needed, and we believe there is a clear argument for an intervention in energy prices focussed on energy poor households and households in vulnerable circumstances. A social tariff would allow precisely targeted – using the existing social protection system – and flexible support to be offered to customers most at risk of energy poverty and hardship.

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<sup>28</sup> [More help for prepayment customers and those struggling with bills | Ofgem](#)

<sup>29</sup> <https://www.ofgem.gov.uk/publications/prepayment-meter-qualitative-research-september-2023>

<sup>30</sup> [Report February 2023 \(svp.ie\)](#)

Across the EU several members states have taken steps to target support to low-income households by funding reduced energy bills, including Belgium, Spain and Portugal.<sup>31</sup> Variously these provide reduced rates for initial blocks of usage or reduction in overall bills. In the UK, Ofgem have called for ‘a serious assessment of a social tariff’.<sup>32</sup>

- Pilot a community energy advice service to fill the gap in support available to households at risk of energy poverty who need wraparound, tailored help. This advice service would address immediate energy needs (for example, repayment of arrears, navigating tariffs), using energy efficiently (but to safe levels) at home, and onto longer term, preventative measures such as accessing retrofitting grants. The current gap in available advice results in energy poor households who are: Not confident managing the energy market to get the most appropriate deal for them; Unaware if they might be eligible for payments such as an ANP, Household Benefits Package, etc; Missing out on easy measures such as lagging jackets for boilers, using heating controls or effectively, or other similar measures; Lacking awareness or confidence to apply for grants such as free Warmer Homes upgrades. The need for an additional advice service has also been called for by MABS<sup>33</sup> and the Irish Green Building Council.<sup>34</sup> The service, which could be based in a local organisation such as a C&V organisation, or a local government service, would be linked in with the relevant local and national state partners, such as housing bodies, SEAI, Citizens Information, MABS, Credit Unions, Intreo services, and utility suppliers themselves.<sup>35</sup> *This would support alignment with Commission Recommendation on energy poverty (EU) 2023/2407 Section III 12 and 13, Section VII 21 and 22.*
- DECC should work on a cross-departmental basis with DSP to consider how the Heating Supplement can be developed to better support people with ill health or a disability who are in energy poverty. This should include increasing the awareness and availability of these payments through the CWS. This development could include

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<sup>31</sup> <https://www.bruegel.org/dataset/national-policies-shield-consumers-rising-energy-prices#:~:text=On%2018%20June%202022%2C%20the,until%20the%20end%20of%202022>

<sup>32</sup> <https://www.bbc.com/news/business-64352962>

<sup>33</sup> [ENERGISEpolicybriefingpdf.pdf \(ucc.ie\)](#)

<sup>34</sup> [Bridging the Gap Between: Energy Poverty and Energy Renovation - Irish Green Building Council \(igbc.ie\)](#)

<sup>35</sup> We attach a document of international examples of advice services alongside this submission.

working with the HSE to explore the use of Heating Supplements as part of a 'Warm Home Prescription' model, as piloted in the UK.<sup>36</sup>

- DECC should require the CRU to develop a consumer protection strategy. The Department should require a more strategic approach from the Regulator into improving outcomes for customers, and particularly customers in energy poverty and those in vulnerable circumstances. Current consumer protection developments are too often reactive and the consumer voice is limited in consultations on the future of the market. It would be beneficial to have a strategy setting out how the CRU is going to support customers in energy poverty and vulnerable circumstances to improve their experience of their energy market during the digital and decarbonisation transitions. A current example is the introduction to Time of Use tariffs into the market. Equitable outcomes will not just happen – they require vision, research, and in-depth and ongoing engagement.

### *Longer term recommendations*

A statutory consumer advocacy role is sorely needed. There is a gap in expertise that brings together the consumer experience and knowledge of the current and developing energy market. This will be of great assistance to the government, the CRU, energy suppliers, and many other bodies, such as LAs, who would benefit from having a body funded to bridge the gap between technical aspects of the market and how this impacts individuals and households. Filling this gap in the discussion will be essential in coming years. As conversations develop around new forms of heating, new stages of digitalisation, etc, the voice and experience of consumers need to be heard at the table.

Recent examples of where a statutory consumer advocate would be an essential part of a well-functioning energy system include:

- Foreseeing, monitoring and advising on the impact of group and district heating systems on consumers
- Time of Use tariffs and dynamic pricing and
- Interrogation of residential pricing and the impacts of, for eg. Data centres.
- Challenging the (previously very low, as we flagged) uptake of Vulnerable customer protections

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<sup>36</sup> [Warm Home Prescription recommended by 93% of health professionals \(catapult.org.uk\)](https://www.catapult.org.uk/news/2018/09/11/warm-home-prescription-recommended-by-93-of-health-professionals)

- Assisting the government in designing rapid roll out financial support, and options around targeting, in instances of crisis such as rising prices or the pandemic
- Supporting the roll out of heat pumps and the required consumer upskilling and behavioural change.
- Advising on prepay metering, and the potential of existing and new technology to particularly support these customers.

#### 4. What gaps do you see in the current Energy Poverty Action Plan? How could we address those gaps in a revised Action Plan?

The current EPAP brought together the many actions the government carried out as an initial responses to the energy price crisis that began in 2021. It covered many aspects of energy poverty including consumer issues, income supports, and energy efficiency responses. However, there remains key gaps that need to be addressed in the revised action plan.

##### *An objective to end energy poverty*

A longer term strategy is needed with the objective to end energy poverty and a vision of how people will be supported to use the energy they need in the future. This is a missing dimension to the Action plan, and requires DECC to commit to publishing an energy poverty strategy with a clear objective to end energy poverty, that can drive progress on each action. Key areas where a longer term vision is needed to move beyond short term/one off measures are:

- There is currently very little clarity on what will happen to the Fuel Allowance, which has seen a significant decrease in purchasing power, when the government stops cost-of-living payments.
- There is little sense of how consumer protections will continue to develop and regulation will respond to longer term higher prices, and other market changes.
- Housing stock not currently accounted for: It is unclear what will happen to social housing stock not included within retrofitting targets, or a plan for the whole of the Private Rented Sector and particularly tenants in energy poverty within the sector.
- There is limited attention to the social infrastructure needed as the energy market changes – key to this is wraparound energy advice that supports people to take the actions available to them, which will be different for different groups, so that they can use the energy they need in the most efficient way possible.

### *The direct voice and experience of individuals in missing*

There has been too little space to hear the voices of individuals in the development of the Action Plan. We recommend two ways of including the voice and experience of individuals in further action on energy poverty: facilitating the participation of households, and particularly households in energy poverty or vulnerable circumstances, in the development of future plans, and increasing the amount of research, including qualitative research, that tends to people's experience of energy at home.<sup>37</sup>

## **5. Are there specific programs or initiatives from other countries that you think could be effective in reducing energy poverty in Ireland?**

Throughout our answers we have referenced international examples and best practice: we summarise key examples here:

- Social Tariffs are used in Belgium, Spain and Portugal<sup>38</sup>.
- Community energy advice services are in use throughout different EU members states and various parts of the UK: we attach a selection of case studies of services as an accompanying document.
- Scotland has commissioned qualitative research into the lived experience of energy poverty to inform its strategy to meet a statutory energy poverty target.<sup>39</sup>
- Energy upgrades are available to private tenants through the supplier Energy Company Obligation in the UK<sup>40</sup>.
- Extensions of support to customers in energy poverty and vulnerable circumstances have been progressed through a voluntary commitment<sup>41</sup> and regulatory strategy<sup>42</sup> in GB. There have also been further requirements in relation to proactively supporting prepay customers who are rationing and self-disconnecting<sup>43</sup> and qualitative research undertaken to understand the challenges they face<sup>44</sup>.

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<sup>37</sup> An example of this is research commissioned by the Scottish Government to inform their energy poverty strategy: [Research into the lived experience of fuel poverty in Scotland \(www.gov.scot\)](https://www.gov.scot/research/publications/fuel-poverty-research-2021/)

<sup>38</sup> [National fiscal policy responses to the energy crisis \(bruegel.org\)](https://bruegel.org/2022/03/national-fiscal-policy-responses-to-the-energy-crisis/)

<sup>39</sup> [1. Introduction - Lived experience of fuel poverty: research - gov.scot \(www.gov.scot\)](https://www.gov.scot/research/publications/fuel-poverty-research-2021/)

<sup>40</sup> [SVP Submission to EEOS 2021.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/94444/SVP-Submission-to-EEOS-2021.pdf)

<sup>41</sup> [Vulnerability Commitment - Energy UK \(energy-uk.org.uk\)](https://www.energy-uk.org.uk/vulnerability-commitment/)

<sup>42</sup> [Consumer Vulnerability Strategy 2025 \(ofgem.gov.uk\)](https://www.ofgem.gov.uk/consumer-vulnerability-strategy-2025/)

<sup>43</sup> [More help for prepayment customers and those struggling with bills | Ofgem](https://www.ofgem.gov.uk/more-help-for-prepayment-customers-and-those-struggling-with-bills/)

<sup>44</sup> <https://www.ofgem.gov.uk/publications/prepayment-meter-qualitative-research-september-2023>



- Different approaches to Energy Poverty targets have been taken in England, Scotland, and Wales, including a statutory target in Scotland. Further detail is provided in Appendix 1.

## **6. How can smart energy solutions be integrated into the Energy Poverty Action Plan in a way which supports sustainability and environmental considerations?**

We are pleased to see this question included as it recognises there are risks to technology being rolled out without adequately addressing the different needs of different groups. In order to be effective and fair, smart solutions must be introduced with the adequate preparation to make sure policy, regulation, and practice protects everyone, and helps everyone to reap the benefits equally.

Smart energy solutions encompass many new technologies, some of which we will become familiar with as part of our energy usage at home, and some that may not be relevant to us, or may operate in the background without us having to manage them ourselves. We believe there needs to be further stakeholder engagement and research commissioned to make sure new smart energy solutions are being assessed as to how they will impact different households. This should include assessing potential harms, analysis of mitigation, and steps taken to ensure customers benefit equally. We believe there are aspects of policy, practice and regulation around developing technologies that are not currently incorporating the needs and perspectives of households in energy poverty. Significant investment in research, advice, information and support for low income and energy poor households is required to ensure that people have the tools to adapt to new technologies.

Of most relevance currently are:

- Smart meter data, how it is used by households, and how it is used by suppliers (for example, how it can be used to detect households self-rationing energy in order to offer support).
- How Dynamic and Time of Use tariffs (and new tariffs more widely) are used or impact differently by different households. We responded to the CRU consultation

with recommendations to mitigate potential harm, and were disappointed that our key recommendations were not implemented.<sup>45</sup>

## Energy Efficiency

### 1. How can renewable energy solutions be integrated into the Energy Poverty Action Plan in a way which supports sustainability and environmental considerations?

We welcome the progress that has been made in offering solar panels to customers on the Vulnerable Customer/ Priority Services Register, and look forward to seeing this develop and hopefully expand. We recommend that solar panels are included as a measure in Better Energy Warmer Homes free upgrades. *This would support alignment with Commission Recommendation on energy poverty (EU) 2023/2407 Section VI 18.*

This is a simple way to reduce the amount of energy low income households need to pay for, boosting financial resilience and energy security of these households – this is a win-win for energy poverty and climate action policies. We also recommend that the Department of Housing through Local Authorities consider installing solar panels on social housing to benefit tenants. This could follow the model of ASTER in Flanders, Belgium, which is funding the installation of almost 400,000 solar panels into 50,000 social homes.<sup>46</sup> Developed during the energy price crisis, this project moved rapidly from pilots to full roll out. Tenants pay below the market rate and the social tariff that is available in Flanders, meaning there has been an immediate lowering of bills for social tenants.

Research into the roll out of solar panels in council housing in England<sup>47</sup> shows the dual social/environmental benefits of microgeneration: residents became active energy ‘prosumers’, but also benefited from reduced energy poverty, with one resident stating: *“Where the electricity’s concerned...the amount of times [I used to think], ‘Oh is it going to last, is it going to last?’.... In the stress levels...it works wonders because...I know it’s going to be fine until tomorrow...these aspects are major, major improvements for us.”* However, the research also shows that there is a journey of building trust and knowledge once panels

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<sup>45</sup> [Time-of-Use-Tariffs-SVP-Submission-August-2023.pdf](#)

<sup>46</sup> [How to fight energy poverty: free solar for social housing | World Economic Forum \(weforum.org\)](#)

<sup>47</sup> [Are solar panels worth it for lower-income households? \(brighton.ac.uk\)](#)

are installed, and that policymakers and practitioners have a lot to learn from residents about how new programmes can be successfully rolled out.

Further evidence to support this case is recent research by the MESL Research Centre at SVP which examined the minimum energy needs of different household types at a variety of BER levels.<sup>48</sup> The results clearly showed that increasing energy efficiency clearly reduced energy poverty experienced by households, however, for many household types, energy poverty remains even at the highest BER levels. This shows that additional measures, such as microgeneration, along with enhanced income supports, will be needed to alleviate energy poverty for some groups.

In addition, without measures to support installation of microgeneration amongst those on low incomes and in energy poverty this will become an area of increasing polarisation and inequality, with higher income households eventually investing in their own solar panels/renewable technologies and the benefits of energy security, and lower income households being left behind.

**2. The Government is acutely aware of the need to balance the support available under the Warmer Homes scheme and the waiting times for that support. Do you think the scheme could be adapted in any way to better target the support so that we can achieve that balance? Are the current eligibility criteria still appropriate? Please provide references to any relevant material that would support your response.**

Free energy upgrades are a keystone of the EPAP's long term mitigation of energy poverty, and we welcome the continued investment in the number of people reached, and the depth of measures offered through this scheme. It is a tribute to the generosity of the scheme that so many people have applied, and will at some point receive significant improvements to their housing situation. However, with significant waiting times for free upgrades, it seems an appropriate stage to consider whether there should be further prioritisation criteria of households on the waiting list. An examination of the existing waiting list would be needed, but there could be prioritisation based on the depth or impact of energy poverty being experienced, such as particular health impacts, or depth of energy poverty. Lessons from the

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<sup>48</sup> [Minimum Household Energy Need \(budgeting.ie\)](https://www.budgeting.ie/minimum-household-energy-need)

Warmth and Well-being pilot scheme could be used to inform this approach. Any potential adverse impacts would need to be considered, such as increasing waiting times for household not prioritised.

Research has shown the benefits of allocating funding to upgrade houses which are primarily heated by solid fuel for heat pumps.<sup>49</sup> Geographically, high solid fuel use corresponded with high deprivation ratings and high energy poverty indications. Considering the health implications of solid fuel use, there seems to be clear merit in affording prioritisation to households who are reliant on this form of fuel.

For households facing significant waiting times for upgrades – some of whom will be experiencing acute energy poverty such as not keeping up with bills, or health consequences from a cold home - a community energy advice service could provide suggestions an assistance on interim measures to reduce energy usage, or for the installation of quick win measures such as draft exclusion.

In terms of the current eligibility criteria we recommend extension to households on the Working Family Payment (for whom we recommend Fuel Allowance eligibility is also extended) and all recipients of Disability Allowance (not just those with children under seven). This would increase the households with children who are reached by this programme.

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<sup>49</sup> [Hitting the hotspots – Targeted deployment of air source heat pump technology to deliver clean air communities and climate progress: A case study of Ireland - ScienceDirect](#)

**3. The Government has put in place several supports for landlords (including a range of grants, a tax incentive, and the forthcoming home energy upgrade loan scheme) to upgrade the efficiency of their rented properties. Are there other measures (acknowledging the challenges facing the housing sector) that the Government could take that you think would further support upgrades in the private rented sector? Please provide references to any relevant material that would support your response.**

As expressed in numerous submissions to government consultations, we believe measures must be introduced that target energy poverty within the private rented sector. The measures named in the question, while important pieces of the puzzle, are not targeted towards reducing energy poverty. This means that there is increasingly a risk of divergence of standards in the sector.

As a first step towards tackling energy poverty in the private rented sector, we reiterate our calls to pilot an extension of free upgrades to private tenants, subject to a long term lease. We fully appreciate the complexity of introducing new regulations – SVP directly supports people suffering the consequences of a highly pressurised private rented sector, however, announcing upcoming minimum standards in Housing for All 2021, with no further information, does not provide the clear communication and stable pathway needed by the sector. Our full recommendations are available in Warm Housing For All, jointly published with Threshold in 2021.<sup>50</sup>

While there has been some measures implemented to support the private rented sector to decarbonise, these have been nowhere near the scale or depth required to make a significant difference. Importantly, none of the measures taken to intervene in the energy efficiency of the PRS have been targeted measures to tackle energy poverty.

Due to the split incentive, a much more significant, whole of government, intervention is needed. We note that in DECC's evidence to the JOC on Social Protection, the Department stated that it is their belief that the tax incentive (despite very low take up), and the upcoming low cost loan scheme, together constitute 'addressing the key issues in the rental sector'.

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<sup>50</sup> [Warm Housing for All 2021.pdf \(svp.ie\)](#)

Neither of these issues tackle the particular needs and inequalities facing tenants in energy poverty. For example, the tax relief for landlords, while welcome is not a targeted incentive for those landlords with tenants in energy poverty, and has had a low uptake so far<sup>51</sup>.

We also note that DECC is awaiting further research from the ESRI on this subject. We hope that upon receiving this research, the department and the government quickly moves towards a much more comprehensive strategy to tackle this situation. The reality is that the longer DECC, and the government, fail to act, the greater the gap in standards will become, and the harder it will be to close the gap.

SVP, with Threshold, warned in 2021 of the need to have a significant lead in period of engagement and communication with landlords before the implementation of minimum energy efficiency standards: this hasn't been in place to our knowledge. In the intervening period there has been an energy price crisis that has seen arrears levels rocket, alongside significant government cash support, and support via organisations such as the SVP, to people in energy poverty. A long term strategy is needed for the PRS, and this being a complex challenge that requires balance and compromise, cannot be a reason to simply not proceed. As part of good governance and public accountability, the government and DECC should clearly signal the next steps for the sector and its plan to support people in energy poverty who increasingly live there.

A complementary measure that could be put in place is to use the Energy Efficiency Obligation Scheme to fund measures in the PRS. In the UK the 'Energy Company Obligation' scheme allows private tenants to avail of funding for upgrades (depending on the energy efficiency rating of the property the measures that can be carried out in the PRS are subject to some limitations<sup>52</sup>). The relevant local authority for the tenant has the power to make a declaration to energy companies that a particular household should be eligible for grant support. The local authority can declare in writing that a household is living on a low income and is either particularly vulnerable to the effects of a cold home or is living in housing that

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<sup>51</sup> [Joint Committee on Social Protection, Community and Rural Development and the Islands debate - Wednesday, 14 Feb 2024 \(oireachtas.ie\)](#)

<sup>52</sup> Full details are available at page 41 of the Delivery guidance notes [https://www.ofgem.gov.uk/system/files/docs/2021/03/eco3\\_guidance\\_delivery\\_v1.6.p df.](https://www.ofgem.gov.uk/system/files/docs/2021/03/eco3_guidance_delivery_v1.6.p df.)

cannot be kept warm at a reasonable cost.<sup>53</sup> SVP believes this would be a useful system to explore for the Irish context, for example by including tenants in receipt of Housing Assistance Payments.

*This would support alignment with Commission Recommendation on energy poverty (EU) 2023/2407 Section V 14.*

## **Research**

### **1. What best practice regarding research on energy poverty (e.g. dissemination, public engagement, mechanisms for continuity) should we consider?**

It would be useful to have wider stakeholder engagement on what research is upcoming, and how previous research has informed policy development. This could function through a subgroup of the energy poverty steering group, with contribution from the C&V sector, or other representative of households and consumer perspectives (please see response to governance question below). For a wider audience, it could be useful to have a specific presentation on the planned and completed research, and how this has been used to improve policy and regulation in order to reduce energy poverty.

### **2. Besides the Economic Social Research Institute's (ESRI) research programme into Energy Poverty, which generally covers measurement and targeting, what other areas do you think should be investigated/researched?**

There is much essential research underway on the energy transition, including the ESRI's programme looking at the measurement and targeting of government interventions on energy poverty. However, we believe there are two aspects of energy poverty that are not yet being adequately explored: people's lived experience of being in energy poverty (for example, prepay customers rationing energy). The second area we believe needs further research is analysis of how future developments are going to impact how households consume energy (for example, significant roll out of heat pumps, district heating, time of use pricing). A key piece of research under this strand is to commission a feasibility study of how

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<sup>53</sup> details here: Energy Company Obligation 3: local authority eligibility guidance [Energy Company Obligation 3: local authority eligibility guidance \(publishing.service.gov.uk\)](#)

a social tariff could act as a targeted, flexible mechanism to insulate low income households against price volatility.

These two issues each require a dedicated programme of research to inform future policy. Without the required understanding of how people experience energy use at home, and how this is going to change, there will not be a successful social transition towards decarbonisation and digitalisation. The economic and technical changes already playing out will either not fully succeed, or will proceed very unequally. This will potentially cause harm to groups already experiencing poverty and exclusion.

### *Suggested area of research: lived experience*

In recent years both the number of people experiencing energy poverty, and the depth of energy poverty, has increased significantly. This has highlighted that there are many different groups that experience and struggle with energy in many different ways. It is important that we further understand the nuances of this so that we can improve policy, practice, and regulation going forward. This is particularly important as there is still a lot of change to come in how we use energy: we need to start with a more thorough understanding of the current situation. We make four suggestions below.

#### A. Prepay customers

It has been clear that prepay customers are at an extremely high risk of going without energy compared to bill pay customers: many factors influence periods of self-rationing and self-disconnection. The financial dimensions to this has been clear over the past two years, as price rises are immediately reflected in needing to find more money to top up, rather than the lag of the billing period, with opportunities to negotiate repayments. It has also been clear that there are both technical limitations in how to help people (eg. What changes we can make to prepay meters) and limitations due to market norms, such as whether a prepay customers would think to call a supplier and ask for help. Suggested research: understanding the experience of prepay customers over the last two years including practices of self-rationing and self-disconnection.

#### B. Repayment arrangements

SVP sees firsthand the impact of energy arrears on households: the stress and panic it can bring, and the challenge in finding a way back to stable repayments options. There is very



limited research about this in Ireland, and this limits the regulatory response to arrears. For example, there is not publicly available information on the distribution of debt amongst households, the time it takes to repay arrears, the range of outcomes for customers in debt, or the longer term impact of arrears. We therefore suggest that urgent research begins on how customers navigate solutions to energy arrears, paying attention to the capabilities and limitations for different households.

#### C. Experience of private rental households on managing their energy use

There are specific challenges facing private rental households in navigating the energy market, and making sure they have adequate heat and energy at home. This varies from how much control they have over who their supplier is or whether they can switch between bill pay and prepay, metering arrangements in the building, to the amount of energy required by their house: the age and efficiency of appliances and heating systems. This will also vary by the household set up, whether it is in an individual, family, or shared house. This presents particular challenges that it would be useful for regulators and suppliers to learn more about. Suggested research: understanding the particular challenges private tenants face when managing energy use at home.

#### D. How households in energy poverty are experiencing new technologies.

The introduction of new heating sources in the Irish market, including the roll out of heat pumps and the introduction of group and district heating schemes, pose challenges as well as benefits to households. In SVP's experience there has been a lack of clarity around the support needed by households in energy poverty, and this has led to people facing challenges that should have been foreseen. Research should now be commissioned to understand people's experiences so far in order to inform the policy and regulatory frameworks that should protect customers in the future.

In particular, research into the experience to date of group/district heating customers should inform the introduction of regulations for the district heating sector, preparation for which is currently being undertaken by the CRU. SVP members have supported households facing hardship as a result of extremely high costs, arrears repayment practices, and disconnections, whilst these households have not had the same essential protections as gas and electricity customers including customers in vulnerable circumstances. Without learning from these households' experiences future protections will miss essential insights.

For some households we have supported who have had new heat pumps, challenges around installation and/or adapting to an entirely new technology and way of heating the home have highlighted the lack of dedicated energy advice service, and the lack of strategic foresight into how this technology would particularly impact households in energy poverty, including prepay customers. Research should inform the ongoing rapid roll out of heat pumps.

### *Analysis for future issues impacting consumers – opportunities and threats.*

Currently, there is limited research which looks at how households (in particular households in energy poverty and in vulnerable circumstances) will be impacted by, and will navigate, the changing energy landscape. This includes changes resulting from decarbonisation and digitalisation, as well as the volatility in prices recently witnessed. Below, we indicate some areas of policy research that we believe are needed.

#### **Decarbonisation**

- Heat pump use and experiences of different households post-installation
- Group and District heating schemes and how people have experienced them so far, and best practice as the industry is regulated.
- Phase out of fossil fuel boilers and how this will impact households.

#### **Digitalisation**

- Dynamic and Time of Use tariff pricing and potential benefits and risks to different household types.
- Smart meter data– potential benefits and barriers for different households and how regulation and supplier practice can help share the benefits.
- Increasingly online energy market (eg. Price comparison websites) and intersection with digital literacy

#### **Future of energy pricing**

- Role of social tariffs (further detail below) or other price interventions from government.
- The development of the wider energy landscape (eg. Data centres, grid upgrades, etc) and how these costs may impact on residential pricing.

We recommend DECC commission a feasibility study of how a social tariff could provide targeted yet flexible support to customers at risk of energy poverty.<sup>54</sup> There is currently too little targeted government intervention in the costs that these households have to contend with, instead universal electricity credits were needed – we believe there is a clear argument for an intervention in energy prices targeted at energy poor households and households in vulnerable circumstances. A social tariff would allow precisely targeted – using the existing social protection system – and flexible support to be offered to customers most at risk of energy poverty and hardship. Across the EU several members states have taken steps to target support to low-income households by funding reduced energy bills, including Belgium, Spain and Portugal.<sup>55</sup> Various these provide reduced rates for initial blocks of usage or reduction in overall bills. In the UK, Ofgem have called for ‘a serious assessment of a social tariff’.<sup>56</sup>

### **3. The ESRI will provide metrics to measure the number of people experiencing energy poverty and the impact of it on them. In your view, what specific indicators will be helpful in monitoring the success of the Energy Poverty Action Plan over time?**

We look forward to seeing the metrics recommended by the ESRI to measure energy poverty. In the meantime existing indicators, such as from SILC, can show areas of progress or regression and should be used to show the overall direction of travel of efforts to tackle energy poverty. Once the report from the ESRI has been given to government, we recommend that a statutory target on energy poverty should be introduced, with the ultimate ambition to end energy poverty. Below we provide suggestions of what could be included in a dashboard of metrics that could help to monitor the success of the Action Plan.

#### *The number of people*

It will be important to understand the number and rates of people experiencing energy poverty broken down by demographic characteristics, as provided in SILC datasets. It will also important that measurement of energy poverty in groups currently not included in

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<sup>54</sup> [Report February 2023 \(svp.ie\)](#)

<sup>55</sup> <https://www.bruegel.org/dataset/national-policies-shield-consumers-rising-energy-prices#:~:text=On%2018%20June%202022%2C%20the,until%20the%20end%20of%202022>

<sup>56</sup> <https://www.bbc.com/news/business-64352962>

national surveys, such as some Travellers, or people living in homelessness accommodation, are accounted for.

### *The impact on people*

SILC deprivation indicators provide clear insight into the lived experience of energy poverty, and provide an annual measurement of what outcomes people are experiencing (however, we note that SILC survey does not capture everyone).

Deprivation indicators should be complemented by further information on the depth of energy poverty amongst different household types and characteristics. Where possible further information on energy use, behaviour and outcomes should also be explored: such as use of different energy products, access to advice when needed, health impacts, etc.

## **Communications and Governance**

### **1. How can we better communicate our work in the area of Energy Poverty to all stakeholders?**

We recommend DECC lead on:

- Continuing to hold the annual stakeholder conference which is an important chance for diverse stakeholders to come together and discuss key issues and progress.
- Introduce additional representation onto the Energy Poverty Steering Group including representatives from the Community and Voluntary sector. This would enable timely sharing of information of progress/delays in different areas.
- Publish the annual review of progress. This is important for transparency and accountability, including in areas where actions and commitments have not progressed or been delay, such as expanding the legislative definition of a Vulnerable Customer or the announced €10 million fund.

Overall, we believe there is an opportunity to move from a 'communicate to' to a 'working with' approach. As people – both those in energy poverty and others – have become acutely aware of energy prices in recent years, we are now facing a period of rapid energy transition. This could be a timely opportunity for government to trial and pilot co-creation methods with communities and people who are themselves experiencing energy poverty. Examples of this could include funding community research projects, community renewables pilots, etc.

## **2. What suggestions do you have for ensuring the inclusion and representation of diverse voices in the development and implementation of the Energy Poverty Action Plan?**

We recommend that the Energy Poverty Steering Group includes a more diverse range of voices and representatives, including perspective from the Community and Voluntary and environmental sectors.

We believe greater consideration should be given to how to incorporate people with experience of energy poverty into the creation and governance of the plan. The next iteration of the plan should include a commitment to develop these mechanisms. This will help us to understand the challenges and progress that are happening in real time, and also learn directly from people about how to tackle upcoming changes.

### **Policy design**

#### **1. In your view, how can we integrate other policies (e.g. housing, energy market regulation, income tax and income support) in our Plan to tackle Energy Poverty?**

This is a key role for the Steering Group which has representatives from the relevant government departments and agencies. Key amongst these are the Departments of Housing and Social Protection. For Housing, the retrofitting of local authority housing and progress on introducing minimum energy standards and financing in the private rental sector are the key points of integration. For the Department of Social Protection, the Fuel Allowance and other income supports, including the Community Welfare Service, are they key overlaps.

### **Closing Question**

#### **1. Are there any other matters you wish to raise in relation to Energy Poverty**

Whilst the retrofitting of Local Authority housing sits within the Department for Housing, we include our recommendation on upgrading social housing in this submission. To make sure every household at in energy poverty is accounted for within retrofitting plans, it is essential to increase the ambition of retrofitting LA homes, with a proportion of stock targeted each year. The number of local authority homes being retrofitted each year must be increased,

with 10% of the LA target upgraded next year, and the ambition to reach minimum BER levels for all LA housing within a set time period.

## Appendix 1

**Table of approaches to definition and targets for energy poverty throughout ROI, NI, England Scotland and Wales.**

	<b>Republic of Ireland</b>	<b>Northern Ireland</b>	<b>England</b>	<b>Scotland</b>	<b>Wales</b>
<b>Definition</b>	Under review <sup>i</sup>	Expenditure method	Expenditure method	Expenditure method	Expenditure method
<b>Target</b>	No target	No Target	For all fuel poor households to reach EPC C by 2030 as far as is reasonably practicable (statutory). For all fuel poor households to reach EPC D by 2025 as far as is reasonably practicable. For all fuel poor households to reach EPC E by 2025 as far as is reasonably practicable.	No more than 5% of households should be in fuel poverty. No more than 1% of households should be in extreme fuel poverty.	No households are estimated to be living in severe or persistent fuel poverty as far as reasonably practicable. Not more than 5% of households are estimated to be living in fuel poverty at any one time as far as reasonably practicable. The number of all households 'at risk' of falling into fuel poverty will be more than halved based on the 2018 estimate (i.e. an estimated 144,504 households).

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<sup>i</sup> In order to overcome the current problems with the methodology and data, a research network chaired by the ESRI has been established. The Group consists of representatives from DECC, DSP, SEAI and the Central Statistics Office (CSO). The main goal is to provide insights that enhance policy design to protect vulnerable households. A research agenda has been developed through coordinated effort of these different institutions.