

Public Consultation: Energy Poverty

Submission - TASC

3rd of September 2022

TASC - Think-tank for Action on Social Change

This submission is made on behalf of TASC, an independent think-tank whose mission is to address inequality and sustain democracy by translating analysis into action. TASC's Constitution presents its main objectives as:

- Promoting education for the public benefit
- Encouraging a more participative and inclusive society
- Promoting and publishing research for public benefit

TASC engages in research and public outreach concerning inequality, democracy, and climate justice in the current political, economic, and social environment. Through its work, TASC seeks to increase public knowledge of economic and social policy, improve working conditions, facilitate a just transition to advance climate action and protect livelihoods and communities, and more generally, contribute to positive social change in Ireland and the EU.

Introduction

TASC welcomes this public consultation and its emphasis on energy efficiency and meeting the cost of energy. If the transition to zero emissions is to be fast, it must be fair. In line with climate justice, the decarbonisation of all sectors must take a people-first approach, support the most vulnerable and marginalised, and ensure that the benefits and burdens of climate change are shared by all.

Energy poverty in Ireland has risen to 29 percent, the highest level recorded to date¹. While energy is essential for the health and wellbeing of all, recent research by TASC — *The state we are in: inequality in Ireland 2022*² — showed that lower income households have been disproportionately affected by rising inflation as they spend a larger proportion of their budget on energy costs. TASC recommends that the new Energy Poverty Strategy prioritises policies that seek to address existing inequalities and reduce both energy poverty and pollution at the same time.

In addition to this submission, TASC is a cosignatory of the recently launched <u>Joint Statement on Energy Poverty and Energy Pollution</u> led by Friends of the Earth and the <u>Recommendations for Ireland's Energy Poverty Strategy</u> led by Community Law and Mediation. Both sets of recommendations were brought together, and are based on, the extensive research carried out by several contributing environmental, anti-poverty, and community organisations across Ireland.

Q1. What further action could be taken to alleviate energy poverty through home energy upgrades? Please provide any relevant analysis or research to support your suggestions.

There is an opportunity to scale up investment in energy efficiency and retrofitting measures that specifically support those who are currently experiencing, and are most vulnerable to, energy poverty. By prioritising win-win solutions to energy poverty and the urgent need for emissions reductions in the residential sector, connected societal issues such as substandard living conditions, energy poverty-related health issues, fossil fuel lock-in, and volatile gas and oil energy bills can be tackled in tandem.

In addition to measures included in the expansion of the national retrofit programme earlier this year, TASC recommends the following energy poverty and energy efficiency interventions:

a. Address current blockages to retrofitting:

Research into blockages to retrofitting undertaken by Friends of the Earth earlier this year highlighted the challenges that low-income households face when it comes to retrofitting such as high upfront costs, a lack of awareness of available grants, and the perceived difficulty of the application process itself³. TASC echoes the call for a substantial increase in social housing retrofit targets, the prioritisation of heat pumps over fossil fuel boilers under the Warmer Homes Scheme, community-scale approaches to retrofitting, and the recruitment of Community Energy Advisors to engage with hard-to-reach citizens and those most affected by energy poverty to support them in undertaking both shallow and deep retrofits⁴.

¹ Barrett, M., N. Farrell and B. Roantree (2022). "Energy poverty and deprivation in Ireland", ESRI Research Series 144. Dublin

² Sweeney, R., Storrie, D. 2022. "The State we are in: Inequality in Ireland 2022." TASC. Available at: https://www.tasc.ie/assets/files/pdf/22054 tasc inequality in ire 2022.pdf

³ O'Connor, C. 2022. "An Examination of Blockages to Retrofitting and Heat-pump Installation in Ireland." Friends of the Earth Ireland. Available at: https://www.foe.ie/assets/files/pdf/blockages_to_r etrofitting and heatpump installation in ireland.pdf

⁴ St Vincent de Paul. 2022. "Foundations for an equal Ireland." Available at: https://www.svp.ie/getattachment/3b713953-2f4a-4e50-b81e-6a9f85fb2b10/SVP-Pre-Budget-Submission-2022.aspx

b. Introduce a sliding-scale of grants to support those who cannot afford high upfront investments:

For lower-income households not in receipt of certain welfare payments and thus not eligible for the Warmer Homes Scheme, TASC's aforementioned 2022 inequality report recommends the introduction of a sliding scale of grants⁵ based on an income assessment to encourage lower-income households that are currently locked out of retrofitting due to high upfront investment costs, to undertake home energy upgrades.

c. Support the most affected and marginalised:

Policy measures to tackle energy poverty must be tailored to support the most marginalised and vulnerable in society. Renewable energy subsidies favour those who can invest and disproportionately benefit well-off households.⁶ Rooftop solar on social housing represents an opportunity to reduce the risk of fossil fuel lock-in for low-income families. The Department should act to level the playing field and ramp up the installation of rooftop solar on social housing⁷.

Research carried out by National Traveller Mabs in 2019⁸ highlighted that Travellers living in mobile homes are unable to avail of retrofitting and SEAI grants despite Travellers being disproportionately impacted by energy poverty in Ireland. The potential for community-owned energy solutions was also highlighted in the research paper. Community-owned energy supports for Travellers and those most affected by energy poverty should be explored throughout the development of this strategy and access home energy upgrades grants for Travellers should be supported by the SEAI.

Q2. What further action could be taken to alleviate energy poverty in the rental sector? Please provide any relevant analysis or research to support your suggestions.

a. Develop and implement a dedicated retrofit plan for the rental sector:

Echoing calls made by a number of anti-poverty and environmental organisations⁹, TASC recommends the commencement of a dedicated private rental sector retrofit plan that is time-bound, resourced and adequately funded.

⁶ Stewart, F. 2021. All for sun, sun for all: Can community energy help to overcome socioeconomic inequalities in low-carbon technology subsidies? Energy Policy. Available at: https://www.sciencedirect.com/science/article/pii/S0301421521003827

⁵ See note 2 above

⁷ Friends of the Earth. 2022. Five-point plan for Government to cut bills, save energy and reduce pollutionhttps://www.foe.ie/assets/files/pdf/5_point_plan_to_cut_bills_save_energy_and_reduce_pollution_may_2022.pdf

⁸ Stamp, S., Kearns, M. 2019. "Accommodating Ethnicity: Addressing Energy Poverty Among Travellers Living in Mobile Homes and Trailers: An Exploratory Study." National Traveller MABS. Available at: https://www.citizensinformationboard.ie/downloa ds/social_policy/MABS_Energy_Poverty_Report_20 19.pdf 9 St Vincent de Paul & Threshold. 2021. "Warm Housing for all? Strategies for Improving Energy Efficiency in the Private Rental Sector." Available at: https://www.svp.ie/getattachment/b950a94b-f443-4982-a317-eee4afc7ebd8/Warmhousing-for-all-Strategies-for-improving-ene.aspx.; See note 1 above.; Friends of the Earth. 2022. "Joint Statement on

b. Involve community organisations to act as a trusted third-party:

To achieve a socially just renovation wave, particularly in the rental sector, strong tenancy rights are crucial. Research carried out by TASC in 2021 — *The People's Transition: Phibsborough*¹⁰ — recommends the involvement of a reputable third party to bridge the gap between landlords and tenants. This trusted actor would act as an intermediary whose goal is to build trust in the process and provide mutually beneficial choices to both parties where all stakeholders understand the benefit of a retrofit. This work would be well placed to be undertaken by a local retrofitting cooperative.

c. Protect tenants during the retrofit process:

Incentives to address energy poverty and energy efficiency must be split between landlords and tenants, to ensure that energy-poor households must not be left to pay the price for energy inefficient infrastructures or energy upgrades as part of reaching our climate action targets. Furthermore, to ensure that tenants are protected during the retrofit process and reduce the threat of 'renovictions', long-term leases¹¹ should be offered to tenants where deep retrofits are being undertaken by a landlord.

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? Please provide any relevant analysis or research to support your suggestions.

a. Compel energy companies to contribute, and consider nationalising a number of suppliers temporarily:

TASC recommends several possible policy instruments¹² to offset increasing energy prices and urge energy companies in Ireland to contribute to the ongoing cost of living crisis. The first is the recommendation of a windfall tax on the excess profits of energy companies. A windfall tax of 25% could be appropriate. This tax would be recycled to support customers facing unaffordable energy bills or invested into home energy upgrade programmes for the most vulnerable. The second, as an alternative, would be to regulate energy prices for the duration of the energy crisis. A number of countries in the EU have introduced a price cap since the invasion of Ukraine. Thirdly, to supplement price controls, the government should consider temporarily nationalising energy companies that may not be able to offer reduced rates to customers, for example, those who supply to the Irish market but do not produce their own energy. By bringing these companies into public ownership, the state could absorb losses that arise from price controls.

b. Support those most affected by rising energy bills:

Energy Poverty and Energy Pollution" Available at: https://docs.google.com/document/d/19YojO9t_eZqpBkS-hzR5ORcwDDYZIADuJGJsxEBiRcs/edit.

¹⁰ TASC. 2021. "The People's Transition Phibsborough: Implementation of Community-Led Development for Climate Justice". Available at: https://www.tasc.ie/assets/files/pdf/tasc_peoples_transition_phibsboro_report_f.pdf

¹¹ See note 9 above

¹² See note 5 above

TASC recommends an increase to core social welfare payments as a targeted measure to reduce the disproportionate impact of the cost of living crisis on low-income households. In addition, and in line with recommendations put forward as part of the Joint Statement on Energy Poverty and Energy Pollution launched in June of this year, TASC endorses the following targeted supports:

- The current moratorium on disconnections should be continued until Spring 2023 at the earliest
- Standing charges on energy bills should be reduced and all customers should be automatically allocated the lowest available tariff
- Ensure that the €200 electricity credit issued by the Government in April has been made available to all Traveller families
- Increase the current Fuel Allowance rate to €66¹³
- Widen eligibility for the Fuel Allowance by including those receiving Working Family Payment, removing the waiting period for those on Jobseekers, expanding eligibility to cover the specific living arrangements of Traveller families, and making it available to people on modest incomes in poorly insulated homes. A partial-rate Fuel Allowance payment should be available so it is not all-or-nothing for people just outside the eligibility criteria.

Q4. In the area of governance, research, measurement and evidence, what further action could be taken to alleviate energy poverty? Please provide any relevant analysis or research to support your suggestions.

TASC, along with 20 community organisations, has recently endorsed recommendations for a new energy poverty strategy put forward by Community Law and Mediation (CLM) in June of this year¹⁴. This comprehensive set of recommendations relate to the areas of governance, research, measurement, and evidence.

Q5. Please also provide any additional relevant information or views that you would like to submit.

a. Involve those most impacted by energy poverty in the strategy design, implementation and review:

As the Government develops a new Energy Poverty Strategy for Ireland, those who are most impacted by energy poverty must be included from the beginning of the process to the end. Low-income households, people living in rural areas, tenants and the Traveller Community are

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¹³ See note 1 above.

¹⁴ Community Law & Mediation. 2022. "Community organisations issue joint call and recommendations for a new Energy Poverty Strategy". Available at: https://communitylawandmediation.ie/change/community-organisations-issue-joint-call-and-recommendations-for-a-new-energy-poverty-strategy/

particularly vulnerable to energy poverty¹⁵ and should be included in the design of the new strategy.

b. Place a moratorium on data centre development:

The latest metered electricity consumption statistics from 2021 show that data centres now account for 14% of Ireland's energy use, a figure that is expected to rise¹⁶ significantly by 2030. The CRU has warned¹⁷ of the disproportionate strain that the growing data centre industry has on energy supply in Ireland. In the context of the ongoing energy crisis and the threat of widespread energy poverty across Ireland, a moratorium should be placed on new data centres in Ireland to avoid undue pressure being placed on vulnerable households this winter and into next year.

c. Scale up the roll-out of renewable energy, reduce existing access inequalities and prioritise community ownership models

Community energy projects result in more equitable access to renewable energy than individual household subsidies, which disproportionately benefit higher-income households. 18 The budget allocated to community energy under the Renewable Electricity Support Scheme should be increased, and communities should be supported to overcome issues relating to grid connection. 19

d. Phase out fossil fuels and pass a legislative ban on Liquid Natural Gas (LNG) infrastructure:

The Government should uphold its commitment not to develop fracked gas import terminals in Ireland has stated in the 2020 Programme for Government²⁰. Investment into developing new fossil fuel infrastructure risks locking households into increased dependency on a volatile fossil fuel economy for decades to come and diverts investment away from a clean energy future²¹. It is also incompatible with a number of our Sustainable Development Goals, for example, SDG 7 ('Ensure access to affordable, reliable, sustainable and modern energy for all') and SDG 13 ('Take urgent action to combat climate change and its impacts').

Thank you in advance for your consideration.

¹⁵Community Law and Mediation. 2022. "2023 Pre-Budget Submission: Focus on: Energy Poverty. Available at: https://communitylawandmediation.ie/wp-content/uploads/2022/08/CLM-Centre-for-Environmental-Justice-Budget-2023-Submission-Focus-on-Energy-Poverty.pdf

 ¹⁶ Eirgrid. 2020. "All-Island Generation Capacity Statement 2020-2029." Available at: https://www.eirgridgroup.com/site-files/library/EirGrid/All-Island-Generation-Capacity-Statement-2020-2029.pdf
¹⁷ Commission for Regulation of Utilities. 2021. "CRU Direction to the System Operators related to Data Centre grid connection processing." Available at: https://www.cru.ie/wp-content/uploads/2021/11/CRU21124-CRU-Direction-to-

the-System-Operators-related-to-Data-Centre-grid-connection-processing.pdf

¹⁸ See note 6 above

¹⁹ See note 7 above

²⁰ Department of the Taoiseach. 2020. "Programme for Government: Our Shared Future." Available at: https://assets.gov.ie/130911/fe93e24e-dfe0-40ff-9934-def2b44b7b52.pdfailable

²¹ Not Here, Not Anywhere. 2022. "LNG in Ireland: A Bridge to Climate Chaos." https://drive.google.com/file/d/1meaezfOzUoF9fbOQ6YK13l6ry IL5ag9/view

Regards,

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