



INDEPENDENT LIVING MOVEMENT IRELAND



Joint Pre-Budget Statement on Energy Poverty

June 2023

We, the above group of social, environmental and voluntary organisations, call on the government to take decisive action in Budget 2024 to prevent Irish households from enduring another winter struggling with unaffordable energy bills and locked in to polluting, expensive fossil fuels.

We are in an unprecedented crisis. The number of people unable to keep their homes adequately warm has reached a record high, with this figure more than doubling between 2021 and 2022.¹ Almost one in three Irish households were classified as living in energy poverty in 2022,² with the greatest burden falling on those who were already facing challenges - one-parent families, low-income households, people with disabilities, people who were unemployed, older people, renters, and the Roma and Traveller communities.

Furthermore, the risks associated with continued reliance on fossil fuels for low-income households are clearer now more than ever. In responding to the energy crisis, it is imperative that short-term measures are aligned with the government's legal obligation to adhere to Carbon Budget 1, which spans 2021-2025, with a limit of 295 MtCO₂eq. This is particularly concerning given indications that emissions are still rising rather than falling.³

Income inadequacy must be addressed in Budget 2024 to effectively tackle energy poverty. The one-off government responses seen to date such as the universal energy credit will not resolve income adequacy challenges. Targeted interventions are urgently needed directed at households on the lowest incomes who are most impacted by high energy bills.⁴

Budget 2024 is therefore an opportunity to address income inadequacy, cold homes, and high energy costs in tandem and to tackle energy poverty effectively, ensuring every Irish household has access to a warm home and clean, affordable energy this winter.

We Recommend that Budget 2024 Effectively Responds to Energy Poverty by taking steps to:

1. Address inadequate incomes by raising social welfare rates in line with cost-of-living increases
2. Tackle cold homes for low-income renters and homeowners first
3. Introduce new, targeted measures to bring down bills and guarantee everyone's right to energy
4. Get off fossil fuel heating and ensure a fair energy transition

Budget 2024 Recommendations:

#1 Address Inadequate Incomes by Increasing Social Welfare in line with Cost-of-Living Increases

- Increase all core social welfare payments by a minimum of €25 in line with the cumulative impact of the cost-of-living increases
- Increase Fuel Allowance rates in line with cost-of-living increases, and expand eligibility by:
 - including those receiving Working Family Payment
 - removing the waiting period for those recently signed on to Jobseekers Allowance
 - covering living arrangements of Traveller families
- Introduce a Cost of Disability payment of €20 per week.
- Introduce a system of [Refundable Tax Credits](#), allowing low income workers who do not earn enough to use their full credit to have the unused portion “refunded”, supporting their ability to deal with increasing living costs.

¹ CSO (2022) '[SILC: Enforced Deprivation 2022](#)'

² ESRI (2022) "[Energy poverty and deprivation in Ireland](#)"

³ SEAI (2023) "[Energy in Ireland 2022](#)"

⁴ ESRI (2022) "[Energy poverty and deprivation in Ireland](#)"

#2 Tackle Cold Homes for Low-Income Renters and Homeowners First

- Expand the Fully Funded Energy Upgrade Scheme to ensure all low-income households in low BER homes are eligible, regardless of home ownership status. This should include tenants receiving HAP, on the condition of a long-term lease being offered.⁵
- Allocate funding for a well-resourced community energy advice service in each local authority. This service would provide a local, tailored service to support people to access the financial advice they need, to install 'quick win' measures, and to apply for appropriate retrofitting grants.
- Increase funding for the local authority retrofitting scheme with a view to ensuring all social housing reaches a minimum B2 BER by 2030.
- Increase the supply of A rated new social and cost rental housing stock to tackle the housing crisis and energy poverty in tandem.

#3 Introduce New, Targeted Measures to Bring Down Bills and Guarantee Everyone's Right to Energy

- Introduce a government-subsidised social energy tariff targeted at low-income households. This would provide a specific reduced-rate tariff for households on means-tested social protection payments to make sure energy - an essential service - is always affordable.
- Introduce an [Energy Guarantee Scheme](#) for people in poorly insulated homes and households on low incomes. This payment should be indexed to the current cost of energy required to keep a person's home warm based on a set quantity of units (kWh).⁶
- Ensure revenue earned from the Windfall Tax Temporary Solidarity Contribution (TSC) is used to deliver supports targeted at people at-risk of energy poverty. Civil society must be consulted on the TSC, as recommended by the Joint Oireachtas Committee on the Environment and Climate Action.⁷

#4 Get Off Fossil Fuel Heating and Ensure a Fair Energy Transition

- Funding for the SEAI Fully Funded Energy Upgrade Scheme should be increased to ensure all homes retrofitted under this scheme are heat-pump ready to prevent long term fossil fuel lock-in for low-income households.
- Fully subsidise the costs of BER assessments and the technical assessments required for the installation of a heat pump for low-income households.
- Harmful fossil fuel subsidies which entrench fossil fuel use and dependency must be phased out in the soonest possible time frame and diverted to improving access to renewable energy and retrofitting, expansion of the Fuel Allowance, and additional investment in Just Transition Programmes to support rural communities.

⁵ A long-term lease here being defined as a lease of more than 5-10 years. Tenant protections including a ban on eviction while work is ongoing and controls over rent prices after receiving assistance to retrofit rental homes should also be considered.

⁶ https://www.ageaction.ie/sites/default/files/age_action_energy_guarantee_for_older_persons.pdf

⁷ [Joint Committee on Environment and Climate Action Report on the Pre-Legislative Scrutiny of the General Scheme of the Energy \(Windfall Gains in the Energy Sector\) Bill 2023](#)