

Introduction

Chairperson and members of the committee, thank you for the opportunity to present to you today. Declan Daly and I are representing Tipperary Energy Agency (TEA), a non-profit social enterprise with 26 staff supporting the low-carbon energy transition.

Executive Summary

Tipperary Energy Agency has been successfully retrofitting homes throughout Ireland since 2005. SuperHomes Ireland was created by the agency in 2015 with the aim of becoming a 'one stop shop' for home energy retrofit. The European Commission and Parliament have identified the importance of 'one stop shop' solutions where homeowners can get advice, access to contractors, quality control, grants and finance, all in one place. By the end of 2019 SuperHomes will have worked on more than 160 deep retrofit projects to BER A3 or better, and a further 59 homes to B2 standard.

The increase in carbon taxation and the target of 500,000 homes to be retrofitted to a minimum B2 standard, as set out in the National Climate Plan, will have a profound effect on how citizens approach energy in their home. A high-quality retrofit product, on the scale proposed, will require significant investment in developing skills and standards in the sector. This can be supported by a predictable long-term funding programme, which will also help with disseminating a clear message to the public and allow people to plan for their retrofit. Financial packages, with low interest rates, tailored towards deep renovation will be necessary to build significant scale in the market.

Main Part of Speech

1) Addressing skills shortages in the sector

Not only does deep renovation improve the long-term health of occupants, decrease energy costs and reduce carbon emissions, it produces high quality job opportunities. The deep renovation of one home supports an average of one job per year in terms of direct, indirect and induced jobs. The SEAI deep retrofit pilot programme has demonstrated that there is an appetite in the industry, yet major skills shortages are already restricting delivery of retrofit projects and driving up costs. Addressing this shortage of skills will be key to maintaining a high-quality retrofit product that produces positive connotations in the public mind, thereby encouraging uptake.

Our model involves working with local engineers and contractors to build capacity in that area and provide technical and funding support to these projects; we will be working with 29 separate contractors in 2019. This approach, and the approach taken by other independent Energy Agencies and community programmes is, and will be, an important component in capacity development and industry training. However, a widescale roll out of deep renovation is fully reliant on an escalation of training programmes and standards, including new standards in training for heat pump installation.

2) A predictable, long-term retrofit programme

A year-round, predictable, funding programme offers assurances to contractors, engineers and tradespeople that it is worthwhile to focus their resources towards deep renovation and will encourage businesses to enroll their staff in high standard training programmes. Currently, deep renovation programmes heavily concentrate project delivery in the period of June to October, creating a virtual standstill in delivery during the months of November to March. A long-term programme will address this resource imbalance faced by contractors and service providers. A complicated application process, and short timelines for delivery, creates uncertainty and risk, which restricts market development and ultimately makes Ireland's targets more difficult to achieve. In our view, the state should prioritise de-risking renovation rather than increasing financial incentives to unaffordable levels. A reliable funding model will also make the dissemination of grant supported solutions to the public much more straightforward, with the benefit of greater citizen engagement in the transition.

3) Low-interest finance tailored to deep renovation

From our direct engagement with homeowners, it is evident that the finance offer has to make common sense to the public at an instinctual level- are you be happy to upgrade your home from a D rating to an A rating, for an additional €2-4 per day or €100 per month for 10 years, and repay your capital investment by the end of this term?

If we want to scale the market, we need affordable financial packages for homeowners, tailored towards deep renovation. Successful schemes, such as the German KfW renovation programme, offer finance between 2% and 4%. A long-term, predictable retrofit programme will undoubtedly create a more favorable lending environment.

4) The renovation challenge.

To date 390,000 homes across Ireland, 20% of the housing stock, have carried out energy efficiency upgrades under grant schemes operated by SEAI (figure 1). The BER database shows that 94% of buildings are B2 or worse (Figure 2).

Some of the worst performing houses are occupied by 372,000 people in receipt of fuel allowance, at a subsidy of €234 million in 2019. There exists a major incentive -in terms of lower bills and healthier homes- to redirect a portion of this subsidy toward energy renovation instead.

Up until this year, the average investment for a retrofit was €3,000, mostly comprising shallow retrofits. Shallow retrofits, which often cherry-pick attic and cavity wall insulation, can work against comprehensive retrofits by making those interventions technically and economically implausible at a future date. The best way to develop the industry to meet the target of 50,000 homes per year is by focusing on deeper retrofits in a year-round program, supported by a sustainable level of grant funding, with tailored financial packages that are affordable and easily accessed.

Home Energy Upgrades By County - Updated 07/11/2018

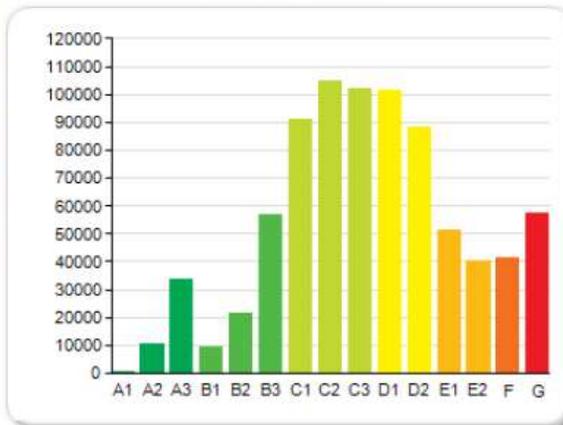
	Home Energy Grants	Free Energy Upgrades	Total Homes Upgraded	% Homes Upgraded
Carlow	2,711	1,839	4,550	20%
Cavan	4,654	2,249	6,903	21%
Clare	10,898	3,069	13,967	25%
Cork	35,288	13,816	49,104	21%
Donegal	6,703	5,413	12,116	14%
Dublin	48,562	18,484	67,046	13%
Galway	19,011	6,249	25,260	23%
Kerry	11,983	4,097	16,080	22%
Kildare	8,460	4,424	12,884	16%
Kilkenny	5,183	1,926	7,109	18%
Laois	3,652	1,926	5,578	17%
Leitrim	1,455	1,716	3,171	18%
Limerick	15,255	5,617	20,872	25%
Longford	1,900	1,700	3,600	19%
Louth	7,877	4,658	12,535	24%
Mayo	7,421	5,936	13,357	20%
Meath	9,246	4,023	13,269	19%
Monaghan	3,930	1,806	5,736	23%
Offaly	3,038	2,587	5,625	18%
Roscommon	3,632	2,870	6,502	21%
Sligo	3,053	2,337	5,390	16%
Tipperary	10,220	5,437	15,657	23%
Waterford	8,407	4,300	12,707	24%
Westmeath	4,062	2,924	6,986	19%
Wexford	10,149	4,998	15,147	22%
Wicklow	5,570	3,297	8,867	16%
Homes completed prior to '09		20,881	20,881	
Total	252,320	138,579	390,899	20%

Figure 1: No of houses that have received a home energy grant by county.

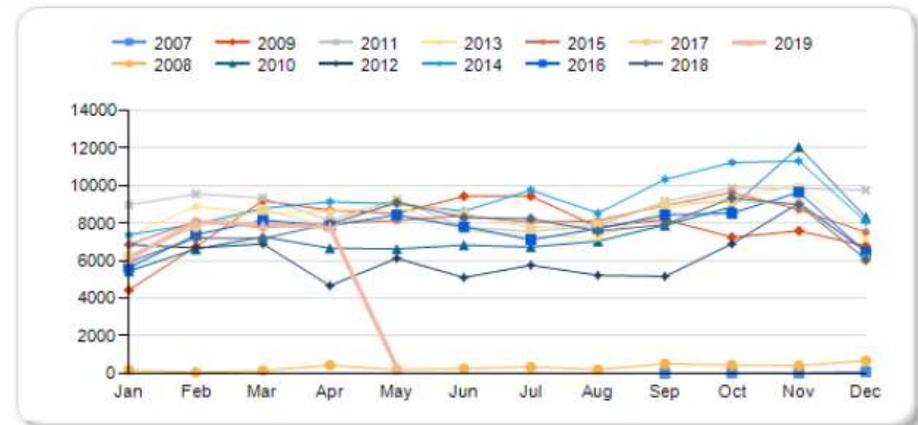
Energy Performance of Buildings Directive (EPBD) Domestic BERs Dashboard

DOMESTIC BERs BY GRADE (On Public Register and Not Expired - Current)

Energy Rating	Quantity
A1	125
A2	10,683
A3	33,357
B1	9,286
B2	21,701
B3	56,803
C1	91,244
C2	104,793
C3	102,176
D1	101,561
D2	88,163
E1	51,240
E2	40,369
F	41,116
G	57,210
Total	809,827

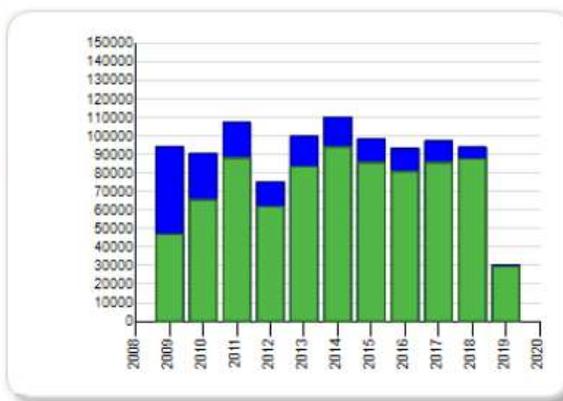


DOMESTIC BERs MONTHLY YEAR ON YEAR HISTORY (Published)



DOMESTIC BERs BY YEAR (On Public Register & Not Expired - Current vs Published - History)

Year	Public Reg	Published
2019	29,672	30,235
2018	87,596	93,821
2017	85,657	97,263
2016	80,877	93,191
2015	85,627	98,294
2014	94,060	110,173
2013	83,544	99,715
2012	61,976	74,951
2011	88,169	107,141
2010	65,578	90,380
2009	47,071	94,083
Total	809,827	989,247



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2007	0	0	0	0	0	0	0	0	10	16	23	78	127
2008	174	60	140	431	186	248	339	197	504	437	415	663	3,794
2009	4,439	6,750	9,197	8,681	8,513	9,434	9,446	7,796	8,197	7,249	7,589	6,792	94,083
2010	5,455	6,621	7,276	6,672	6,627	6,833	6,730	7,043	7,890	8,863	12,054	8,316	90,380
2011	8,973	9,557	9,353	8,157	9,267	7,771	7,558	7,854	9,168	9,871	9,853	9,759	107,141
2012	6,861	6,685	6,896	4,667	6,128	5,104	5,763	5,220	5,164	6,895	9,074	6,494	74,951
2013	7,309	8,888	8,517	8,631	8,931	7,579	7,347	7,216	8,770	9,378	9,971	7,178	99,715
2014	7,374	7,955	8,777	9,143	9,038	8,640	9,762	8,531	10,331	11,225	11,306	8,091	110,173
2015	6,864	8,105	7,770	8,003	8,144	8,406	8,051	8,136	8,943	9,633	8,716	7,523	98,294
2016	5,630	7,383	8,160	7,873	8,434	7,809	7,120	7,700	8,443	8,529	9,651	6,459	93,191
2017	6,289	7,803	8,712	7,811	9,166	8,504	7,772	7,940	9,037	9,148	9,037	6,044	97,263
2018	5,942	7,209	7,180	7,965	9,095	8,299	8,242	7,569	7,922	9,349	8,985	6,064	93,821
2019	6,124	8,072	7,924	7,800	315	0	0	0	0	0	0	0	30,235
Total	71,434	85,088	89,902	85,834	83,844	78,627	78,130	75,202	84,379	90,593	96,674	73,461	993,168

Figure 2: SEAI BER Dashboard