

**Rialtas na hÉireann** Government of Ireland

## **SEAI Residential Retrofit Schemes**

# One Stop Shops and launch of the National Home Energy Upgrade Scheme

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## The Role of SEAI

- Moving towards a
  LOW CARBON ENERGY FUTURE
- We need to use less energy and clean energy
- Energy should be environmentally sustainable, secure and affordable
- Develop new solutions to meet our energy needs



## **Residential Energy Consumption and Emissions**

A quarter of all energy used in Ireland is consumed directly in homes. Second only to transport, and more than is used by industry

Residential sector is also responsible for a quarter of the energy-related  $CO_2$  emissions

Households - the largest consumer of heat energy

Heating accounts for 80% of home energy use

Overall, our buildings are 70% reliant on fossil fuels (Oil/Gas)

#### Total final consumption by sector





## Creating a Cleaner Energy Future

Climate Action Plan and Programme for Government set out to significantly reduce Ireland's greenhouse gas emissions by 2030

- 500,000 existing homes upgrade to a B2 BER rating
- 600,000 heat pump installations, with 400,000 to be installed in existing homes
- 50% of houses in Ireland have a BER rating of D or lower and require significant energy upgrades
- To date SEAI has supported over 450,000 homes with their home energy upgrade journey

1.7M homes in Ireland occupied per CSO 2016

12% of housing stock is social housing (2019)

#### 89% L.A., 11% AHB

A1 A2

A3

B1

B2 B3 C1



C2 C3 D1 D2



## Financing & funding models

#### **National Retrofit Plan actions:**

- Clear planned allocations to signal the market and promote sustainable growth €8bn allocation to 2030 (€5bn Carbon Tax, €3bn NDP)
- Leverage Private finance approaches Residential Retrofit Loan Guarantee
- European Union funding to be leveraged EU Recovery and Resilience Facility, European Regional Development Fund

Year	2022	2023	2024	2025	2026	2027	2028	2029	2030
Planned allocation (million)	€202	€291	€380	€469	€641	€898	€1,257	€1,760	€2,000



## Pillars of the National Residential Retrofit Plan (NRRP)

# 1. Driving demand and activity

Stimulate demand by building confidence in quality, ensuring value for money and simplifying the customer journey



# 3. Supply chain, skills and standards

Expand the capacity of the supply chain, introduce measures to increase the number of skilled workers while maintaining quality

### 2. Financing & funding

Clarify Exchequer financial commitment to residential retrofit and introduce measures to make home energy upgrades more affordable for households

## 4. Structures and

#### governance

Ensure that the required structures and governance arrangements are in place to drive delivery



# **Consumer Demand**



## **Consumer Decision-Making Framework**



#### Research

- Consumer surveys
- Focus groups ۲
- **Design thinking** ۲ exercises
- Pilots and trials ٠
- Funded research studies
- Data analysis • &Modelling
- SEAI programme • delivery experience

5. IMPROVING ATTRACTIVENESS OF SUBSIDY AND SUPPORT PROGRAMMES

✓ ONE-STOP SHOP

LEARNINGS FROM SEAI PROGRAMMES TRUSTED ADVISORS THROUGHOUT ✓ SEAI BEHAVIOURAL ECONOMICS TEAM

✓ NEW SEAI PILOTS AND TRIALS

PROMOTING DEEPER RETROFITS VIA POLICY DESIGN



## Energy Efficient Investment – Respondent Awareness and Engagement





## Focus groups – Headline Findings

- Homeowners agree level of responsibility for climate action but feel government must support them to take action
- Interest but **lack of urgency** in undertaking home energy upgrades
- **Upfront cost** is a main barrier (Affordability)
- Participants indicated higher grants necessary to spur them to action (50%, a trigger point)
- **Low cost finance** of great interest to many participants
- **ROI** commentary that these projects take a long time to payback
- Heat pump of interest once **highly incentivised** (for example cost equivalent of boiler replacement).
- OSS attractive as provides confidence and removes hassle, but questions about the cost of the service



# The Supply Chain



## One Stop Shop (Contractor/Supply Chain) Considerations

- Long term policy certainty EU & National (Climate Action Plan 2021, NDP 2021, EU Renovation Wave)
- Long term financial certainty -- multi annual grants, and clarity out to the end of the decade
- Retrofit will impact on every community in every county, it is a national enterprise not only focused on larger towns and cities positive for rural economy
- Considerable interest from wider construction sector Retrofitting is a stable long term opportunity
- SEAI have linked to ETBs and are working with contractors to develop the labour supply chain



# Structures and Governance





## National Home Energy Upgrade Scheme - Design and Incentive

• Focus:

Programme for single-unit homes to meet BER B2 for 'can pay' sector

- Design:
  - One Stop Shop (OSS) –
    Registered and Regulated
  - OSS demonstrate Quality Management System (QMS)
  - Multi annual funding
  - Offer by individual home
  - Must meet B2 and min 100kWh uplift

- Incentive:
  - Fixed grants per measure including for Home Energy Assessment - commoditised
  - Bonuses to incentivise certain actions and Measures (Heat Pumps)
  - Grant discounted to Homeowner
  - Grant commitment (offer and payment) on a per home basis
  - Energy credits contribution (where available)

**NDP to 2030** – €8 billion budget – Significant funding stream



## National Home Energy Scheme

#### **Commoditised Grants**

• Fixed Grant amount of circa 46% – 51% for eligible measures (varies slightly by home type)

#### Home Energy Assessment (HEA)

• Providing Home Energy Assessment (HEA) grant separately, giving advice to all participants, and providing a pathway to B2 and beyond

#### **Streamlined Delivery**

 New delivery model through SEAI registered One Stop Shops, providing a simple and easier consumer journey – 'end to end' & 'hassle free'

#### Support supply chain delivery

• Rationale to build supply chain and generate demand amongst homeowners



## **Broad Strategy**



Alignment between programmes OSS – BEH – CEG → Scalability



Incentivise Heat Pumps and External Wall Insulation  $\rightarrow$  **Delivery**, achieve B2 - 100kW/h uplift



Annual review of scheme and costs  $\rightarrow$  **Agility**, responding to market situation



Incorporate low-cost financing → Affordability



## **One Stop Shop Service**

- A complete home energy upgrade solution for homeowners and landlords
- Carry out multiple energy upgrades in one go to achieve a minimum B2 BER rating
- Offers a wider range of grants offering up to 50% of the cost of works
- Pay for the works net of the eligible grant
- Fully managed solution from start to finish;
  - Home Energy Assessment
  - Contractor works
  - Grant application
  - Follow up BER
- Homes must be built and occupied before 2011 to be eligible
- Choose from the list of registered one stop shops on www.seai.ie

## Requirement

Year of construction pre 2011 for all measures

> Before works BER = B3 to G (inclusive)

After works: B2 to A1 (inclusive) & 100kWh/m2/year PE uplift



## One Stop Shop Service



Complete home energy upgrade solution

#### Part funded with SEAI grants

Visit the SEAI website for details of grant values

#### What is included

#### A One Stop Shop will manage your upgrade including:

Home energy assessment

Follow up BER

Contractor works

Project management

#### Who this is for

Grant application

#### For homeowners and landlords who want:

- Multiple energy upgrades
- A fully managed solution
  including grant applications

- To upgrade to a minimum B2 BER
- To pay for the works net of eligible grant

✓ Heat pump

✓ Ventilation

✓ Solar water heating

✓ Solar electricity

✓ BER assessment

#### **Upgrades available**

- ✓ Home energy assessment
- ✓ Project management
- ✓ Wall and roof insulation
- ✓ Floor insulation
- ✓ Windows
- ✓ Heating controls

#### **Criteria for homes**

• This home energy upgrade option is available for older homes and is subject to eligibility depending on the home year of build.

## Individual Energy Upgrade Grants



Selection of individual grants for home energy upgrades

#### Part funded with SEAI grants

Visit the SEAI website for details of grant values

#### What is included

Homeowners manage their upgrades including:

- Contractor selection
- Grant application

- Contractor works
- Follow up BER

#### Who this is for

For homeowners and landlords who want:

- Individual energy upgrades
- To manage their own project

- To apply for the grant themselves
- To pay for full cost of works and claim grants afterwards

#### **Upgrades available**

- ✓ Wall and roof insulation
- ✓ Heating controls
- Heating cont
- ✓ Heat pump

- ✓ Solar water heating
- ✓ Solar electricity
- ✓ BER assessment

#### **Criteria for homes**

 This home energy upgrade option is available for older homes and is subject to eligibility depending on the home year of build.

## **Grant Amounts – Private Homes**

		Private Homes						
Measures	Detached	Semi-Detached/	Mid Terrace	Apartment				
* note all measures have a minimum specification		End Terrace						
Heat Pump-Air to Water		€6,500						
Central Heating System for a Heat Pump		€2,000						
Heat Pump -Air to Air		€3,500						
OSS Scheme Launch bonus for B2 with a Heat Pump		€2,000						
Heating controls only		€700						
Ceiling Insulation	€1,500	€1,300	€1,200	€800				
Rafter Insulation	€3,000	€3,000	€2,000	€1,500				
Cavity Wall Insulation	€1,700	€1,200	€800	€700				
External Wall Insulation	€8,000	€6,000	€3,500	€3,000				
Internal Dry Lining Insulation	€4,500	€3,500	€2,000	€1,500				
Windows	€4,000	€3,000	€1,800	€1,500				
External Doors (max 2)		€800 per door						
Floor Insulation		€3,500						
Solar Hot Water		€1,200						
Solar PV		0 to 2kWp €900/kWp						
		2 to 4kWp €300/kWp						
Mechanical Ventilation		€1,500						
Air tightness		€1,000						
Home Energy Assessment		€350						
Project Management	€2,000	€1,600	€1,200	€800				
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## **Issues and Solutions**







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## Thank you

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