

## **FAQs - National Retrofit Scheme Launch**

***Government announces unprecedented grant supports for home energy upgrades and increased numbers of free energy upgrades for those at risk of energy poverty***

**Tuesday, 8<sup>th</sup> February**

### **FAQs**

#### **People get very confused by the different types of grants on offer!**

That's why we are establishing a network of "One Stop Shops" that will handle all the work involved in carrying out a significant energy upgrade. They will carry out an assessment on your home, apply for the grants on offer, carry out the construction work and make sure everything is done to standard. They'll also be overseen by the SEAI to ensure that everything is done to the highest possible standard.

Many people will probably still opt to go directly to a contractor for smaller jobs, but the One Stop Shops will offer the expertise and skills needed for deeper retrofits.

#### **Who will run the One Stop Shops and where are they based?**

Many of the companies that will operate them are already up and running and providing retrofitting services across Ireland. These include end-to-end providers such as An Post Green Hub, Electric Ireland Superhomes and Credit Union Greener Homes, all backed by major energy suppliers. They will be joined by many more companies in the coming weeks who sign up to operate One Stop Shop services.

#### **How soon can I apply for a grant and how long will the process take?**

We expect the IT systems for the one-off grants will be updated within a week. People can start the process now by getting quotes, and once they have selected a contractor, they can apply within a week. Approvals are turned around in a number of hours.

The One Stop Shops can apply to be registered with the SEAI from today and we would expect we will have the first ones registered within two to three weeks.

#### **How long will it take to apply for a grant?**

Turnaround time will depend on the response time of these organisations as they scale up to deliver the task ahead. SEAI have been working with them to be ready to hit the ground running. In general, it will take between four and eight weeks to fully plan a retrofit. The length of time required depends on the work involved, with jobs like fitting new windows

requiring 8-12 weeks of a lead time. Construction time on-site varies from a few days to a few weeks, again depending on the depth of the renovation.

**The grants are significant, but the cost of work is still too much for most people to be able to afford!**

There are a wide range of generous supports available to suit everyone. While the State is offering to pay up to half the cost of a deep retrofit, it is also offering to pay up to 80% of the cost of doing simpler work such as attic or cavity wall insulation. These latter grants mean that these jobs would cost only about €300 each, but together could knock about 25% off your annual heating bill.

A State-backed system of low-cost loans will also be announced this autumn – between the low interest rates and the size of the grants on offer, the repayments will effectively be covered by the savings people will make on their heating bills. When the comfort of living in a warmer home and the increase in its resale value are added in, we are confident demand will be high.

Another improvement under the One Stop Shop system is that people won't have to pay the full cost of a deep retrofit before getting their grant payment afterwards. Instead, they will only have to pay the net cost as the one-stop shop will receive the grant payment directly.

**These grants discriminate against poorer homeowners who don't have the money to carry out work, even with a generous grant.**

That's not the case. More than €109 million of the Department of the Environment's €267m budget this year is allocated to the "Warmer Homes Scheme" which provides free energy upgrades to people who are in receipt of a social welfare payment, such as the Fuel Allowance, Carers Allowance or Working Family Payment.

The €109m allocation is three times last year's spend and will bring the number of upgrades per month from an average of 177 to 400.

Grants of up 80% under the Community Energy Grant Scheme will also be available for buildings within housing associations and local authorities and rental properties.

**Should our carbon taxes go towards subsidising upgrades the homes of wealthier people?**

The extent of the climate crisis means we need to encourage everyone to improve the energy efficiency of their homes, regardless of their income.

A large proportion of this year's budget is being spent on the Warmer Homes Scheme and the Community Energy Grant Scheme, which are open to people who are in receipt of welfare payments or on low incomes.

**Will the plan do anything for renters or will they be left in cold houses while homeowners avail of the generous grants?**

Under the Housing for All plan, the Government is planning on introducing a minimum BER rating for most private rental properties from 2025. As such, these supports offer a significant incentive for landlords to carry out improvement works on their properties ahead of that deadline.

We expect that many smaller landlords will opt to carry out shallow retrofits on their properties, which will quickly improve their BER rating and offer a better service to their tenants.

### **Why aren't the low-cost home loans ready yet?**

The Government is availing of money under the EU Recovery and Resilience Facility, set up to stimulate the European economy after Covid-19. Work is ongoing on rolling out this facility and the loans are expected to be ready in the third quarter of 2022.

Banks will be incentivised to lend money to carry out this work through an 80% government loan guarantee system – which means they will be far more likely to extend a loan to applicants.

### **Are there enough workers to do all this work?**

The National Development Plan has allocated €8 billion to retrofitting up to 2030. This will give the construction sector the confidence it needs to invest in staff and equipment, to do this work. This also sends out a strong signal to workers and school leavers that there will be steady work in this sector over the coming decade.

In Budget 2022, the Department of Further and Higher Education provided €22 million for the Green Skills Action Programme, €17m of which relates to retrofit and NZEB (near zero energy buildings) skills. The money will provide for an additional 2,650 places, bringing the total number of places to 4,550 by the end of 2022.

NZEB and retrofit programmes are provided in Waterford Wexford ETB, Laois Offaly ETB and Mount Lucas National Construction Training Centre with work ongoing to establish three more centres of excellence in Cork (Fermoy), Limerick/Clare, and Mayo/Sligo/Leitrim ETB: to be in place by Q4 2022.

Detailed engagement with the construction industry over the last 18 months has taken place. The industry asked for certainty, so they can invest in skills and capacity. The industry has consistently detailed that larger companies will enter the retrofit market if the demand can be aggregated by One Stop Shops and there is long term certainty of the market.

Today's announcement of the 10-year certainty allows them to do this.

Overall, the Government's plan is to ramp up investment as the number of skilled workers increases and demand also grows among the public.

### **How do we know builders won't massively inflate their prices once these generous grants begin, particularly when there's a shortage of workers?**

The key to ensuring prices do not get inflated is to ensure that there is competitiveness in the construction sector, which will be achieved thanks to the scale and certainty of today's announcement. As mentioned, the allocation of €8 billion to retrofitting up to 2030 will draw significant numbers of companies and workers into the sector, resulting in healthy competition.

The Government is aware of construction price inflation across the economy, and has bolstered the apprenticeship and further education and training sectors significantly over the last few years – to ensure increased numbers of workers enter the sector.

The scheme design also seeks to allow the One Stop Shops to aggregate both the work and their buying power. We anticipate operators will approach whole housing estates or streets with standard measures that they can carry out quickly and efficiently compared to today's bespoke, one-by-one approach.

### **Why will C & D-rated homes no longer be able to apply for the Warmer Homes Scheme?**

The scheme is changing in order to target homes built before 1993, which have a BER rating E, F or G so that the State's investment can benefit those who need it the most. Almost 30% of all homes have such a rating and lower-income households in these properties are most at risk of energy poverty. Existing applicants will not be deprioritised or impacted in any way under the measure.

The new requirement will be kept under review, so that new applications from D-rated homes may be considered if there is insufficient demand from the worst-performing homes. Over time, based on the "worst-first principle", C and D homes can be targeted again.

### **I availed of the Warmer Homes Scheme previously to replace my windows and doors but would like to do further work now? Am I barred from applying now?**

No. An understandable criticism of the scheme up to now was that homes which previously underwent relatively minor works were not able to avail of funding for a "revisit" to have deeper works carried out. These homes can now reapply, as long as their home was built before 1993 and has a BER rating of E, F or G.

### **Does everyone who carries out work under one of these schemes have to be registered with the SEAI?**

Yes

### **Do I have to get a before and after BER assessment if I'm only insulating my attic or cavity walls?**

You will need to get a follow-up BER.