

National Retrofit Plan

Quarterly Progress Report
Full Year 2022



TABLE OF CONTENTS

1. Introduction.....	3
2. Review of 2022 Full Year.....	5
3. Progress to 2030.....	10
4. Programme Reviews.....	16
4.1 One Stop Shop Service (National Home Energy Upgrade Scheme).....	16
4.2 Individual Energy Upgrade Grants (Better Energy Homes and Solar PV).....	18
4.3 Fully Funded Energy Upgrades (Warmer Homes and Warmth and Wellbeing Schemes).....	19
4.4 Community Energy Grants.....	21

March 2023

Version 1.0

Sustainable Energy Authority of Ireland

SEAI is Ireland's national energy authority investing in, and delivering, appropriate, effective, and sustainable solutions to help Ireland's transition to a clean energy future. We work with the public, businesses, communities, and the Government to achieve this, through expertise, funding, educational programmes, policy advice, research and the development of new technologies.

SEAI is funded by the Government of Ireland through the Department of the Environment, Climate and Communications.

© Sustainable Energy Authority of Ireland

Reproduction of the contents is permissible provided the source is acknowledged.

1. Introduction

The National Retrofit Plan sets out how the Government will deliver on the Climate Action Plan targets of retrofitting the equivalent of 500,000 homes to a BER of B2/cost-optimal and installing 400,000 heat pumps in existing homes to replace older, less efficient heating systems by the end of 2030.

The SEAI has been designated as the National Retrofit Delivery Body. In this role, the SEAI will act as the lead agency in driving the delivery of our retrofit targets. The responsibilities of the SEAI in this capacity include:

- Driving delivery of our retrofit targets.
- Promoting retrofit uptake through marketing campaigns.
- Enhancing the appeal of the retrofit supports and improving the customer journey.
- Setting standards for and developing and registering One Stop Shops.
- Increasing the number of BER assessors.
- Monitoring and managing the quantum and quality of retrofit service provision.
- Supporting the supply chain in the area of retrofit.

Significant additional funding has been provided by the Government to continue to increase SEAI's capacity to deliver on the key objectives outlined above.

Report Overview

This is the first quarterly progress report on SEAI delivery against our retrofit targets..

The purpose of the report is to provide an overview of success against a range of key metrics including the number of property upgrades, B2 BER ratings achieved, and heat pumps installed. The first quarterly report of each year includes a summary of the previous year's achievements against annual targets. Subsequent quarterly reports will provide a summary of progress on the previous quarter, individual programme updates, and, as appropriate, analysis or commentary on particular areas of interest. The report also reflects progress made since 2019 (commencement of the CAP) across all residential retrofit programmes administered by SEAI.

Home Energy Upgrade Scheme Overviews

SEAI offers a comprehensive range of Government funded financial supports, suiting a variety of circumstances, to help homeowners achieve their home energy upgrade ambitions.

- **Individual Energy Upgrade Grants** (comprising Better Energy Homes and Solar PV): Homeowners or private landlords apply for the grants, select energy upgrade measures, manage the project, and pay for the full costs of works and claim the grant afterwards. The measures supported include attic and wall insulation, heating system upgrades and renewable energy technologies.
- **One Stop Shop Service:** A fully project managed service that provides grant support to private homeowners, private landlords and Approved Housing Bodies that want to upgrade their homes to a BER B2 or better. The service is delivered by registered One Stop Shops that assess the home, provide advice to the homeowner on suitable options, apply for the grant, carry out the works and then claim the grant from SEAI. The value of the grant is discounted upfront from the cost to the homeowner. [Note: The report includes homes completed under earlier proof of concept pilot schemes which informed the national roll-out of the One Stop Shop Scheme]
- **Fully Funded Energy Upgrade** (comprising Better Energy Warmer Homes Scheme and the Warmth and Wellbeing Scheme): A fully managed solution for qualifying homeowners in receipt of certain

Department of Social Protection payments to upgrade their home with measures identified from a home energy survey. SEAI manage the whole upgrade process from home survey, through contractor works, and follow up BER.

- **Community Energy Grants:** The Communities Energy Grant supports the upgrading of a wide variety building stock and facilities to high standards of energy efficiency and renewable energy usage, thereby reducing fossil fuel usage, energy costs and greenhouse gas emissions. By supporting project structures that can be easily replicated, the Communities Energy Grant showcases retrofit project models that can be implemented without SEAI support in the future.

Pathway to 2030

The National Residential Retrofit Plan established a desired delivery trajectory and midpoints in order to achieve the 2030 target.

- The projected cumulative number of home energy upgrades to be delivered between 2019 and 2025 is 185,000, and of these over 83,000 will be to a B2/cost optimal level.
- When the carbon savings from the non-B2 upgrades are included, this is the equivalent of 120,000 B2 upgrades over the period.
- This means that we will need to deliver, on average, 75,000 B2-equivalent home upgrades per year from 2026 to 2030 to achieve the overall target of 500,000 by 2030.

Against this backdrop:

- 15,246 property upgrades were delivered in 2021 of which 4,345 were to a BER B2 or better level.
- This increased to 27,199 property upgrades and 8,481 to a BER B2 rating in 2022.

Details of the number of property upgrades and BER B2 ratings achieved since 2019 are contained in the tables in section 3, progress to 2030.

2022 Budget and Targets

Original stretch targets for SEAI retrofit schemes were included in the Revised Estimate Volume (REV) published in late 2021. The REV targets were to achieve 26,000 property upgrades including 4,700 homes in energy poverty and 8,640 homes were to achieve BER B2 or better.

These already challenging targets were further extended following a budget allocation revision, where the final budget for the year was €267 million. The property upgrade targets were adjusted accordingly to 26,940 homes of which 5,100 were to be homes in energy poverty and 8,640 homes were to be brought to a BER B2 or better.

2. Review of 2022 Full Year

Headline Outcomes for 2022

- Over 50,000 applications processed (up 140% year on year)
- Capital expenditure of €188 million (up 90% year on year)
- 27,199 home energy upgrades (up 78% year on year)
- 8,481 BER B2 upgrades completed (up 95% year on year)
- 4,438 fully funded energy upgrades for low-income households (up 85% year on year)
- A further 437 Approved Housing Body homes were supported under the One-Stop-Shop Scheme and an additional 95 low-income houses were supported under the Community Energy Grants Scheme.
- 16,827 attic and cavity wall measures supported (up 107% year on year)
- 12 One-Stop-Shops registered with SEAI
- 40.27kt CO₂ emissions savings (up 80% year on year)

Launch of home energy upgrade schemes

2022 was a significant year for the delivery of the National Residential Retrofit Plan. Following considerable internal analysis of existing schemes and consultation with stakeholders, Government approved a new package of enhanced SEAI retrofit supports to make it easier and more affordable for homeowners to undertake home energy upgrades.

The key measures included:

- A new National Home Energy Upgrade Scheme providing significantly increased grant levels to support the cost of a typical deep retrofit to BER B2 or better.
- Launch of One Stop Shops to offer a hassle-free, start-to-finish project management service, for home energy upgrades.
- A significant increase in the number of fully funded energy upgrades for those at risk of energy poverty (up to an average of 400 per month, from an average of 177 per month in 2021)
- A significantly increased grant rate for attic and cavity wall insulation for all households, to urgently reduce energy use as part of the Government's response to current exceptionally high energy prices
- An Exchequer investment of €8 billion to 2030 will enable the supply chain to scale up, creating thousands of high-quality jobs and delivering on this critical national objective

Geopolitical and Socioeconomic Drivers During 2022

2022 was also marked by a series of significant events, all of which had a direct bearing on the delivery of home energy upgrades to a wide range of homeowners. Some events benefitted delivery while others likely stymied delivery.

- Covid restrictions did not fully end until the end of February. But many homeowners were still very reluctant to have contractors visit their homes early in the year. This was particularly evident on the Warmer Homes Programme which often deals with older or more vulnerable householders.
- SEAI implemented an extensive year-long promotional campaign across all media formats. This drove a very strong uptick in interest in home energy upgrades, ultimately translating into a very significant increase in applications.
- The invasion of Ukraine by Russia in February had a profound effect on global energy markets with consequent price volatility and energy security issues.
 - On the one hand many consumers immediately had an increased awareness of energy prices and acted decisively to try and reduce their use. This drove interest in the suite of SEAI home energy upgrade programmes.

- On the other hand, the increase in energy prices drove inflation to levels not seen in Ireland for many decades. Anecdotal evidence suggests that many significant home energy projects which would have been tied into bigger home renovation projects did not proceed due to the level of construction inflation. Also, some homeowners could not progress their home energy projects because of the dual impacts of cost of living and energy prices increasing. Overall, there was a boost to the schemes with applications up more than 140% on 2021.
- Inflation in the construction sector was a significant factor throughout the year including on the fully funded schemes for energy poor homeowners. The fully funded schemes are delivered through by a procured panel of contractors. A rate increase was applied in May to mitigate some of the impacts of exceptional inflation. The early part of the year the year was also characterised by supply chain difficulties for many products required to deliver home energy upgrades. Most of the supply chain issues centred on residual impacts from the Covid period and also ongoing Covid restrictions in China where many materials are manufactured. Many, but not all, supply chain issues eased towards the end of the year.
- The availability of skilled labour was also a significant factor throughout 2022 impacting on contractors' ability to deliver home energy upgrades. The home energy upgrade sector was competing with the wider construction sector for a limited pool of skilled labour. The ability of contractors to respond to the peak in interest by homeowners in home energy upgrades resulting from enhanced grant levels and geo-political factors, was somewhat compromised by the availability of labour and materials.

Overall, significant delivery targets for home energy upgrades were achieved in 2022. It is evident from the data presented in this report that momentum in applications and delivery of home upgrades built steadily through the year.

However, the factors driving uptake of home energy upgrades including increased grant levels, One Stop Shop service launch, cost of living and energy crises, were somewhat offset by the impacts of inflation, labour shortages and supply chain delays on contractors' ability to capitalise on the demand. This led to a situation where, for much of the year, there was an unmet demand for home energy upgrades. The One Stop Shop and contractor base is continuing to scale up to meet this burgeoning demand.

Focus on Energy Poverty

There was a significant focus on supporting homeowners at risk of energy poverty in 2022 with the delivery of 4,438 homes across the fully funded schemes which represents an increase of 85% on the number supported in 2021. In addition, a large proportion of homes, participating in the One Stop Shop programme are in association with Approved Housing Bodies (AHBs), whose tenants are at risk of energy poverty. A further 95 low-income homes were upgraded through the Community Energy Grant Scheme. In total, over 56% of the €188.2 million capital expenditure was specifically on energy upgrades in energy poor and Approved Housing Body homes.

Roof Insulation and Cavity Wall Stimulus

A significantly increased grant rate for attic and cavity wall insulation for all households was introduced as part of the enhanced package of measures announced in February 2022. The table below illustrates the 107% growth in these measures during 2022 across all schemes, relative to an underlying 80% growth in property upgrades.

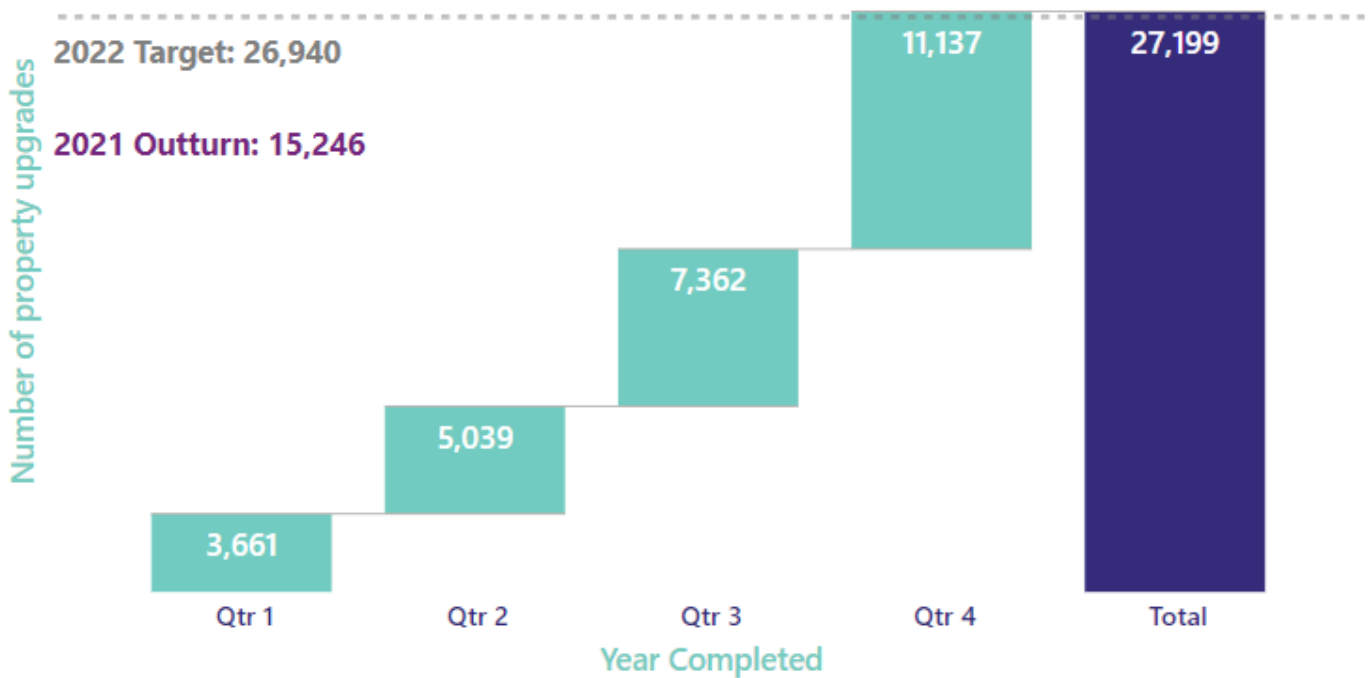
Measure	2021	2022	% Increase
Roof Insulation	4,540	9,289	+105%
Cavity Wall Insulation	3,585	7,538	+110%
Total	8,125	16,827	+107%

Key 2022 performance insights

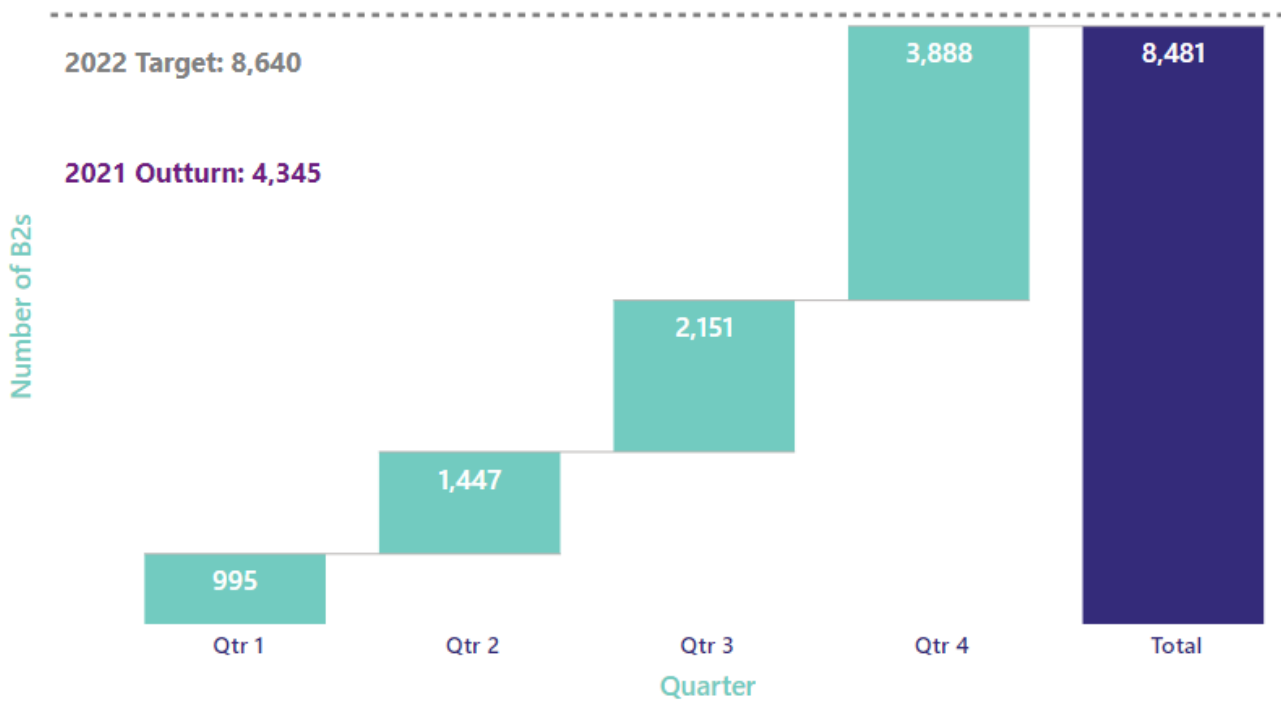
Key take outs from 2022 performance as outlined in the charts below

- The outturn for property upgrades in 2022 exceeded the target set and was over 78% higher than the outturn in 2021. Capital expenditure increased from €99 million to €188 million, representing 90% growth over the same period.
- The number of applications across all schemes increased by almost 140% on the 2021 outturn
- The delivery of property upgrades is heavily skewed towards the end of the year with most upgrades being completed in Q3 and Q4. This was particularly noticeable in 2022 as the revised grant rates were launched in Q1 and it took some time for the pipeline of work to develop.
- The 8,481 BER B2 or better homes achieved was 98% of the target (8,640) and was almost double the output from 2021. The delivery dynamic of BER B2 homes is similar to the overall property upgrades i.e., the majority of homes were delivered the second half of the year.
- The number of heat pumps installed fell short of the 2022 SEAI Business Plan target and while this is disappointing the outturn still represents a 15% increase on the 2021 outturn. The delivery of heat pump installations was likely impacted by factors including cost of living and supply chain challenges. SEAI will explore several initiatives to further drive the uptake of heat pumps in 2023.

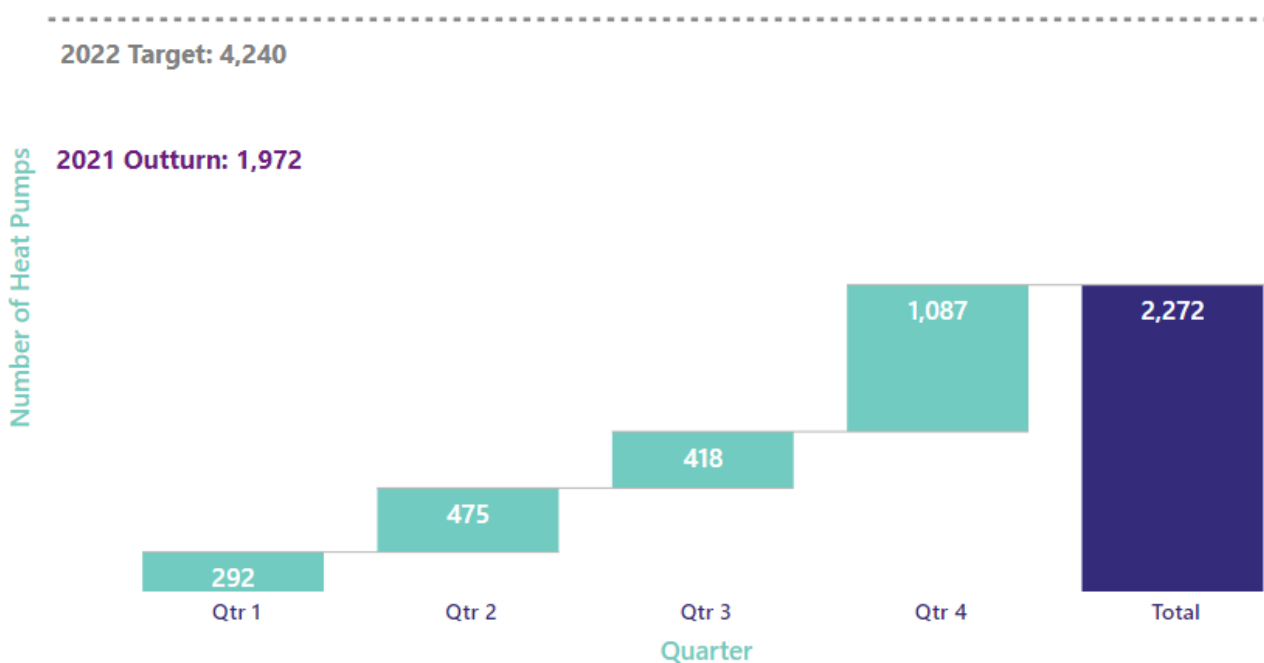
Number of property upgrades 2022 by quarter



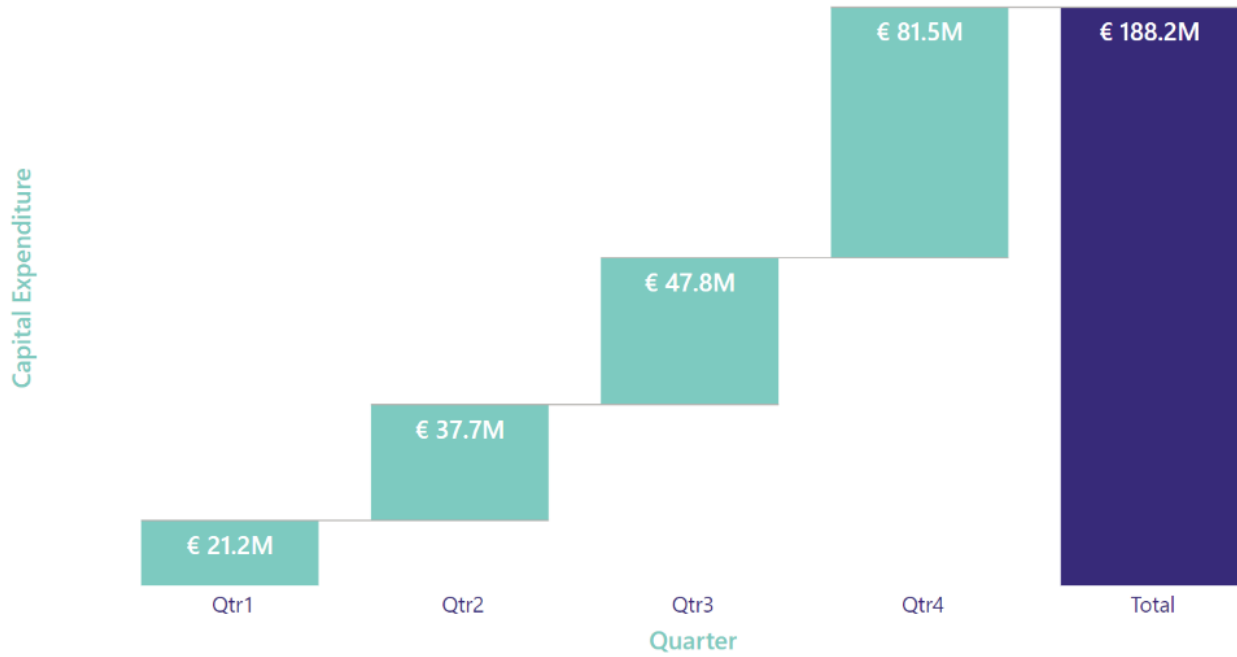
Number of B2 or better achieved 2022 by quarter



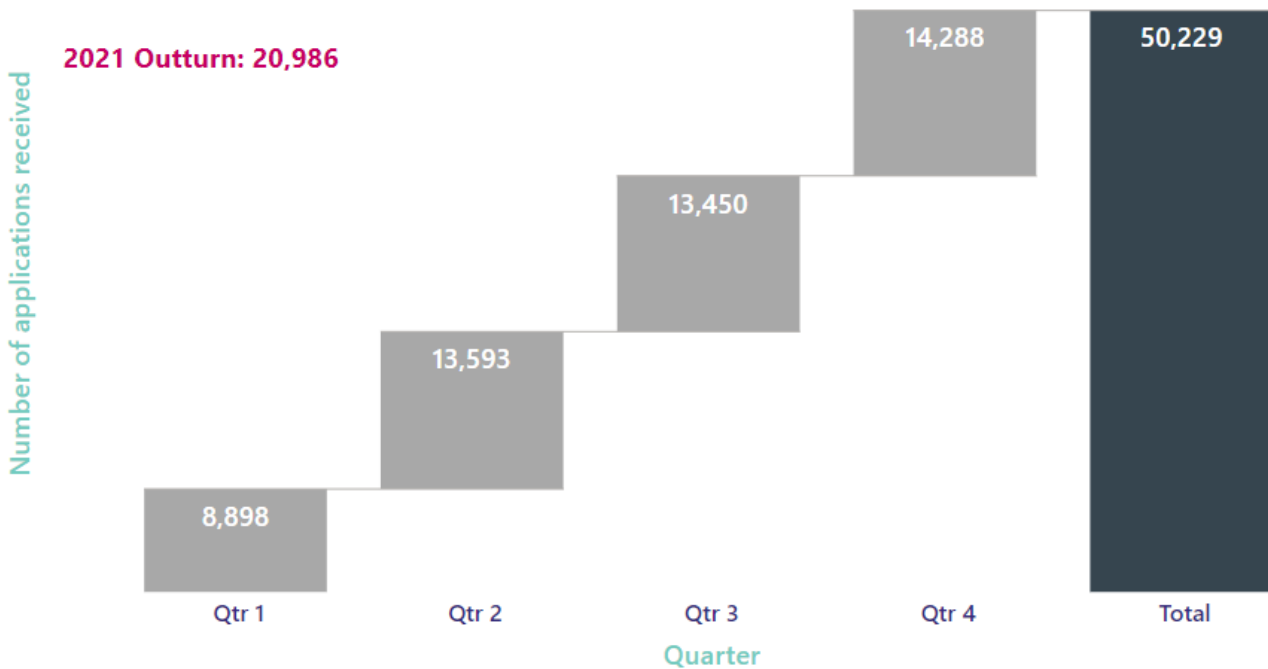
Number of heat pumps installed 2022 by quarter



Total Capital Expenditure 2022 by quarter



Number of applications received 2022 by quarter



3. Progress to 2030

The National Residential Retrofit Plan sets out the Government's approach to achieving the equivalent of 500,000 homes retrofitted to a Building Energy Rating of B2 / cost optimal and the installation of 400,000 heat pumps in existing homes to replace older, less efficient heating systems by the end of 2030. The plan anticipates that by 2025, we will need to complete the equivalent of 120,000 residential retrofits, including 45,000 using heat pumps, to achieve a B2 BER/cost optimal level.

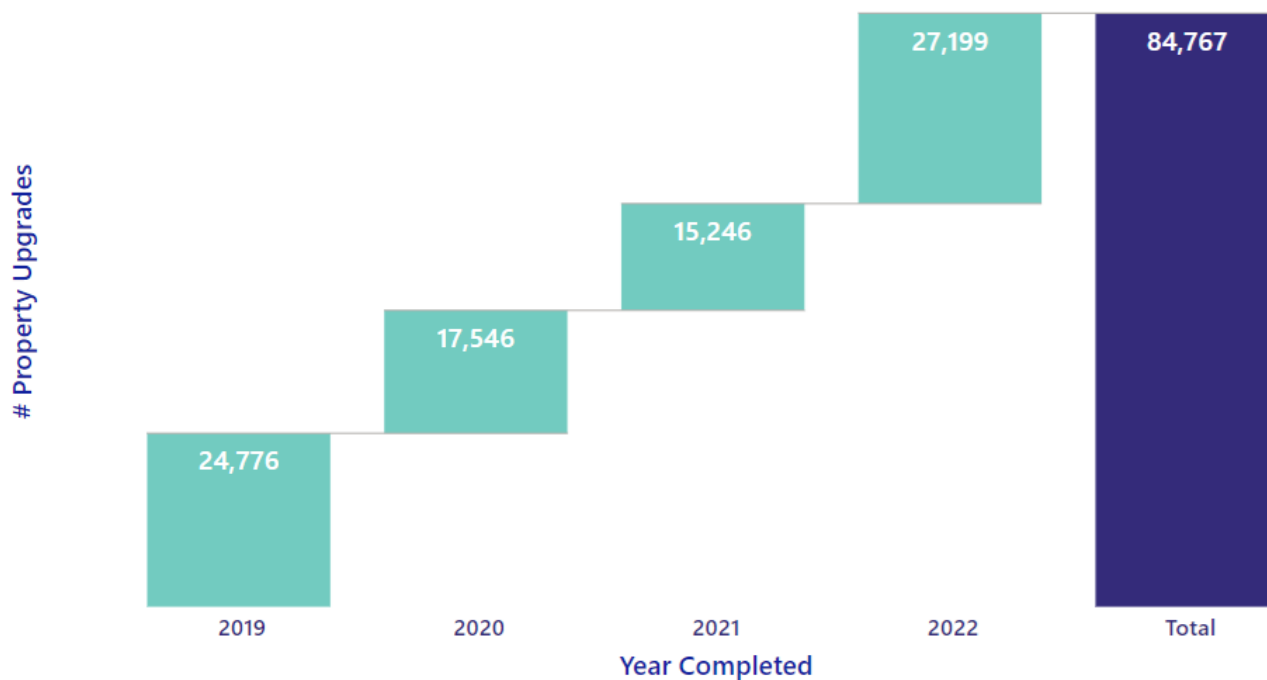
Achieving these targets will require a significant increase in delivery and the output from 2022 shows good progress in that regard. The main home energy delivery programmes were enhanced in 2022 and are now building towards the 2025 targets. Thus far we have achieved 84,768 home upgrades and of this 18,527 were to a B2 level. The next two years will be critical in achieving our targets and putting in place the groundwork for achieving the 2030 targets.

Currently the biggest risk to achieving the 2025 and 2030 targets is having a sufficient pool of appropriately skilled workers to support contractors in scaling up the delivery of home energy upgrades. Construction sector inflation and material supply chain constraints are still significant risks to delivery and likely to remain so in the medium term.

The pipeline for works is currently very strong and we expect this to be the case for 2023 and into 2024. However, if the cost of living and energy prices remain high this may impact on the number of people willing to undertake a home energy upgrade.

Behavioural science also teaches us of the power of the contagion effect, as more and more homeowners get an energy upgrade a wider number of people experience the benefits of it, and this further drives up demand and builds momentum. We have seen anecdotal evidence this on the solar PV programme in 2022.

Number of property upgrades by year

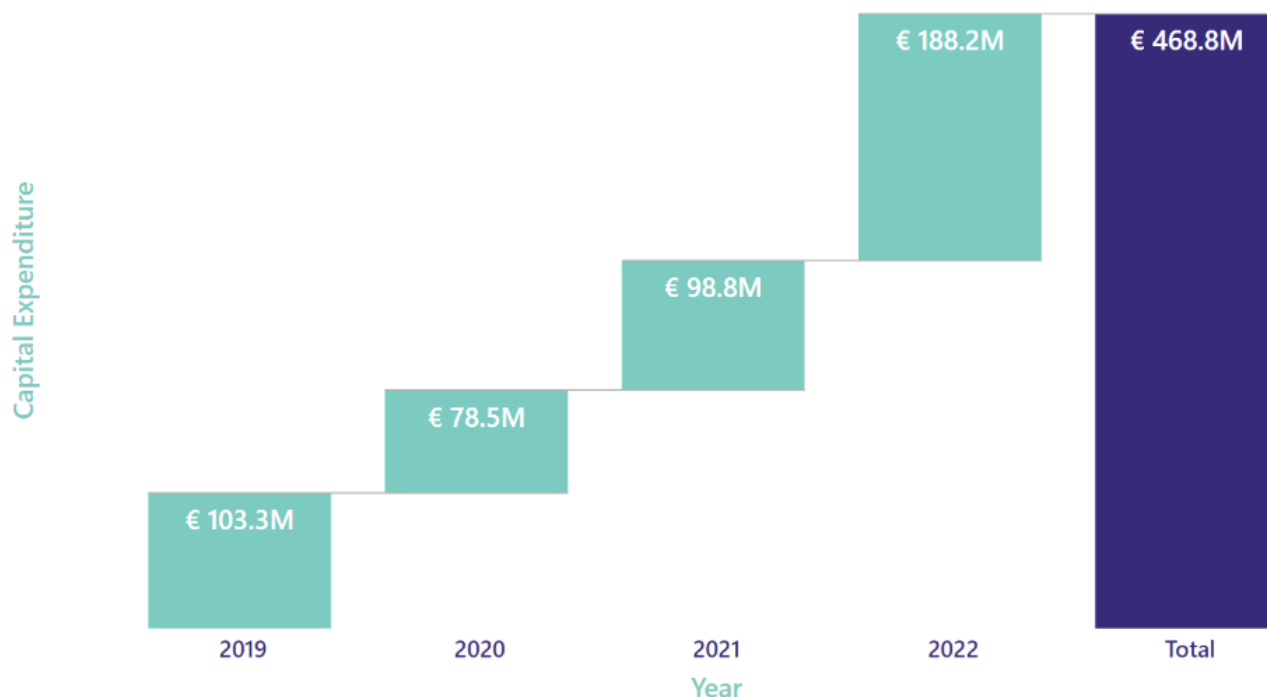


Programme	2019	2020	2021	2022	Total
Individual Energy Grants	20,533	15,223	11,711	21,823	69,290
Fully Funded Energy Upgrades	3,426	1,473	2,398	4,438	11,735
One Stop Shop Service including Pilots	114	199	813	643	1,769
Community Energy Grants	703	651	324	295	1,973
Total	24,776	17,546	15,246	27,199	84,767

Property upgrade by county by year

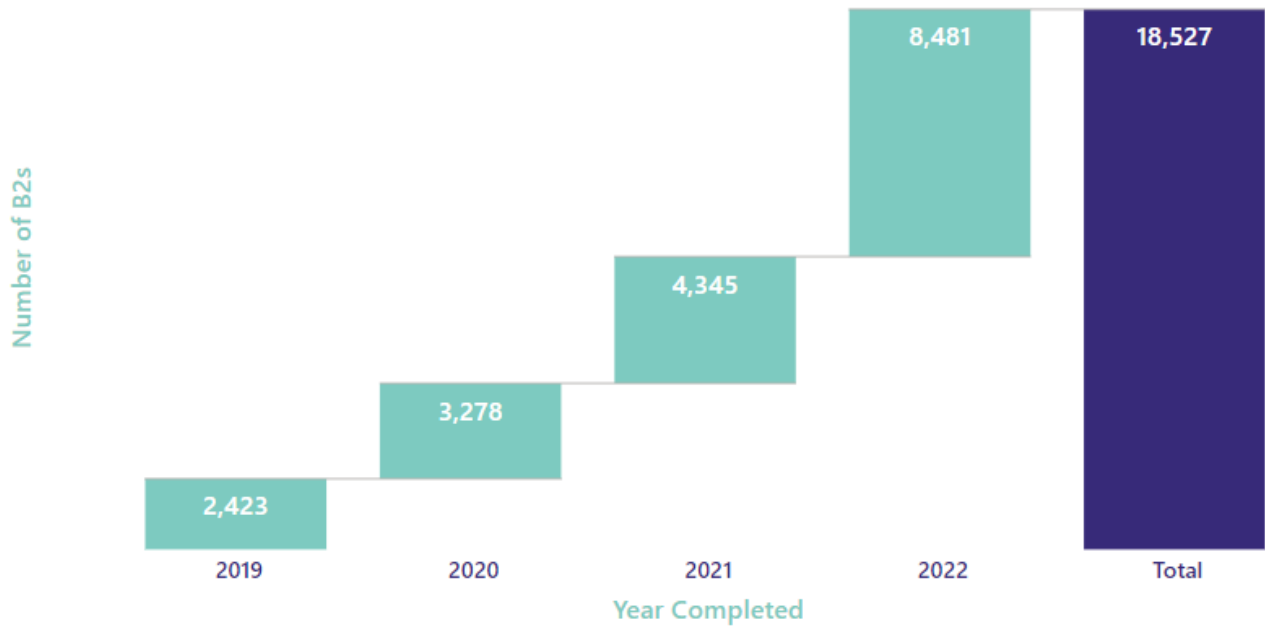
County	2019	2020	2021	2022	Total
Co. Carlow	404	121	156	351	1,032
Co. Cavan	496	248	199	371	1,314
Co. Clare	295	243	254	609	1,401
Co. Cork	3,457	2,921	1,840	3,179	11,397
Co. Donegal	354	309	452	780	1,895
Co. Dublin	6,892	5,014	4,459	6,260	22,625
Co. Galway	1,366	953	948	1,996	5,263
Co. Kerry	617	406	487	1,041	2,551
Co. Kildare	1,108	821	800	1,213	3,942
Co. Kilkenny	445	202	238	466	1,351
Co. Laois	398	189	238	452	1,277
Co. Leitrim	107	91	109	274	581
Co. Limerick	781	758	565	1,004	3,108
Co. Longford	165	102	68	217	552
Co. Louth	1,696	632	420	661	3,409
Co. Mayo	523	373	383	955	2,234
Co. Meath	2,124	1,005	660	1,174	4,963
Co. Monaghan	113	111	120	278	622
Co. Offaly	252	300	189	396	1,137
Co. Roscommon	237	184	214	501	1,136
Co. Sligo	178	207	225	555	1,165
Co. Tipperary	670	460	504	943	2,577
Co. Waterford	544	586	436	785	2,351
Co. Westmeath	323	282	263	565	1,433
Co. Wexford	630	527	614	1,241	3,012
Co. Wicklow	601	501	405	932	2,439
Total	24,776	17,546	15,246	27,199	84,767

Total Capital Expenditure by year

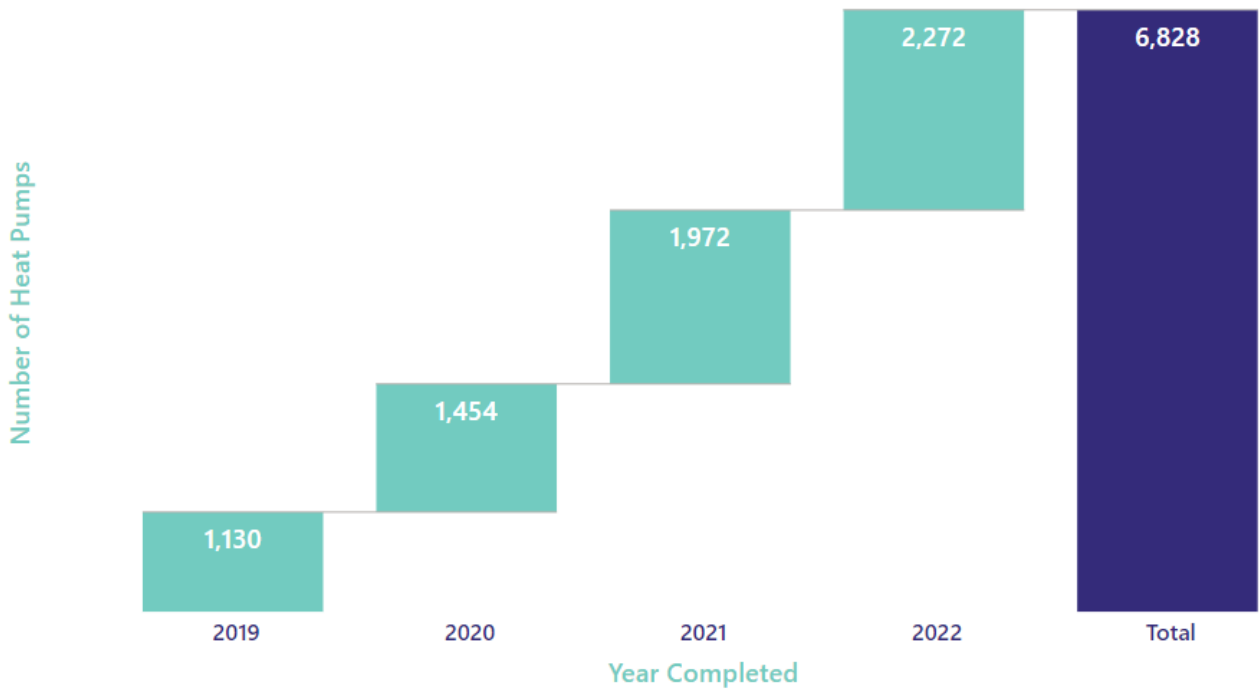


Programme	2019	2020	2021	2022	Total
Individual Energy Grants	€28.6M	€26.1M	€24.7M	€61.0M	€140.4M
Fully Funded Energy Upgrades	€48.2M	€25.5M	€41.4M	€98.0M	€213.1M
One Stop Shop Service including Pilots	€6.0M	€8.2M	€10.9M	€11.8M	€36.9M
Community Energy Grants	€20.5M	€18.7M	€21.8M	€17.4M	€78.4M
Total	€103.3M	€78.5M	€98.8M	€188.2M	€468.8M

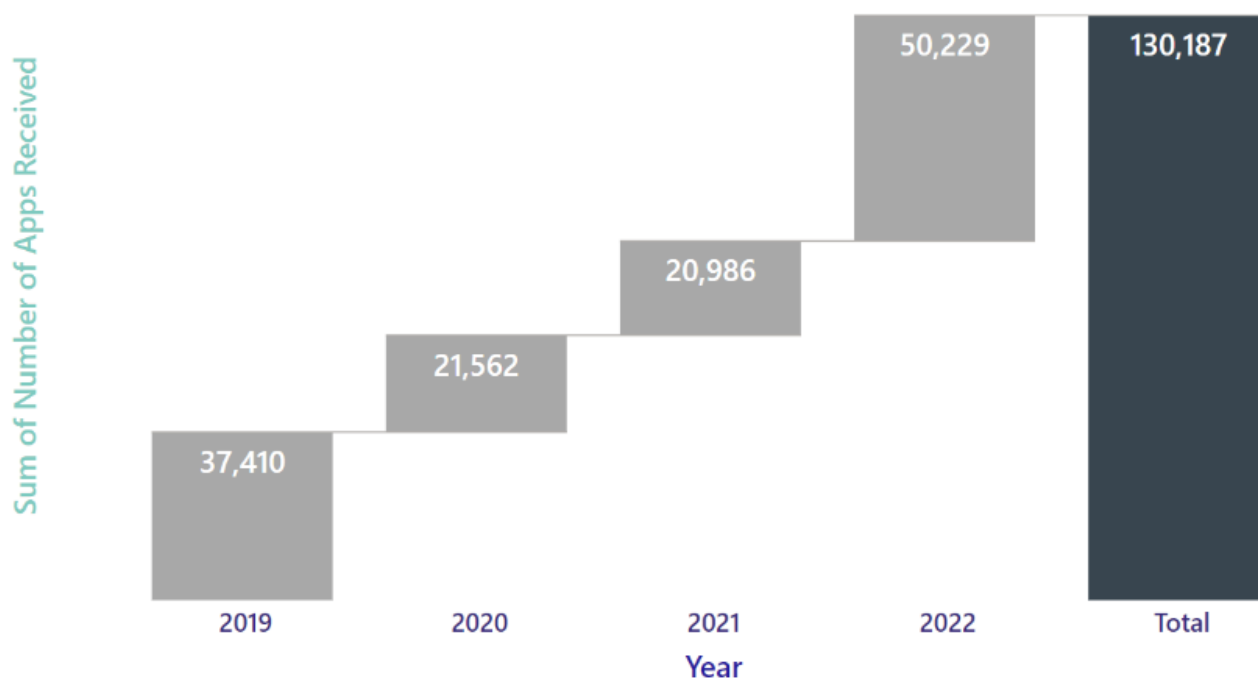
Number of B2 or better achieved by year



Number of heat pumps installed by year



Number of applications received by year



Programme	2019	2020	2021	2022	Total
Individual Energy Grants	30,471	17,603	16,966	38,684	103,724
Fully Funded Energy Upgrades	5,983	3,015	2,931	9,948	21,877
One Stop Shop Service including Pilots	253	293	765	1,302	2,613
Community Energy Grants*	703	651	324	295	1,973
Total	37,410	21,562	20,986	50,229	130,187

*In the case of Community Energy Grants the number of homes represents discrete homes actually completed in year and thereafter registered on SEAI systems.

4. Programme Reviews

4.1 One Stop Shop Service (National Home Energy Upgrade Scheme)

The One Stop Shop Development Call initially launched in 2021 and approved works continued into 2022, with completions peaking in Q2. This proof-of-concept pilot informed the design of the One Stop Shop Service which was formally launched in February 2022, with the first One Stop Shops registering in April 2022. The first properties were completed in July 2022 and the pipeline of properties has risen steadily since. It is a requirement of the scheme that the completed home must have a post-works BER of at least a B2 and a minimum 100KwH uplift in energy performance.

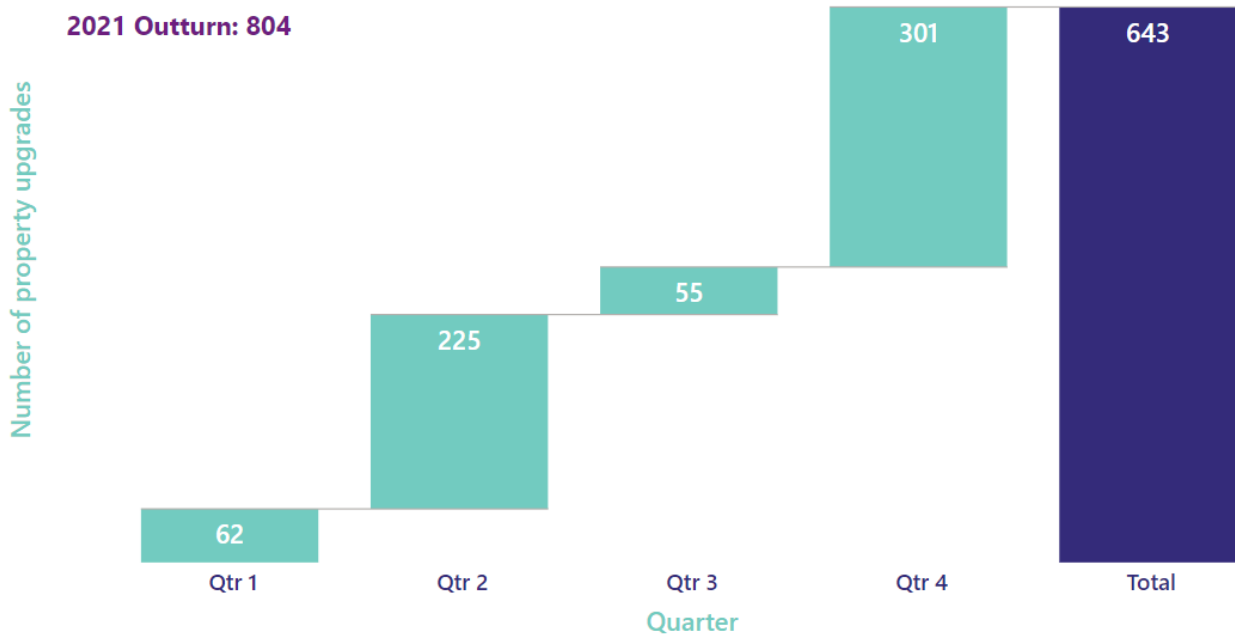
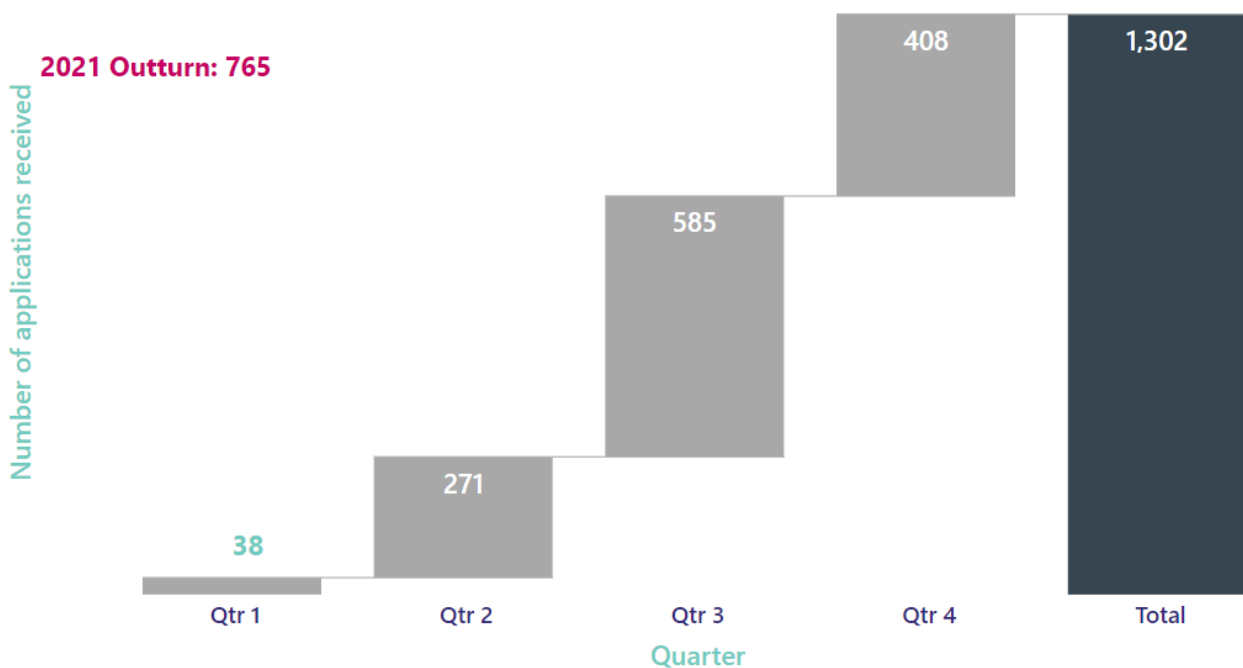
The deliberate decision to commence the One Stop Shop scheme, while the pilot schemes were still in progress ensured a degree of continuity for service providers and the wider supply chain. This mitigated a key criticism of previous schemes, namely confidence and surety about availability of funding.

Key insights

- SEAI registered 12 One Stop Shop service providers, all of whom commenced operations
- All registered One Stop Shops are continuing to report strong pipelines of work and growing demand.
- SEAI is satisfied that the One Stop Shop scheme is building momentum at a good pace to meet this growing demand, whilst maintaining high customer quality standards.
- In 2023, we expect to register an additional 8-10 One Stop Shops. The capacity of existing suppliers and the wider supply chain will continue to grow over the next 12 months. SEAI is working closely with various stakeholders to drive this growth and to enhance awareness and understanding of the scheme across the whole of the construction sector.
- A large proportion of upgrades under the scheme to date have been for Approved Housing Body (AHB) properties, whose tenants are often more at risk of fuel poverty. SEAI expects this trend to continue into 2023.
- AHB properties comprised the majority of completions in 2022 and these upgrades have typically cost half the value of a private home upgrade, so this trend has reduced the average cost of completions and consequently overall expenditure on the scheme.

NOTE: The charts below include homes completed through the two one stop shop, proof of concept, pilot schemes referenced above.

Property upgrades and Applications

Number of property upgrades 2022 - One Stop Shop Service**Number of applications received 2022 - One Stop Shop Service**

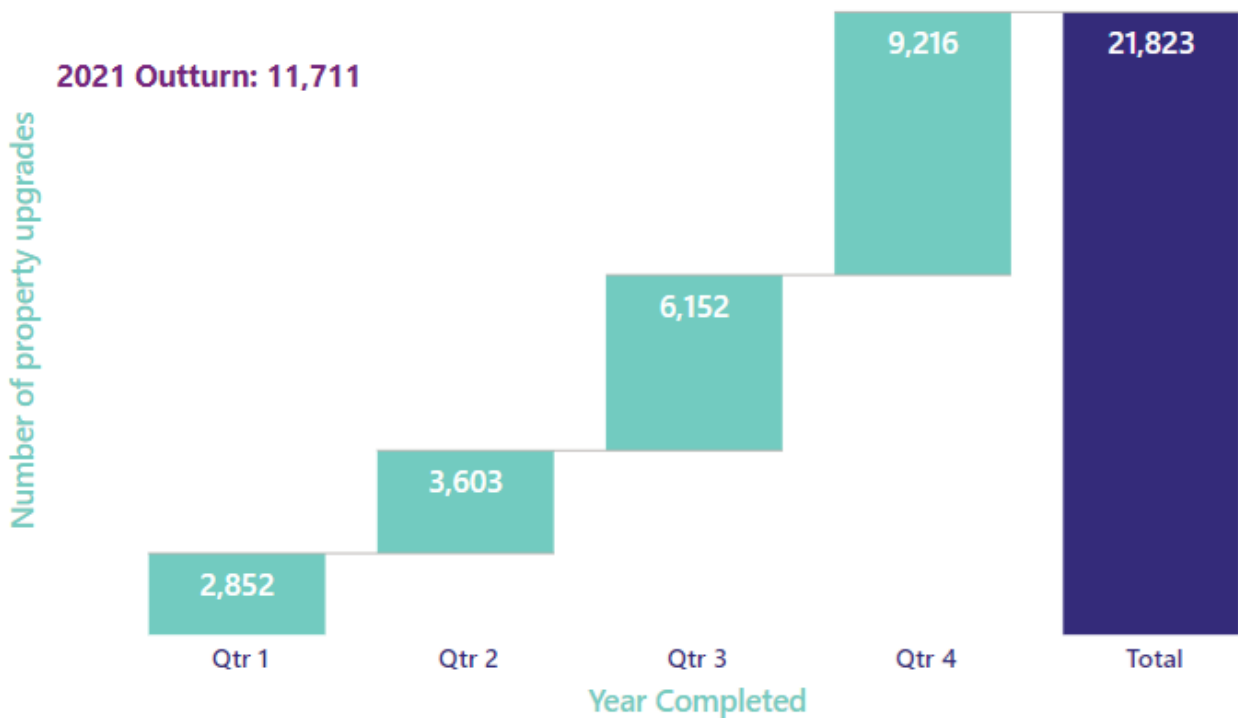
4.2 Individual Energy Upgrade Grants (Better Energy Homes and Solar PV)

Key insights

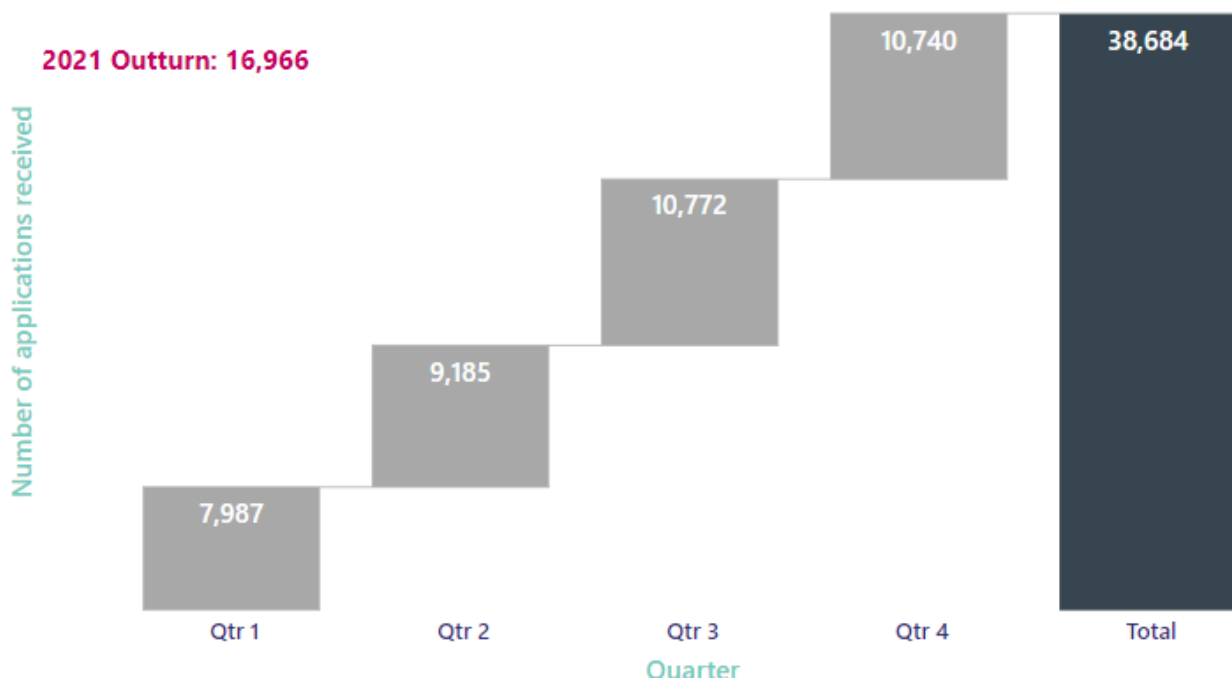
- 2022 was a very strong performing year for Individual Energy Upgrade Grants with the highest expenditure since programme launched in 2009.
- There was significant growth on all key performance indicators (KPIs) year on year, for example the number of property upgrades almost doubled, and the number of applications increased by 130%
- In the drive to scale up, there is increased focus on operational excellence while maintaining appropriate governance structures.

Property upgrades and Applications

Number of property upgrades 2022 - Individual Energy Grants



Number of applications received 2022 - Individual Energy Upgrade Grants

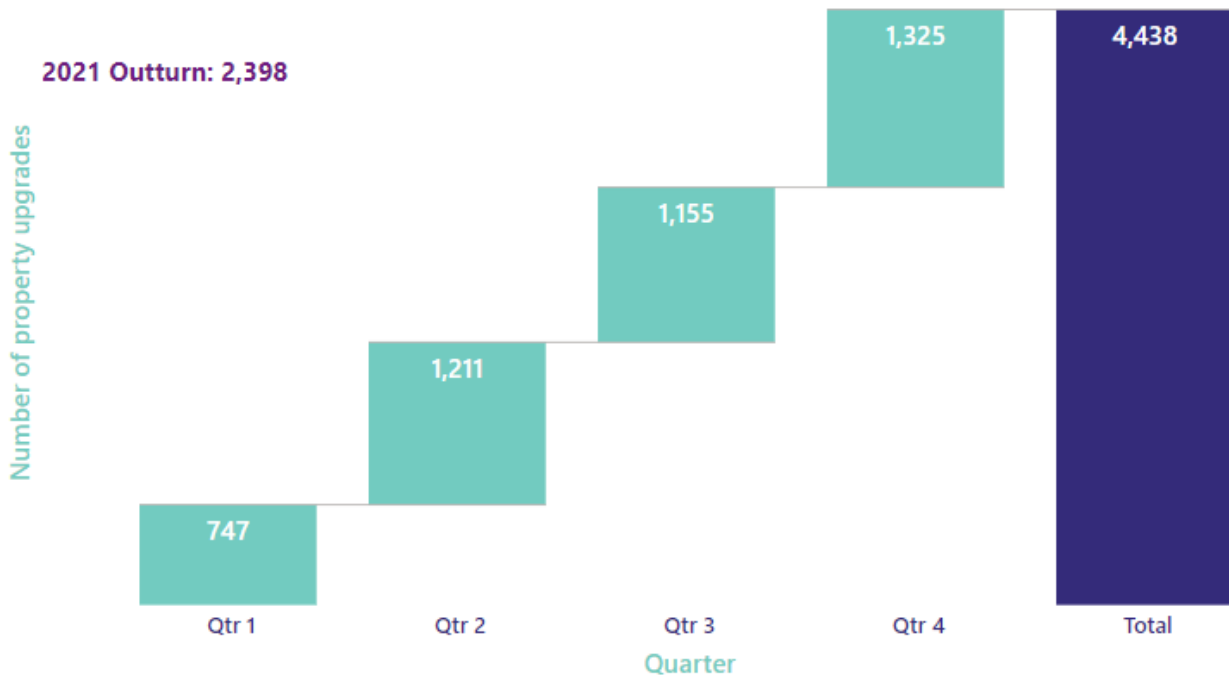
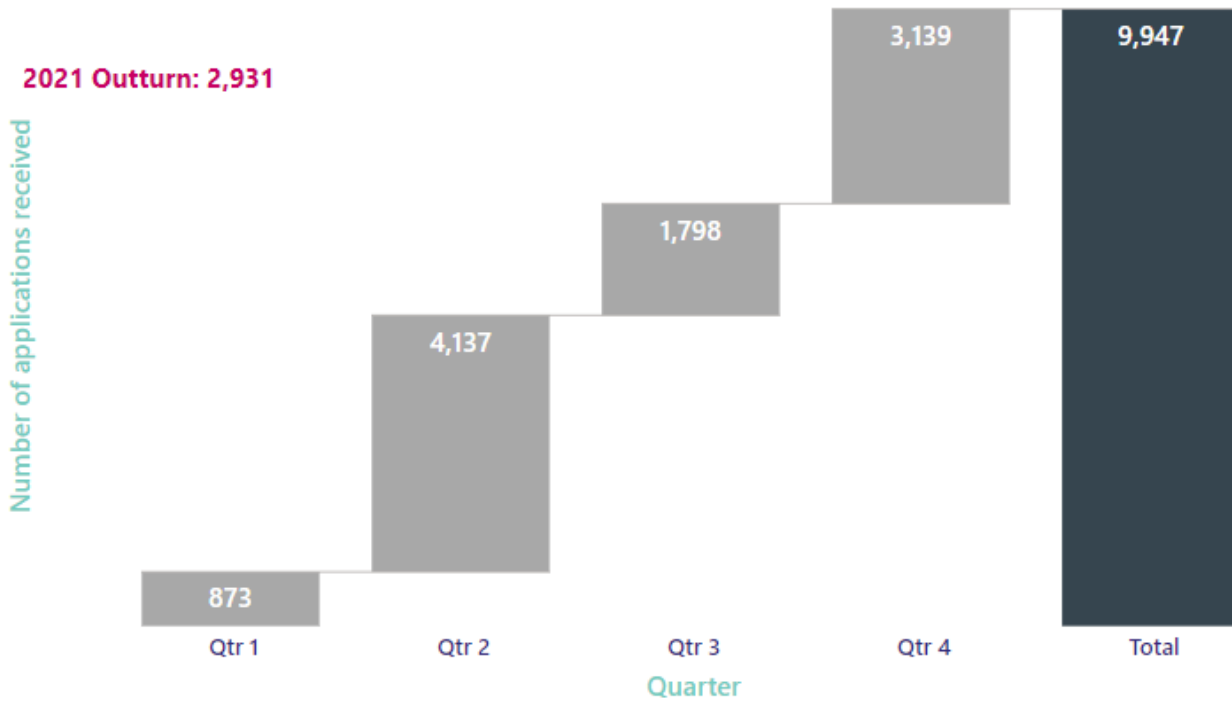


4.3 Fully Funded Energy Upgrades (Warmer Homes and Warmth and Wellbeing Schemes)

Key insights

- In 2022 SEAI successfully completed 4,438 upgrades for homeowners at risk of energy poverty, up more than 85% on the previous year.
- Programme spend of €98 million in 2022 was the highest ever annual spend for the programme since its launch in 2010.
- The spend included €5.2 million on the Warmth and Wellbeing pilot which was examining the health benefits of undertaking a home energy upgrade in the Irish context. The pilot programme closed in 2022 with the learnings now informing the provision of deeper home energy upgrades in the mainstream programme.

Property upgrades and Applications

Number of property upgrades 2022 - Fully Funded Energy Upgrade**Number of applications received 2022 - Fully Funded Energy Upgrade**

4.4 Community Energy Grants

Key insights

- Through the Community Energy Grant, contracts were awarded to upgrade 924 homes to a B2 BER, of these 295 of these homes were delivered by year end.
- The contracts also included support for 460 non-domestic projects (22 Community, 9 educational, 11 sports facility, 54 public sector, 32 Community and not for profit, and 332 private organisations).
- Applications received in 2022 comprised a total grant request of over €63 million, to support total €168 **million** works which would generate energy savings of 235GwH and abate 57,194 Tonnes of CO₂. At the end of 2022, €42 million of the initial applications had contracts approved.
- In 2022, 295 of these homes were completed, of which 294 included a heat pump and 95 were fuel poor homes.

2022 Key Statistics	2022
No homes contained in applications received	924*
Property upgrades completed by year end	295

**This number represents the total indicative volume of homes across all applications approved in the year. As a multi-annual programme, often, these properties are completed in subsequent years.*

4 Glossary

Term	Definition
Property upgrade	Refers to a retrofit at a property related to a single application on any of the SEAI residential retrofit programmes. The upgrade is counted as completed when a SEAI grant is fully paid, or on first payment of the 75% stage payment for fully funded energy upgrades. A property can have multiple property upgrades if they avail of SEAI grant programmes multiple times.
B2 or better home	A home is counted as having achieved a B2 or better BER rating when a property upgrade achieves a post works BER rating of B2 or better. The 'B2' is allocated to the retrofit programme that first achieves the rating. Thus, a home will only be counted once as a B2 or better in all reporting context.
Heat Pump home	A home is counted as a heat pump home when a property upgrade includes the installation of a heat pump. The home is allocated to the retrofit programme that installed a heat pump for the first time, regardless of subsequent energy upgrades on the same or other retrofit programmes where a replacement heat pump is installed. Thus, a home will only be counted once as a heat pump home in all reporting context.
Applications received	An application received for an energy upgrade for an individual home on any of the retrofit programmes. Multiple applications can be made for a home within or across programmes, depending on the specific rules on the programme. This is an indicator of demand for SEAI programmes. Not all applications will result in a property upgrade.
Capital Expenditure	Includes the grant expenditure plus overheads such as outsourced grant administration service costs, survey costs, inspection costs, and IT costs for supporting systems. All of the above expenditure is on a cash basis in line with Government accounting. SEAI's published annual report incorporating year end financial statements is on an accruals basis in line with financial reporting standards.



Rialtas na hÉireann
Government of Ireland

Sustainable Energy Authority of Ireland

Three Park
Place Hatch
Street Upper
Dublin 2
Ireland
D02 FX65

w: www.seai.ie

e: info@seai.ie

t: 01 8082100

