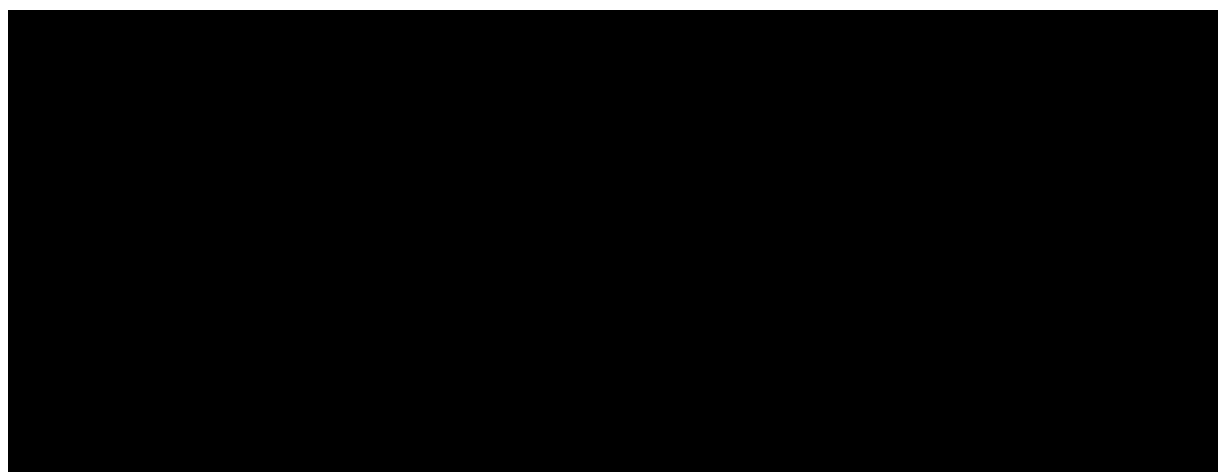


Residential Retrofit Targets and Estimate of Unit Cost

Information Note 25 May 2020

Context and Climate Action Plan retrofit targets

The Climate Action Plan sets a target of reducing the greenhouse gas emissions from the residential sector from 6Mt CO₂e in 2017 to 3-4Mt CO₂e in 2030. The Plan indicates that this will be achieved by upgrading 500,000 homes to a Building Energy Rating of B2/cost optimal equivalent or carbon equivalent by 2030, as well as the installation of 400,000 heat pumps to replace older heating systems. As evident from the chart below, this represents a very significant increase in both the number and depth of retrofit delivery, over and above current activity.



Achievement of the targets will be supported by the Project Ireland 2040 financial allocation of €3.7 billion to 2027. While this is clearly a significant level of Exchequer investment, it is generally acknowledged that reliance on Exchequer finance alone will not be sufficient to meet the level of retrofit and heat pump installation required.

Retrofit Taskforce

Delivering on the retrofit targets is a complex programme of work with a wide range of interlinkages and interdependencies. A truly all of government approach with effective collaboration will be required to deliver the programme. A Retrofit Taskforce with cross Departmental and agency membership has been established to oversee the design and development of a new integrated retrofit delivery model and the overall plan for achieving our targets.

Key activity/areas of progress since January include:

- Extensive collaborative working across the Department and SEAI with support from external consultants;
- Workshop with 40 stakeholders from the supply chain and financiers held;

- Series of bilateral meetings held with key stakeholders and Departments;
- Workshop with consumers/homeowners held;
- Review of international experience of retrofit programmes undertaken;
- Meetings of the Taskforce (20 January) and Delivery subgroup (19 February and 3 March) and Finance subgroup (5 March) held;

High level design to deliver on our retrofit target

The Taskforce is assessing a range of potential approaches across the 4 dimensions/pillars that will form the core of the retrofit solution.

- (i) Customer/homeowner propositions to improve awareness and drive demand
 - A network of one-stop-shops that deliver simple customer journeys and coordination with contractors and finance providers as well as minimising hassle;
 - Proactive and targeted marketing campaigns targeted at identified segments;
 - Appropriate regulation;
 - Aggregation models.
- (ii) Financial/funding models for each consumer segment/cohort to address high payback periods and ability to pay upfront costs
 - Exchequer funding;
 - Low cost loans (including consideration of a loan guarantee scheme), green mortgages, etc;
 - Tax incentives.
- (iii) Supplier scale-up and contracting
 - Drive confidence in long-term attractiveness of retrofit market;
 - Consistency and confidence in one-stop-shop offerings through clear standards and establishment of contractual obligations;
 - Changes to the existing apprenticeship and education programmes and other initiatives to up-skill the existing workforce and bring in new entrants;
 - Foster aggregation and standardisation;
 - Stimulate innovation.
- (iv) Programme governance and roadmap
 - Appropriate entity with responsibility for driving achievement of our national retrofit targets;
 - Performance monitoring and evaluation mechanisms established.

[REDACTED]

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