

SEM Chart of the Week

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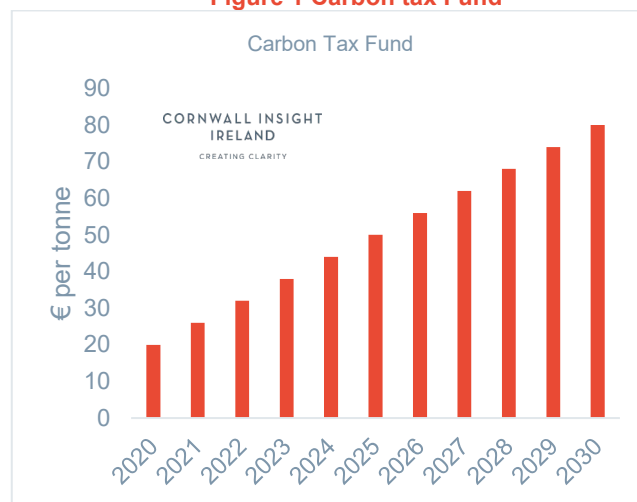
Retrofitting, it's on the House... Almost

Minister Bruton announced on Monday that the DCCA “will ring fence one third of the carbon fund for housing upgrades... Bringing total investment in retrofitting to almost €6 billion”. This announcement comes at an appropriate time given that large-scale retrofitting is called for in the Climate Action Plan in order to help increase energy efficiency.

Our House, in the middle of our street

Housing is one of the greatest energy efficiency challenges in Ireland and in order to help address this problem the government has committed to retrofitting 500,000 homes, starting with social housing in the Midlands. Group Retrofitting will form a key part of the overall strategy and it will bring efficiencies when houses in a local area benefit from retrofitting around the same time period.

Figure 1 Carbon tax Fund



Source: Cornwall Insight Ireland

The carbon tax, which increased this year to €20 per tonne, will continue to increase over the next decade until it reaches €80 per tonne by 2030 as shown in the chart in Figure 1. This year the carbon tax increase is expected to raise €90 million. This means that €90m in additional funding will be provided in 2020 for new schemes or increases to the budgets of existing schemes that are focused on climate change.

Our House, it has a crowd

Approximately one-third of the €90m will be ring fenced for retrofitting, housing upgrades, and helping to ease the transition away from peat towards more sustainable and renewable energy sources by creating an estimated 500 new environmental jobs. As can be seen in Figure 2 Below, €20m will be spent on the Aggregated Housing Upgrade Scheme (helping to retrofit 500,000 homes), €5m will be spent on Peatlands Rehabilitation in the Midlands, and €6m will be spent on the Just Transition Fund.

Figure 2 Just Transition Expenditure announced for 2020

Scheme	Expenditure
Aggregated Housing Upgrade	€20 mn
Peatlands Rehabilitation (non Bord na Mona)	€5 mn
Just Transition Fund	€6 mn

The carbon tax will provide a good source of funding for the program and the new retrofitting model and should help build confidence and trust that the government will be able to deliver the grants and funding necessary to retrofit the targeted number of homes after the previous Deep Retrofit Pilot Scheme failed to do so.

