

Member State Report **Ireland**

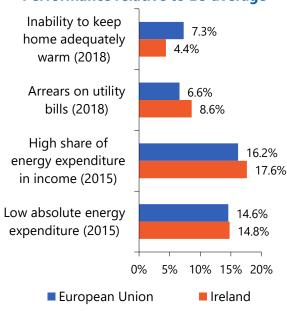
This Member State Report of the EU Energy Poverty Observatory (EPOV) provides an overview of the energy poverty situation in Ireland at a glance. With key indicators, policies, and publications, it offers an understanding of the key aspects of energy poverty in Ireland.

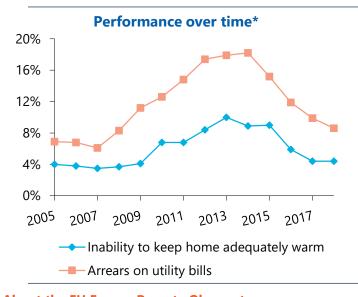
Ireland has a mixed performance in comparison to the EU average on the population-reported indicators. In 2018, 4.4% of the Irish population reported that they were unable to keep the home adequately warm while the corresponding EU average is 7.3%. Similarly for 2018, 8.6% of the population was unable to pay their utility bills on time due to financial difficulties, while the respective EU average is 6.6%. As a large number of homes use oil and solid fuels for heating, which are paid up-front and not through a utility bill, this indicator is likely to underestimate the extent of energy poverty in Ireland.

Ireland's performance in the expenditure-based indicators is mixed compared to the EU average. The share of households that spend a high share of their income on energy expenditure is 17.6%, which is higher than the EU average. Low absolute energy The high energy expenditure is likely to put a strain on the household budget and might indicate a poor energy efficiency of the building.

Conversely, at 14.8% Ireland has a slightly lower number of households that spend a low share of their income on energy expenditure. These households might restrict their energy spending below what is necessary to meet their needs.

Performance relative to EU average*





In Ireland, the percentage of the population that is unable to keep the home adequately warm increased from 4.1% in 2009 to 10.0% in 2013. This indicator gradually decreased to 4.4% by 2018.

Meanwhile, households with arrears on utility bills follow a similar trajectory and increased consistently from 6.1% in 2007 to reach a peak of 18.2% in 2014. By the year 2018, the arrears on utility bills decreased to 8.6%.

The notable increase in energy poverty between 2007 and 2012 may be attributed to the financial crisis leading to a general increase of poverty in Ireland.

About the EU Energy Poverty Observatory

The EU Energy Poverty Observatory (EPOV) is an initiative by the European Commission to help Member States in their efforts to combat energy poverty. It exists to improve the measuring, monitoring and sharing of knowledge and best practice on energy poverty. EPOV has been developed by a consortium of 13 organisations. This report was authored by Navigant.

*Population-reported indicators taken from Eurostat <u>here</u> and <u>here</u> on November 19, 2019. Expenditure-based indicators calculated by EPOV based on HBS data. Disaggregated data of population-reported indicators calculated by EPOV based on Eurostat provided data.







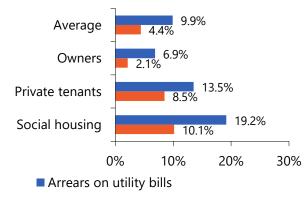
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DATA & STATISTICS

The disaggregation by tenure type of the population-reported indicators suggests that energy poverty in Ireland is highest for the social housing sector in 2017, at 10.1% for inability to keep the house warm and 19.2% for arrears on utility bills. The social housing sector accounts for 18% of the population in Ireland.

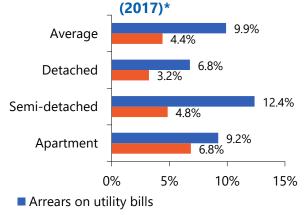
70% of the Irish population are home owners. Only 2.1% of them are unable to keep their home warm and 6.9% have arrears on utility bills.

Inability to keep home warm and Arrears on utility bills disaggregated by tenure type (2017)*



■ Inability to keep house adequately warm

Inability to keep home warm and Arrears on utility bills disaggregated by dwelling type



■ Inability to keep house adequately warm

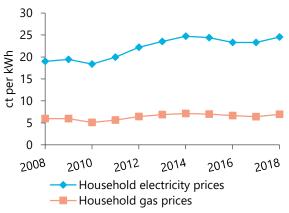
The disaggregation of the population-reported indicators by dwelling type shows that the 52% of the Irish population that live in semi-detached or terraced houses perform more poorly on both indicators than the 40% of the population living in detached houses. 12.4% of the people living in semi-detached houses have arrears on utility bills and 4.8% are unable to keep their home warm.

People living in apartments, accounting for 8% of the population, have the highest inability to keep warm at 6.8% but are less likely to have arrears on utility bills than people living in semi-detached or terraced houses.

A more detailed discussion on which households are most impacted by energy poverty can be found in DCENR (2015).

The household energy cost over time in Ireland has gradually increased from 2010 to reach a peak in 2014. The most notable variation in price per unit for electricity which went from 18.4 €ct/kWh in 2010 to 24.7 €ct/kWh in 2014. The price in 2018 stood at 24.5 €ct/kWh. Meanwhile the price for gas remained more consistent although it also exhibits a very slight increase and reached a value of 7.13 €ct/kWh by 2014. By 2018, the price of gas reduced slightly to 6.97 €ct/kWh.

Ireland household energy costs over time



*Population-reported indicators taken from Eurostat <u>here</u> and <u>here</u> on November 19, 2019. Expenditure-based indicators calculated by EPOV based on HBS data. Disaggregated data of population-reported indicators calculated by EPOV based on Eurostat provided data.







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Research on energy poverty has a long tradition in Ireland. Analyses of energy poverty were conducted as early as 2003 (Healy 2003, Healy and Clinch 2004) and have continued to the present (ESRI 2019).

The Irish government has published two strategies setting out the policies and measures aimed at alleviating energy poverty in Ireland. The most recent strategy was accompanied by a bottom up analysis of the level of energy poverty in Ireland. The strategy also expanded the energy efficiency supports available to lower income households and launched a scheme aimed at measuring the health impacts of improved energy efficiency. Since 2000, over 135,000 lower income households have received free energy upgrades to their homes through schemes operated by the Sustainable Energy Authority of Ireland. Separately, over 70,000 retrofits have been carried out in Local Authority homes. The measures provided have expanded over time moving from shallower measures to deeper whole house upgrades. In 2020 Government investment of over €100 million has been allocated for these schemes.

Income supports are also available from the Government. These include the *Fuel Allowance* and *the Household Benefits Package* which provides additional Electricity and Gas Allowances. These allowances are intended to help households with increased heating costs over the colder winter months. These payments have been increased over time with a further increase made in Budget 2020, coinciding with the increase in the carbon tax.

There are multiple stakeholders active in the energy poverty field in Ireland. NGOs such as Energy Action and Society of Saint Vincent de Paul are working to alleviate energy poverty. In addition, since 2014, energy suppliers have committed on a voluntarily basis to the *EAI Energy Engage Code* to never disconnect an engaging customer who is communicating with the supplier and genuinely working to clear arrears on their account.

Selected measures	Type of measure	Organisation	Target groups	Start year	Result
Better Energy Warmer Homes	Building insulation, energy audits, household appliances	National government	Low-income households	2000	135,000 homeowners have had energy efficiency measures carried out to their homes under this scheme.
Fuel Allowance & Household Benefits Package	Energy bill support	National government	Low-income households	1988	Approximately 410,000 recipients per year.
Social Housing Retrofit Programme	Building insulation, heating system	National government, regional covernment	Social Housing	2012	70,000 social housing properties upgraded
Code of Practice for Energy Suppliers	Disconnection protection	National government	Vulnerable Customers		Protections for customers in difficulty with their electricity or gas bills







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This page gives an overview of the most relevant organisations working on energy poverty in Ireland and presents publications and training resources on energy poverty in Ireland.

Name: Department of Communications, Climate Action & Environment

Organisation type: National Government **Description**: It is in charge of developing and delivering Ireland's climate policy including its energy policy. It lead the creation of Ireland's energy poverty strategy (see below) and oversees the Sustainable Energy Authority of Ireland and Commission for Regulation of Utilities.

Name: Economic and Social Research

Organisation type: Research & Consultancy **Description:** The Economic and Social Research Institute works towards a national vision of 'Informed policy for a better Ireland'. It produces analyses to provide robust evidence for policymaking, with the goals of research excellence and policy impact.

Organisation

Title: A Strategy to Combat Energy Poverty 2016 - 2019

Authors: Department of Communications, Energy and Natural Resources

Year: 2016

Description: It expands the reach of existing energy efficiency schemes and commits the Government to developing and piloting new measures to find more effective ways to focus energy efficiency efforts on those most at risk of energy poverty. It also puts in place the structures and the accountability to ensure that the challenge is effectively addressed.

Title: <u>Is Fuel Poverty in Ireland a Distinct Type of Deprivation</u>

Authors: Watson, D., and Maître, B.

Year: 2015

Description: It investigates whether fuel poverty is a distinctive type of deprivation that warrants a fundamentally different policy response than poverty in general. The paper concludes, based on evidence from factor analysis and multinomial regression, that fuel poverty is better regarded as an aspect of low living standards rather than being a distinct dimension of deprivation.

Other selected publications

- Healy, J.D. (2003) <u>Fuel Poverty and Policy in Ireland and the European Union</u>
- Scott, S. et al. (2008) Fuel Poverty in Ireland: Extent, Affected Groups and Policy Issues
- McAvoy, H., and Liddell, C. (2009) <u>Annual Update on Fuel Poverty and Health</u>
- Department of Communications, Energy and Natural Resources (2011) <u>Warmer Homes. A Strategy for Affordable Energy in Ireland</u>

Publication

- Goodman, P., et al. (2011) Fuel Poverty, Older People and Cold Weather: An all-island analysis
- Ahern, C., et al. (2013) <u>State of the Irish housing stock—Modelling the heat losses of Ireland's existing detached rural housing stock & estimating the benefit of thermal retrofit measures on this stock</u>
- O'Meara, G. (2015) <u>A Review of the Literature on Fuel Poverty with a Focus on Ireland</u>
- DCENR (2015) <u>Bottom-up analysis of fuel poverty in Ireland</u>
- Kerr, N., Gillard, R. & Middlemiss, L. (2019) <u>Politics, problematisation, and policy: A comparative analysis of energy poverty in England, Ireland and France</u>
- Government of Ireland, Climate Action & Environment (2019) Climate Action Plan 2019
- Economic and Social Research Institute (2019) <u>Carbon Taxes and Compensation Options</u>
- Government of Ireland (2020) Roadmap for Social Inclusion 2020 2025

For definitions of the terms used in this report <u>click here</u>. The EPOV website provides an extensive collection of Knowledge & Resources. <u>Click here</u> for more information and to contribute additional policies, publications and other resources.

This report was completed in February 2020.



