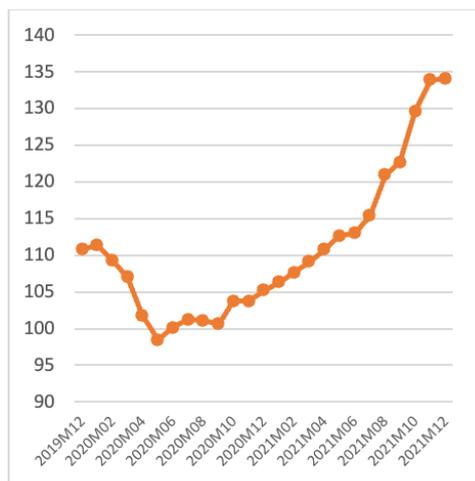


Ireland needs a new energy poverty strategy

The cost of energy is central to the cost-of-living crisis. In one year, **between December 2020 and December 2021, the cost of energy rose by 27%**, and energy costs are now 34% higher than December 2016.¹ Up to 28% of households may be in fuel poverty, including 165,000 of households with older persons.²

The Government's *Strategy to combat energy poverty 2016-2019* is out of date, and the current energy cost crisis has shown that it needs to be substantially revised. **Age Action is asking all TDs and Senators to insist that the Government publishes a new energy poverty strategy asap**, with real solutions for the many older persons on low incomes and in poorly insulated housing.

Figure 1. Consumer Price Index: Electricity, Gas, Other Fuels (Dec 2019-Dec 2021, base Dec 2016=100; CSO)²



According to the Minimum Essential Standard of Living research for 2021, **older persons need to spend at least between €24.76 and €33.28 per week on home energy costs**, with rural homes costing more to heat.³ These costs will be much higher in 2022.

Fuel Allowance provides €17.72/week on an annualised basis, and the electricity or gas allowance in the Household Benefits Package to people over 70 provides €8.05/week. Even combined, this does not cover the whole cost and **only 3 in 10 older persons receives Fuel Allowance**. Thousands of older persons who are not eligible for Fuel Allowance struggle to afford the cost of electricity, gas and other fuels. **The Fuel Allowance eligibility rules need to be substantially revised, and new payments are needed to help older people with energy costs.**

The Government's proposed €100 energy payment to all households is the equivalent of just €1.92/week. While welcome, **the one-off €100 payment will provide little added help to those who simply cannot afford to keep the heat turned on.**

There are nearly 400,000 households headed by a person aged 65 or older, at least 40% of which are a person living alone. In Census 2016, one in 50 (2%) of these households had no central heating, and nearly one in seven (13.7%) relied on burning coal or peat for heating. Half of older person's homes (49.4%) use oil as their primary heating fuel, and a further quarter (25.9%) use natural gas. One study found that 45% of older persons (60+) lived in properties with a BER of E, F or G, rising to 57% for people aged 75 or older.⁴ Based on this, practically all homes with a BER of E, F and G are likely to be occupied by people aged 60 or older, meaning that **older persons are especially at risk to energy price hikes and are least able to afford energy efficiency retrofitting of their homes.**

The October 2020 Programme for Government promised to put all additional carbon tax revenue into a Climate Action Fund for "targeted social welfare and other initiatives to prevent fuel poverty" among other aims. It also promises to implement a new National Energy Efficiency Plan (the previous one ended in 2020). **It is February 2022, where is a strategy for energy poverty?**

There is a new National Retrofitting Plan as section 14 of the Climate Action Plan 2021, which promises to retrofit 500,000 homes to BER B+ by 2030. But only 18,400 retrofits were completed in 2020 and just 4,000 of them were to a B+ standard.⁵ The retrofitting plan will take at least another 8 years. What supports will be in place for older persons between now and then? **The missing piece of policy is a comprehensive strategy to eliminate energy poverty, including targeting payments to all households unable to afford home energy.**

Age Action is calling for a comprehensive energy poverty strategy, to include new measures to use carbon tax revenue to fund energy payments to every older person who cannot afford rising energy costs.

¹ Consumer Price Index, CSO <https://data.cso.ie/table/CPM16>

² DCENR (2015) *Bottom-up analysis of fuel poverty in Ireland* <https://www.gov.ie/en/publication/14e2b-strategy-to-combat-energy-poverty/>

³ Minimum Essential Standard of Living (MESL) www.budgeting.ie

⁴ Curtis et al (2014) <https://www.esri.ie/system/files?file=media/file-uploads/2016-12/WP489.pdf>

⁵ Government of Ireland, *Climate Action Plan 2021* <https://www.gov.ie/en/publication/6223e-climate-action-plan-2021/>

What some people told Age Action before Budget 2022:

"Look at all the rising cost of living, one of the highest in Europe."

"I cut back on heating expenses by not using it in the morning and by turning off early"

"Suffering from hypothermia as unable to heat house due to money shortage in late unexpected cold snap. Couldn't purchase heating oil when it ran out."

"We as a couple find it difficult to keep to budget and also heat home enough to cope with medical conditions which feel coldness a lot"

"We're cutting back on heating the house as gas and electricity bills have increased significantly."

"The increases in carbon taxes are a worry. Heating costs are rising substantially and it is getting harder to pay for heating our homes."

"It is so hard to try to pay all the bills even without food bills, especially in wintertime"

"Constant juggling each week as to what bills have to be prioritised."

"Increase old age pension to make ends meet, and to be able to afford some sort of life."

"Increase in pension rate. Five euro increases may be the Government's answer, but does not address the previous losses of income and is not the answer."

"Pension household additions such as fuel allowance very important as my only heating is electric. Very big bills in winter."

"Fuel for the long winter. Fuel Allowance is not enough. The living alone allowance needs to be studied very seriously."

"Living expenses are tougher on single person households and the living alone allowance makes very minimal difference."

"All carbon taxes have a significantly adverse effect on your pension. The Government will say that they are grants available but you have to pay a portion of the cost which we cannot afford on the low pension rate, thus excluding us from getting any benefit from these schemes."

"A lot of work to be done on my house to get it warm and two years waiting time with SEAI for free insulation or windows."

"Help for those living in homes that are hard to heat. Good insulation is required for those suffering from fuel poverty."

"More ways to deal with cold houses."

"I find it's very expensive to heat my home and I cannot afford to upgrade or insulate"

"I would like the government to fund the retrofitting of all homes built before 1950 as the cost to heat these homes is very expensive."

"To get insulation done as I burn a lot of fuel and lose heat in attic insulation and windows."

"I have a car; 21 years old. Without same I can't carry shopping or walk as I have severe back problem and other health issues."

"I am also a carer and need a car for the person I am caring for. My motor insurance is astronomical."

"Lots of people on a pension can't afford to run a car, so if they live in the country, they can become isolated."



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