

Development of a new Solid Fuel Regulation for Ireland

Department of the Environment, Climate and
Communications

April 2021

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National Office
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Introduction

The Society of St Vincent de Paul (SVP) welcomes the opportunity to respond to the Department of the Environment, Climate and Communications' (DECC) consultation on the development of new Solid Fuel Regulations for Ireland. We recognise and support the need – for our health and for the environment – to reduce the use of smoky fuels in the home, but we emphasise the importance of people in energy poverty having a range of affordable heat sources, including solid fuel.

SVP is the largest voluntary charity of social concern in Ireland, with 11,000 members volunteering in 1200 local conferences. Each year we receive around 160,000 calls for assistance from members of the public and one of the main areas we support people with is energy poverty.

SVP recommends that people at risk of energy poverty be protected from cost increases by ensuring a range of fuel types remain affordable, including solid fuel options.

Energy poverty in Ireland

It is estimated that energy poverty (measured as spending 10 per cent or more of a household's disposable income on energy) affects one in six households in Ireland.¹ In 2019 (the last year for which we have data), 4.9 % of the population were unable to keep their homes adequately warm² – rising to 12.1% of single parent families. Of the people in poverty in Ireland, 15.2% could not keep their homes warm enough, and increase of almost 4 percentage points from the previous year. In addition, 8.9% of households were in arrears on their utility bills³ – for single parent families 23.2 per cent were behind on utility bills.

¹ <https://www.svp.ie/getattachment/2cb10388-e3ca-41ef-9911-a17f252ce09c/Growing-up-in-the-Cold.aspx>

² Survey of Income and Living Conditions - ilc_mdcs01

³ Survey of Income and Living Conditions - ilc_mdcs07

These figures show what we regularly see at SVP, that there are many households who are forced to live on incomes that do not meet the cost of living and that is reflected in people going without the basics they need.

The impact of the pandemic on energy poverty

It is important to note that these figures come from before the Covid 19 pandemic, which has brought an additional burden to people in poverty. At SVP we have seen that more families have struggled with energy and heating this year than in previous years.

Research commissioned by SVP and carried out in January 2021⁴ has shown that 19% of adults have cut back on heating or electricity due to cost since the start of the pandemic. This figure was highest for respondents aged 35-55 at 22 per cent. For those who were finding it difficult financially prior to the pandemic, 37 per cent had cut back on heating or electricity due to cost. 42% of those unable to work due to disability had cut back on heating or electricity due to cost, and 36 per cent of lone parent families had cut back.

SVP's perspective on solid fuel

SVP welcomes the transition to a more environmentally friendly energy system: the impacts of climate change are felt most by the poorest people in society⁵, and mitigating climate change is therefore a fundamental part of achieving social justice.

Regulating smoky fuels to ensure that both our health and the environment are protected is a positive step forward to a cleaner energy system. However, the

⁴ SVP (2021) 'Cutting Back and Falling Behind? An analysis of the financial impact of Covid-19'. Available at: <https://www.svp.ie/getattachment/a116ab93-1ba9-4f04-b5a2-bbad59dab050/Cutting-Back-and-Falling-Behind-Red-C-Report-March.aspx>

SVP commissioned RED C to collect data on financial strain due to Covid 19 using their Online Omnibus Service. Red C interviewed a random sample of 1026 adults aged 18+ online between 22nd and 28th January 2021. Results are weighted to the profile of all adults on age, gender, class, region, education level and working status to ensure a nationally representative sample.

⁵ UN Human Rights Council (2019) Climate Change and Poverty. Available at: <https://undocs.org/A/HRC/41/39>

transition must be done in a way that explicitly acknowledges poverty and embeds ending poverty in all its forms as a guiding principle.

This includes energy poverty, and action to improve our heating and energy use must be designed in such a way that improves the lives of people in energy poverty and protects them from further costs that they cannot absorb.

For households on a low income whose primary heating source is solid fuel any increase in the price will limit their ability to adequately heat their home. The cost of switching away from smoky fuel will fall more heavily on households in poverty who will struggle to accommodate spending a higher amount. Households in poverty spend a higher proportion of their income on essential goods and services, including energy and heating, so when these costs rise households are less able to absorb the difference leading to adverse consequences such as:

- Using less heat and energy than they need, with financial and physical and mental health affects
- Cutting back on other costs eg. Food
- Getting into arrears or debt.

In the experience of SVP, solid fuel is often used by people experiencing energy poverty as a stop gap measure when alternative sources (gas or electricity or oil) are unavailable due to budget or availability of these energy sources in rural areas. Research with families living below a Minimum Essential Standard of Living highlighted the reliance on solid fuel options:⁶

⁶ SVP and VPSJ (2018) 'Stories of Struggle' available at: <https://www.svp.ie/storiesofstruggle>

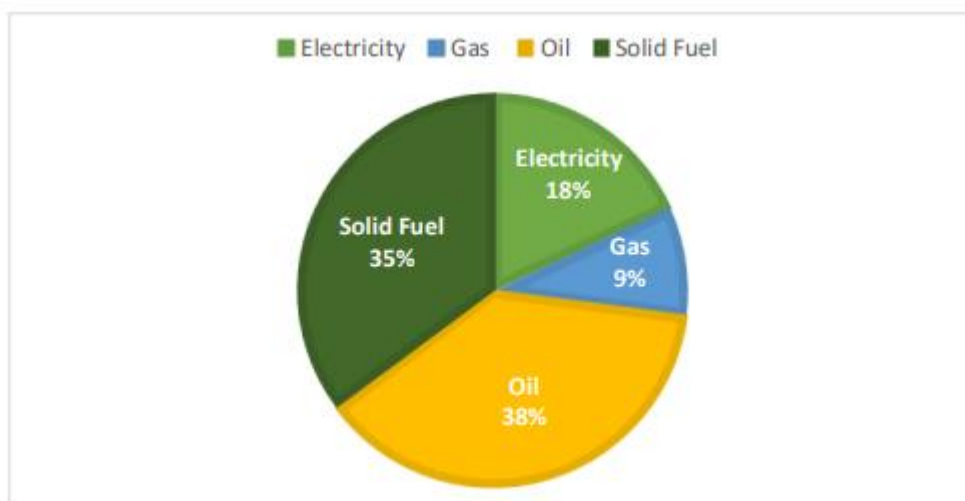
"I can't afford to fill the oil tank, I can fill a barrel with kerosene from time to time, or get fifty euro of brickets or coal. It's a big home but very cold and [my daughter] is asthmatic."

"I have to cut down on many things, like filling the tank with oil so I buy coal and logs for an open fire."

'Stories of Struggle: Experiences of Living Below the Minimum Essential Standard of Living' 2018.

The research showed that a range of fuel options such as briquettes, coal, and logs are important in making sure households are able to heat their homes when they do not have the money to fill the oil tank.

For SVP members, providing solid fuel to a household who are struggling with their energy costs ensures they will not be going without vital heat during a time when they don't have the money to top up a prepayment meter or fill an oil tank. As the chart below shows, in 2018 35% of the assistance SVP provided for energy costs was spent on solid fuel.



Breakdown of SVP energy spend from 2018.

Addressing energy poverty

Energy poverty is caused by a combination of fuel costs, income adequacy, and housing efficiency. All three aspects must be tackled to sustainably address and reduce energy poverty. This complexity necessitates cross-departmental work and a strategy that addresses immediate need as well as long term investments.

This complexity also means that effectively tackling energy poverty has the potential to bring many different benefits: reducing the effects of energy poverty on the individual (financial, mental and physical health impacts) and on society (the cost of poverty to public services has been estimated at €4.5 billion a year⁷); reducing energy use in the home and therefore mitigating climate change; and the opportunities through retrofitting to create regionally distributed high quality work opportunities.

The environmental and public health benefits of moving away from smoky fuel are clear, however people at risk of energy poverty must be protected from rising costs by ensuring a range of fuel types remain affordable, including cleaner solid fuel options. An outright ban on certain solid fuels without alternatives for energy poor homes that rely on these types of fuel, will exacerbate and increase energy poverty. Any additional pressure placed on energy poor households must be mitigated through the following recommendations.

Recommendations

1. DECC must target the deep retrofitting of social tenancies and improvements in the Private Rented Sector to at least BER grade B2 by 2030. Minimum standards in the PRS should be implemented alongside an awareness-raising campaign, incentives for landlords that are conditional on enhanced security of tenure and increased funding for inspections and enforcement.

⁷ SVP (2020) 'The Hidden Cost of Poverty: Estimating the Public Service Cost of Poverty in Ireland.'
<https://www.svp.ie/getattachment/3b9f910a-4617-4592-abb0-edd0774f56e8/The-Hidden-Cost-of-Poverty-Executive-Summary.aspx>

2. DECC must work with DSP to ensure that people in energy poverty are protected from rising fuel costs. Research from the Vincentian Partnership for Social Justice VPSJ finds that improvements in energy efficiency alone will not enable vulnerable households afford their minimum energy needs. Even at the highest efficiency level examined, social welfare dependent households tended to remain in energy poverty due to income inadequacy.⁸ Therefore, DECC should work with DSP to continue to increase the level of the Fuel Allowance and make sure it is adequate in meeting minimum energy needs and reaches those who need it.
 - a. Currently the Fuel Allowance is highly means tested and misses many households in energy poverty such as those on WFP and those receiving Jobseekers payments for less than a year. The Fuel Allowance should be extended to these groups.
 - b. The Fuel Allowance should be provided for a longer season, up from 28 to 32 weeks and increased in line with energy prices increases as well as increase in environmental taxation (carbon tax and Public Service Obligation (PSO) levy).
3. Pilot an initiative of Community Energy Advisors working in partnership with the Sustainable Energy Authority of Ireland to engage and inform hard to reach energy users who would most benefit from energy efficiency schemes across all housing tenures. This is increasingly important as we step up climate action to make sure households in energy poverty experience the potential benefits of transitioning to more efficient energy options.

⁸ Vincentian Partnership for Social Justice (2014) Minimum Household Energy Need.
<https://www.svp.ie/getattachment/716d46e2-e390-4fce-8e4e-cc3fb2297f62/Minimum-Household-EnergyNeed-VPSJ-Research-report.aspx>