



Robert Thornton

Research Associate

Vincentian Partnership for Social Justice

# MINIMUM HOUSEHOLD ENERGY NEED

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How the cost of a Minimum Essential Standard of Living varies with dwelling energy efficiency

# Introduction

- Research by the VPSJ on behalf of the SVP
- How the cost of a Minimum Essential Standard of Living (MESL) is impacted by the energy efficiency of a household's dwelling
- 3 household types - variation in the cost of MESL at 3 levels of dwelling efficiency
- Assesses risk of Energy Poverty & Income Adequacy

# Minimum Essential Standard of Living



FOOD



CLOTHING



HEALTH



TRANSPORT



HOUSING



HOUSEHOLD  
GOODS



HOUSEHOLD  
SERVICES



COMMS



SOCIAL  
INCLUSION



EDUCATION



ENERGY



PERSONAL  
CARE



PERSONAL  
COSTS



INSURANCE



SAVINGS

# Household Energy Need



GAS

or



OIL

&



ELECTRICITY

# Definition of Energy Poverty

A household is considered to be energy-poor if it is unable to attain an acceptable standard of warmth and energy services in the home at an affordable cost

*Warmer Homes*

# Defining Energy Need

- Acceptable standard of warmth
  - › 21°C in main living area
  - › 18°C in rest of dwelling
- Energy services
  - › Energy for other household needs  
e.g. light, cooking, laundry, social (television, computer, etc.)
- Affordable cost
  - › Energy need must cost less than 10% of net income

# Household Types

- 1) Two Parents, Two Children (Pre-School & Primary School age)
  - › Mid-Terraced House, Dublin
  - › Private Rented in receipt of Rent Supplement
- 2) One Parent, One Child (Primary School age)
  - › Apartment / Flat, Dublin
  - › Private Rented in receipt of Rent Supplement
- 3) Pensioner, Living Alone
  - › Mid-Terraced House, Rural
  - › Social Housing, Differential Rent

# Three Levels of Efficiency



Low energy rating more commonly found in private rented sector



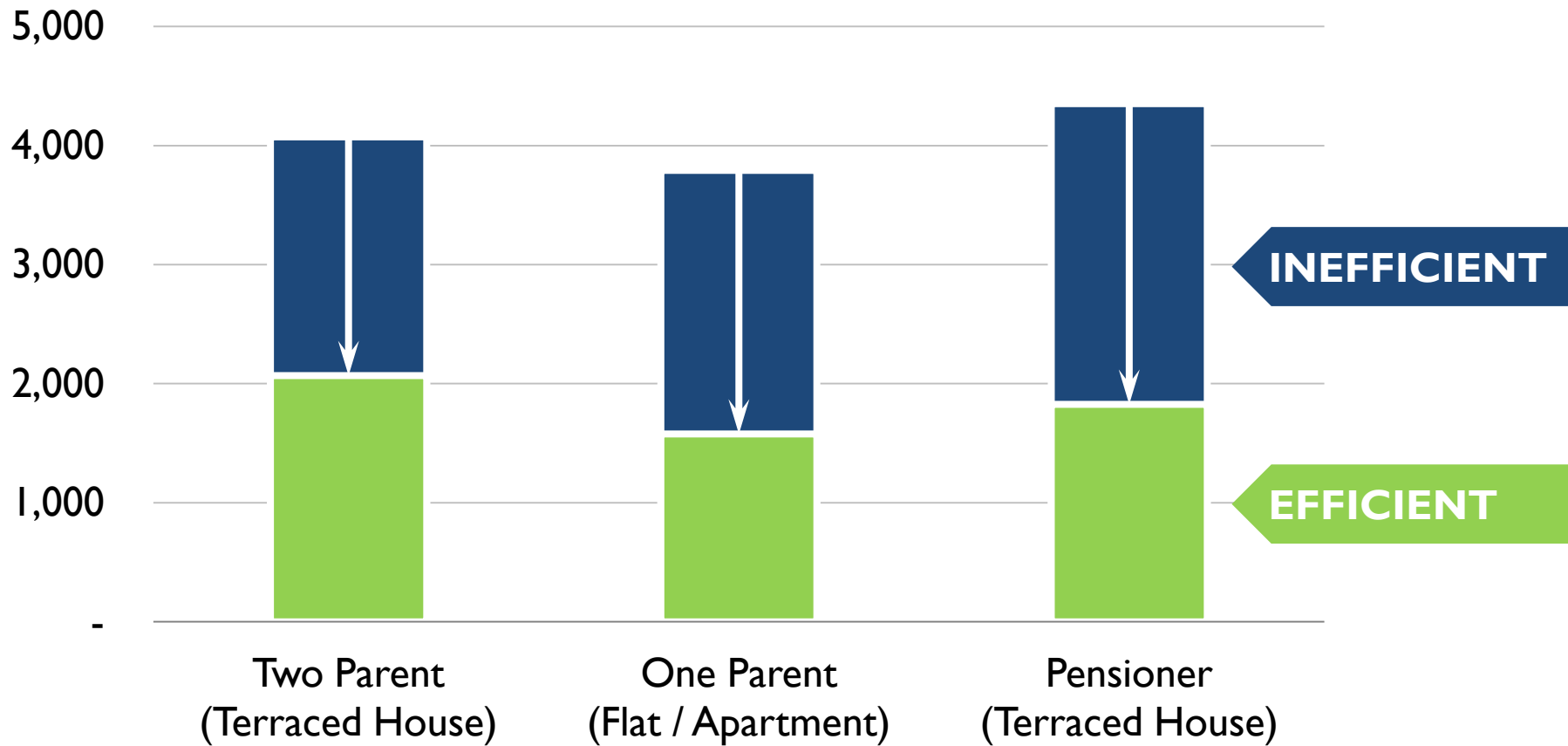
Median energy rating



Efficient energy rating

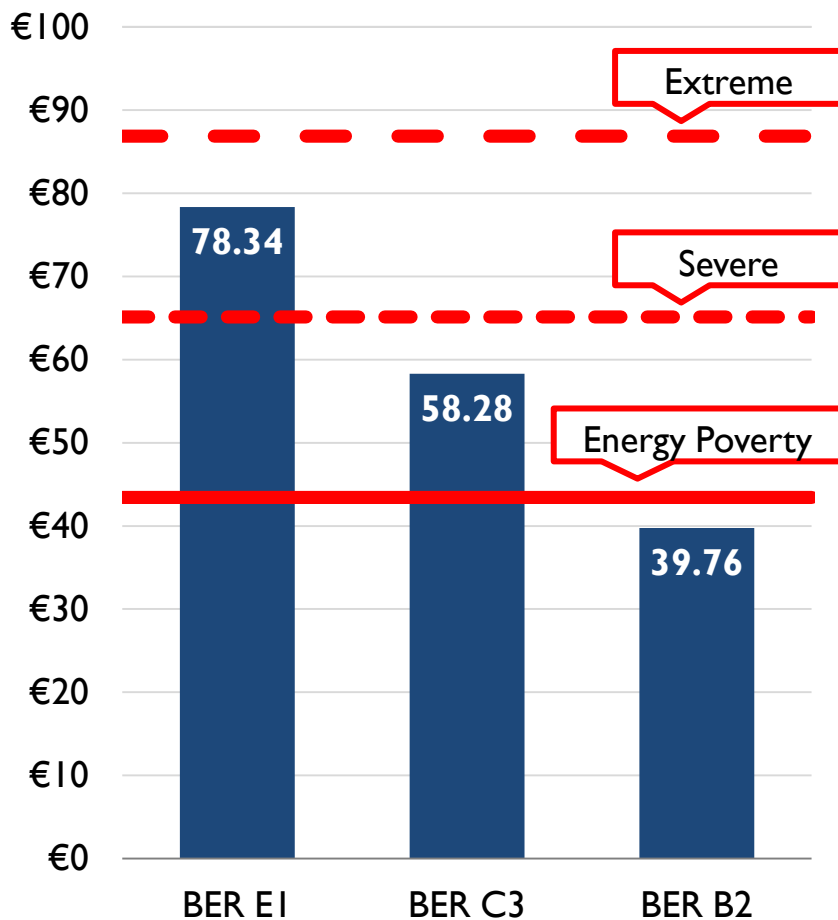


# Annual cost of Energy Needed



# Two Parent

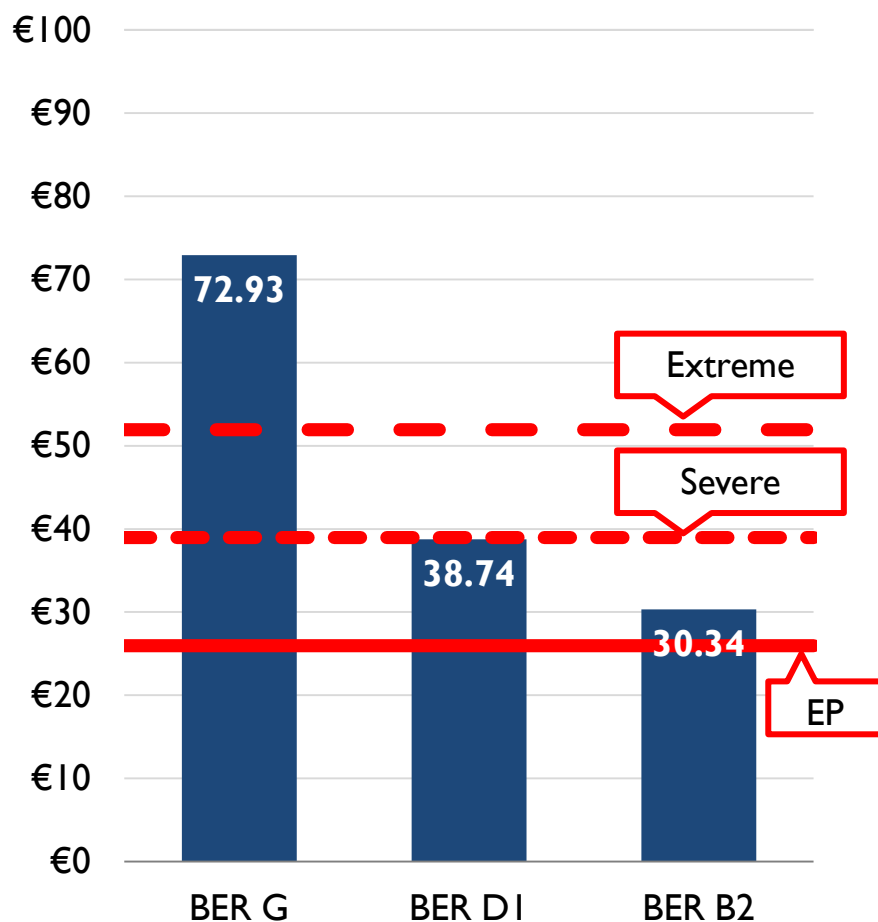
## Pre-School & Primary School age children



- MESL Expenditure
  - › €432.27 per week *excluding energy*
- Household Income
  - › €434.32 per week *social welfare*
- Income inadequate in all cases
- Energy Poverty in two cases

# One Parent

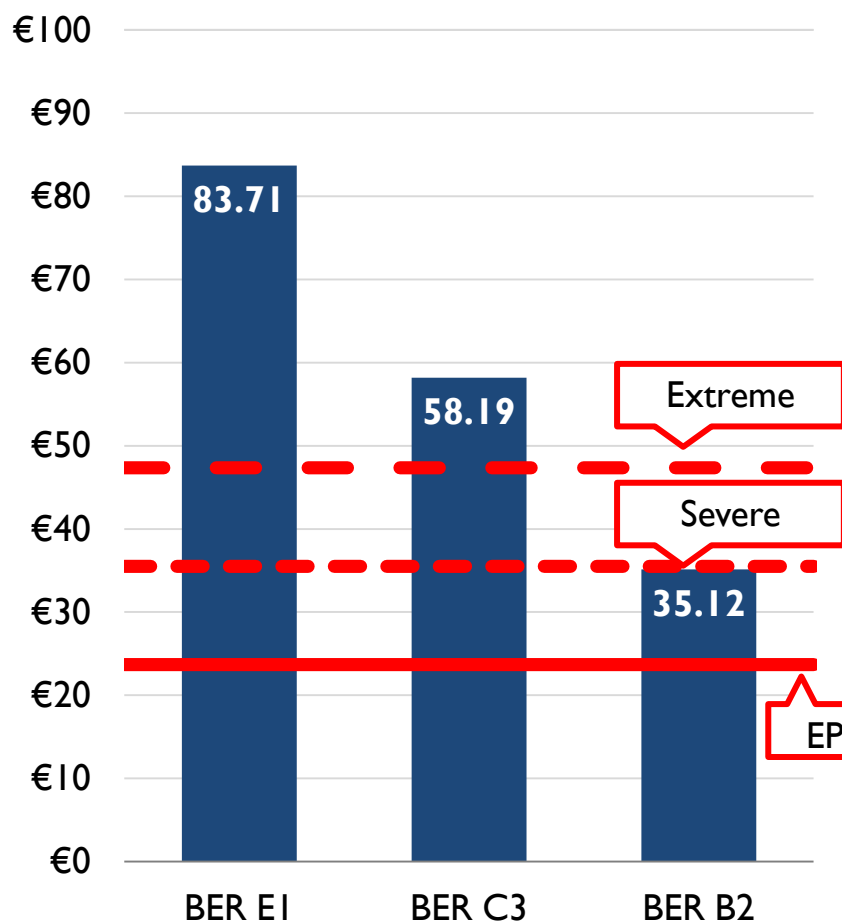
## Primary School age child



- MESL Expenditure
  - › €272.81 per week *excluding energy*
- Household Income
  - › €259.72 per week *social welfare*
- Income inadequate in all cases
- Energy Poverty in all cases

# Pensioner

## Living Alone



- MESL Expenditure
  - › €271.49 per week *excluding energy*
- Household Income
  - › €236.70 per week *social welfare*
- Income inadequate in all cases
- Energy Poverty in all cases

# Conclusions

- 9 Social Welfare Dependent cases presented
  - Energy Poverty found in 8 cases
    - 5 cases of Extreme Energy Poverty  
*(energy costs over 20% of net income)*
    - 1 case of Severe Energy Poverty  
*(energy costs over 15% of net income)*
  - The scenario not in Energy Poverty  
Energy costs are 9.15% of income

# Conclusions

- Social Welfare is not providing an adequate income for the three household types examined
- Efficiency improvements can lower the depth of energy poverty
- Low & inadequate social welfare supports must be addressed in conjunction with energy efficiency

# Summary Results

## Social Welfare Dependent Household Scenarios

HOUSEHOLD TYPE	DWELLING TYPE	INCOME € PER WEEK	BER	ENERGY € PER WEEK	ENERGY POVERTY
Two Parents & Two Children (Pre-School & Primary School Age)	Mid-terraced house Urban, Gas Heating	434.32	BER E1	78.34	18.04% EP <i>severe</i>
			BER C3	58.28	13.42% EP
			BER B2	39.76	9.15% No
One Parent & One Child (Primary School Age)	Flat / Apartment Urban, Gas Heating	259.72	BER G	72.93	28.08% EP <i>extreme</i>
			BER C3	38.74	14.92% EP
			BER B2	30.34	11.68% EP
Pensioner, Living Alone <i>Non-Contributory Pension</i>	Mid-terraced house Rural, Oil Heating	271.49	BER E1	83.71	35.37% EP <i>extreme</i>
			BER C3	58.19	24.58% EP <i>extreme</i>
			BER B2	35.12	14.84% EP



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