

Information and Advice from Irish Rural Link - December 2009

- Find out what a carbon tax will mean for rural communities
- Tips to save money & reduce fossil fuel emissions
- Information on options and renewables

## What is a Carbon Tax?

The Programme for Government committed the government to introducing a carbon tax. Carbon taxes cover carbon dioxide emissions from peat, coal, oil, auto fuel, LPG and natural gas. Different fossil fuels produce different amounts of CO<sub>2</sub>. The tax is applied per tonne of CO<sub>2</sub> emitted, which means that fuels generating the greatest amount of carbon (a greenhouse gas) are taxed proportionately more than 'cleaner' fuels.

The Commission on Taxation recommended that the tax should apply to fossil fuels consumed in Ireland, it should be based on tonnes of carbon dioxide (CO<sub>2</sub>) emitted by each fuel and it should be collected - and visible - at the point of sale in order to influence individual behaviour.

Electricity bills will not include a carbon tax, however, because the ESB and other power generators are included in

the EU emissions trading system (ETS). As a result, everyone who uses electricity has already been paying a hidden extra charge since the European ETS came into force some years ago.

IRL have consistently argued that carbon taxes must not discriminate against rural dwellers and should be used to encourage environmental reform, and not merely as an extra source of revenue.

## Carbon Tax and Rural Communities

The ESRI have shown that carbon taxes will hit rural households disproportionately more than urban ones. In the countryside distances are longer and more transport is by car, rural households tend to use more carbon-intensive solid fuels than similar urban households. Increased transport costs associated with the tax are also likely to be passed on by suppliers and businesses, further hurting rural households.

Rural households spend 3 times as much on turf and

peat and approximately 50% more on coal than their urban counterparts.

Rural households spend twice as much as urban households on central heating oil. Urban households have greater access to piped gas and rely to a lesser extent on oil, coal and turf for heating. Rural households do not have the option to switch to this fuel.

Rural households currently spend almost 50% more per week on petrol than urban ones

and almost four times as much on diesel. This is compounded by the higher cost a rural household faces in running and maintaining a car compared to urban ones.

Carbon tax could add at least €30 to €50 a month to a household's fuel bills at a time rural incomes are at an all time low.

## Costs & the Environment



The Government set the carbon tax at €15 a tonne of CO<sub>2</sub> meaning a 4 cent increase in petrol and diesel (effective from 10<sup>th</sup> December), a €52 increase on 1000 litres of home heating oil (imposed from 1<sup>st</sup> May 2010) and a 36 cent increase in the cost of a bale of peat briquettes and an increase of over €40.30 for a tonne

- or €1.79 on a 40kg bag - of coal. The date for the taxes imposition on coal and briquettes is to be announced. The table on page 4 sets out the figures and percentage increases for a variety of fuels in more detail.

A carbon tax will be of limited environmental benefit if it forces rural

households to reopen bogs which have been closed for years in order to keep warm.

*"The environmental benefits of a carbon tax will be limited if it forces rural households to reopen bogs which have been closed for years in order to keep warm."*

## Fuel Poverty

A carbon tax risks exacerbating fuel poverty which is already a significant issue in rural Ireland. The World Health Organisation has said it is "shocked" by the extent of fuel poverty in Ireland.

The Institute of Public Health has expressed concerns that the recession will exacerbate fuel poverty. Fuel poverty is related to low incomes, the cost of fuel and how thermally efficient a house is. The ESRI have estimated that 19.4% of Irish households (over 301,000), spend over 10% of their income on fuel, while 8% of households

reported that they cannot afford to heat their homes adequately or have gone without heating in the past year because they cannot afford it. Sustainable Energy Ireland report the highest level of fuel poverty in households without dependent children, single person households, people living in dwellings built between 1940 and 1979 and owner-occupier households.

The average energy use of Irish homes is 30% higher than the EU average, suggesting that our housing stock is extremely poor. The rural

housing stock is older, less likely to have central heating and is more inefficient overall. Rural incomes are also lower.

There were nearly 2000 excess winter deaths recorded on the island in 2005 and we fear this figure will increase unless a carbon tax is properly rural proofed.

Bringing all houses in Ireland up to the current building standard would cost €2,000 million over 10 years which amounts to substantially less than what is spent on fuel allowances. The allocation in the budget for this next year is c. €130 million.

## Fuel Tourism

Domestic fuels are often zero rated for VAT or environmental tax purposes in other jurisdictions. Domestic usage fuels in Northern Ireland are exempt from environmental taxes and also have a lower VAT rate. This may increase

fuel tourism with the associated loss of revenue to the exchequer and Irish Rural Link members have informed us of high sulphur coal from the North being sold from the back of trailers as far south as Munster. The number of excess winter

deaths may climb here following a carbon tax while they fall in the North. Exempting domestic fuels from a carbon tax is an option deemed workable elsewhere. The delay in introducing the tax on coal and peat until this is examined is welcome.

## Renewables

It's not just energy experts who can get involved in being more aware and energy efficient. Being sustainable in how we use energy is not just good for the environment, it can also save us money. The delay in introducing the tax on home heating fuel is an opportunity to examine how you can use more renewables in the home. A good introduction to the different types of renewables that can be used around the home, including solar,

geothermal, biomass, hydro and wind is available at

[http://www.sei.ie/Publications/Your\\_Home\\_Publications/RE\\_guide\\_in\\_the\\_home.pdf](http://www.sei.ie/Publications/Your_Home_Publications/RE_guide_in_the_home.pdf).

For example a modern wood burning stove can achieve efficiencies of up to 80% compared to only 20-30% for a traditional open fire. Passive solar design is an approach that maximises the collection of solar heat, minimises heat

loss from the building and provides natural ventilation and daylight. For sites that have connection to the electricity grid, the cost effectiveness of installing a wind turbine should be carefully examined. The annual & daily electricity demand & wind resource must be considered. If you wish to purchase electricity from a turbine, you may be able to sign up to a 'green electricity' supply tariff. There are also opportunities in microgeneration.

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*"Given the current economic and environmental climate, in addition to a carbon tax, now is really the time to look at making your home - and community - more energy efficient. Making your home more energy efficient will save money on energy bills month after month, year after year."*

## Money Saving Tips & Ideas: In the Home

If your boiler hasn't been serviced recently, then you could be wasting money. In fact, by servicing your boiler, you could improve your overall efficiency by 10% - saving you up to €150 per year.

Insulate your attic well and save up to 20% on your home heating bill. If your attic insulation is currently less than 200 mm, then you should add further layers. There are a variety of suitable materials including mineral wool, rock wool, sheep's wool, polystyrene, cellulose fibre and multi-layered foil.

Keep curtains closed at night and ensure that the curtains don't hang over the radiators.

A lagging jacket on your hot water cylinder will keep water hotter for longer and pay for itself in 2-3 months.

Use a space or portable heater if only one room

needs heating. Turn off the heating if you are going to be out of the house for more than a day.

An open fire has an efficiency of only about 15 to 30%, meaning that 70 to 85% of the energy content of the fuel goes up the chimney. This is true both for solid fuel fires and for many fuel effect gas fires.

We urge older and vulnerable people to try and keep as warm possible for their health's sake.

It is better to maintain a constant temperature of approximately 20°C in the living, dining rooms and kitchen, and a temperature of 16-18°C in hallways and bedrooms.

Outdoor lighting generally uses very high wattage bulbs, so it's possible to reduce the wattage of the bulbs and still get adequate lighting. You

can also place them on a timer or trigger them using motion sensors rather than leaving them on all night.

It is now possible for consumers to switch electricity suppliers and to potentially save money. For customers who wish to switch supplier the process is easy. They need to contact their chosen supplier with details of their meter number and a meter reading. The Energy Regulator ensures that ESB Networks maintains the same level of service to all customers regardless of their supplier, so customers don't need to change any aspect of their meter or wiring in order to be supplied by a different company.

### Did you know?

Irish homes use a quarter of all energy used in the country - that's even more than industry.

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*"The oven is expensive to use, it should be used sparingly and as efficiently as possible. Where possible use it for more than one item at a time and remember you can cook at a higher temperature at the top of the oven, and simultaneously at a lower temperature at the bottom of the oven. Opening the oven door to check cooking too often results in the loss of 20% of the accumulated heat."*

### Increase in fuel prices - carbon tax at €15 per tonne of CO<sub>2</sub>

The carbon tax on petrol and diesel came into force on the 10<sup>th</sup> of December. Kerosene, Marked Gas Oil, Fuel Oil, Liquid Petroleum Gas (LPG)

and Natural Gas will be carbon taxed from the 1<sup>st</sup> May 2010. A date for the introduction of the tax on coal and peat briquettes has yet to be

agreed, subject to agreement on measures to prevent fuel tourism (see page 2). The table below sets out the different increases.

Fuel Type	Unit	Current Price €	Carbon Tax @ €15 (VAT incl.)	% change in price	Revenue Yield In a Full Year (VAT incl.) €m
Petrol	Litre	1.19	4.2 cents	3.5%	75
Auto-diesel	Litre	1.10	4.9 cents	4.4%	92
Kerosene	1,000 Litres	516	€43.14	8.4%	47
Marked Gas Oil	1,000 Litres	539	€46.87	8.7%	43
LPG	1,000 Litres	720	€27.97	3.9%	4
Fuel Oil	1,000 Litres	600	€52.15	8.7%	1
Natural Gas	13,750 kwh <sup>1</sup>	800	€47.86	6.0%	47
Peat Briquettes	Bale	3.85	39 cents	10.1%	6
Coal	40kg	16.20	€1.79	11.1%	15
<b>Total Yield</b>					<b>€330m</b>

## Training & Knowledge

Irish Rural Link offer training in keeping with our objective of building sustainable rural communities. IRL are working with Cultivate to deliver "Community Powerdown" training

nationwide. The objective of the course is to nurture community leadership in sustainability and support a shift towards ecological thinking and local resilience. IRL can deliver 'Powerdown' to

community groups and welcome applications. Enquiries can be made by contacting the office on 090 6482744 or email [info@irishrurallink.ie](mailto:info@irishrurallink.ie). It may be possible to secure funding for the training.

*"Community groups should develop sustainability policies, which, for example, could examine how community buildings use energy"*

## In the Community

We urge communities to come together to look at their options for a more sustainable future.

At a small scale this may involve looking at how to reduce the number of individual car trips people undertake in their area. There are also opportunities for communities to conduct local energy audits and develop energy management plans.

Larger scale opportunities may include the development of a

community bio-digester (anaerobic digester) and combined heat and power plant (CHP) run off biogas. Slurry from local farms could be a major energy source and the heat may be used to heat community buildings or local houses with the electricity sold to the grid. Green waste (such as lawn clippings etc.) from across the community could also be used as a fuel source.

Community groups should develop sustainability policies, which, for

example, could examine how community buildings use energy.

If you wish to discuss the possibilities for making your community more sustainable feel free to contact us.

### Did you know?

75% of wind turbines in Denmark are owned by local co-ops.

### Money Saving Tips & Ideas: On the Road

In rural areas the car is a necessity not a luxury and hundreds of thousands of rural people have unmet transport needs, including those who cannot afford to run a car or vulnerable and older people. Rural people travel further to access employment and services. The Carbon tax increase imposed hours after the budget increased the price of fuel by around 4-5 cent a litre.

IRL encourage ecodriving. This involves driving in a way that conserves fuel and costs nothing to the driver. It is now obligatory in many European countries to take ecodriving training as part of driver testing. Upon completing this training, drivers can reduce their

fuel consumption by 25%.

#### 5 basic rules to follow:

- \* Shift up as soon as possible
- \* Maintain a steady speed
- \* High gear and low engine RPM
- \* Anticipate traffic flow
- \* Decelerate smoothly

#### What affects fuel consumption most?

Driving style, unnecessary short trips, cold engine, poor car maintenance, rapid acceleration and incorrect tyre pressure all affect fuel consumption adversely.

#### Did you know?

The rear window demister being on uses 3-5% more fuel. Remember to switch it off when the window is clear.

Take off unused bike

racks or roof boxes and save 15-40%. Use the vents rather than leaving the windows or sun roof open, saving you a further 3-5%. Clear out your boot!

Tyres 0.5 bar below manufacturers recommended pressure increase wear and fuel consumption by 2-3%.

Clogged air filters increase fuel consumption by restricting airflow to the engine. So have them cleaned regularly and replaced when necessary.

Buy in litres, rather than euro, i.e. if you buy 30 litres of fuel instead of €20 worth, the price difference between garages for the same amount of fuel is much clearer.



### Free, No Obligation Home Energy Surveys

The ESB's HALO programme gives you the opportunity to have a **free independent home energy survey** carried out on your home. This **no-obligation** service will help you to make your home more energy efficient, reduce your carbon emissions and, more importantly, reduce your energy bills. HALO is open to anyone that owns their own house (unfortunately apartments are not eligible for a HALO survey). The ESB feel that older houses would receive greater benefit from energy efficiency upgrades i.e. those that were built either during or before the 1990s, however

the ESB offer to survey to any house provided it was built before 2006.

You do not have to be a Customer of ESB Customer Supply to be eligible for this free HALO survey.

The HALO survey is **free** and simply makes recommendations on the areas in your home where you could improve your energy efficiency.

The survey will assess the energy efficiency of all of your current lighting, insulation, heating and systems inside and outside of your home.

Afterwards, the surveyor will supply you with a **comprehensive report** with specific recommendations on making your home more energy-efficient along with relevant cost estimates.

For further details on eligibility you can call 1850 372 333, visit <http://www.esb.ie/main/sustainability/about-halo.jsp> or apply by post to:

The HALO Programme  
ESB Energy Services  
South City Delivery Office  
PO Box 804  
Freepost  
Togher, Cork

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*"The ESB's HALO programme gives you the opportunity to have a free independent home energy survey carried out on your home"*



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Nasc Tuaithe na hÉireann

A VOICE FOR RURAL IRELAND

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Visit [www.irishrurallink.ie](http://www.irishrurallink.ie)  
for more information on  
the carbon tax,  
renewables and much  
more!

## Grants & Funding

The following schemes are currently available though in his budget speech the Minister for Finance indicated that additional schemes would be introduced.

The **Home Energy Saving** scheme provides grants to homeowners who are interested in improving the energy efficiency of their home in order to reduce costs as well as greenhouse gas emissions. The scheme is open to all owners of existing houses built before 2006. For further information you can call 1850 927 000 or e-mail [hes@sei.ie](mailto:hes@sei.ie)

The **Greener Homes Scheme** provides grants

to help homeowners buy a home heating system that uses a renewable energy source. Grants of up to €3,500 are available. The amount of the grant depends on which heating system you choose and how much it costs. Further information is available from [www.sei.ie](http://www.sei.ie) or lo-call 1850 734 734.

The **Warmer Homes Scheme** aims to improve the energy efficiency and warmth of privately owned or rented homes lived in by people on a low-income. Regional and community based organisations are funded to carry out the work, which includes:

- Attic insulation

- Draught proofing
- Lagging jackets
- Energy efficient insulation
- Energy advice.

For more information about the scheme or to see if your area is currently covered you can phone SEI on 1800 250 204 or email [warmehomes@sei.ie](mailto:warmehomes@sei.ie).

Commercial grants are also available and further information is available from [www.sei.ie](http://www.sei.ie). It has been indicated that the money available to local authorities to retrofit their housing stock will also be increased.

### About Irish Rural Link

Irish Rural Link (IRL), formed in 1991, is a national network of organisations and individuals campaigning for sustainable rural development in Ireland and Europe. IRL, a non-profit organisation, has grown significantly since its inception and now directly

represents over 300 community groups with a combined membership of 25,000.

The network provides a structure through which rural groups and individuals passionate

about building resilient rural communities can articulate their common needs and priorities, share their experiences and present their case to policy-makers at local, national and European Level.