

Household energy costs entering Autumn / Winter 2026

September 2026 • Niamh O'Carroll

Introduction

Given the exceptional volatility in energy prices this year, this MESL Snapshot provides an update of how Household Energy costs have evolved over the past five months, tracking changes in Minimum Essential Standard of Living (MESL) energy costs from March to August 2026.

The 2026 MESL Update identified the significant increase in Household Energy from March 2025 to 2026 and the cumulative increase in the six years from 2020. Household Energy increased by 24.9% in the 12-months to March 2026, doubling (103.7%) since March 2020. Within this, the price shock to home heating oil as a result of the conflict in the Middle East had a profound impact on the rural MESL energy basket. In the year to March 2026, home heating oil increased by 72.4% and cumulatively by 186.8% compared to the 2020 standard.

Inflation projections have since been revised upwards for the remainder of 2026 and into 2027¹, largely driven by energy price increases. Additionally, several energy suppliers have announced increases to electricity and gas prices from July onwards.

In the short few months from March 2026, electricity and gas prices have continued to rise, while there has been a decline in the price of home heating oil since its spike in quarter two of 2026. Our analysis finds an:

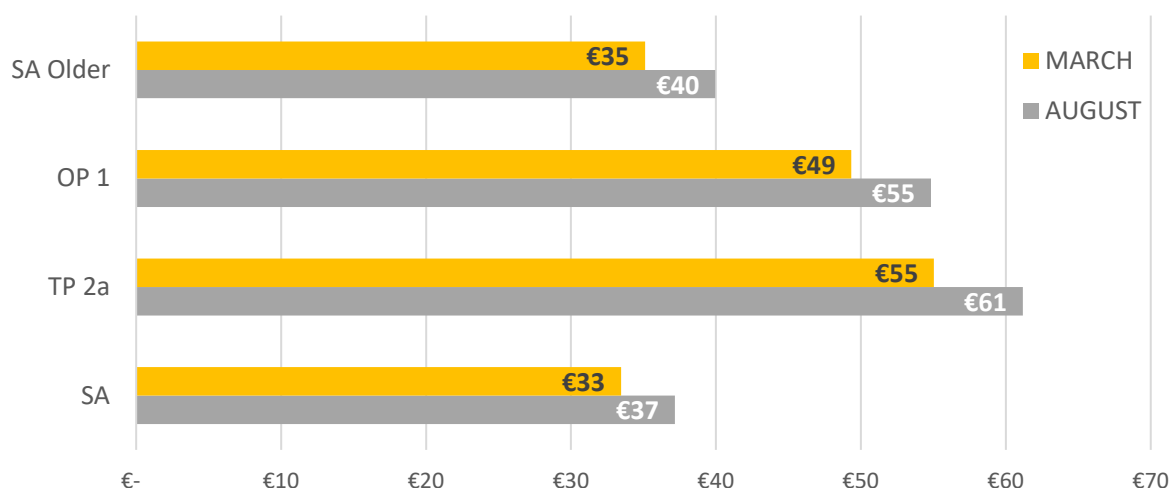
- 11.8% rise the cost of the MESL Household Energy basket for urban based households, using gas to heat the home.
- This equates to a €318 increase annual energy costs for a two parent and two child household in an urban area using natural gas.
- 31.9% decline in the price of home heating oil in the rural MESL basket, leading to a 14.5% drop in costs compared to March prices.
- This equates to a €473 reduction in annual energy costs for a two parent and two child household in a rural area using home heating oil.

As reported in previous MESL findings, this note also demonstrates how energy costs vary based on dwelling efficiency, dwelling size, fuel type, household composition, and method of payment. The findings further highlight the need to explore an alternative policy approach that can respond to a volatile energy market, alongside varying energy needs, to better support low-income households in meeting their energy costs.

MESL Household Energy Costs

This section examines the change in the total annual cost of Household Energy in the MESL for a sample of urban and rural household types, outlined in Graph 1 and Graph 2.

Graph 1 **Urban Household Energy, average cost per week, March & August 2026 prices ***



Urban Household Energy costs have risen by an average of 11.8% in the five months to August 2026. Within this, both the unit price and standing charge for electricity have risen by 11.0%. Natural Gas has also seen a relatively significant increase of 13.0% in both the unit price and standing charge.

Graph 1 shows the change in urban Household Energy costs from March to August for a sample of household types, relying on gas central heating.[†] Total energy needs for the year cost more based on prices in August 2026 than in March 2026 for all urban cases examined.

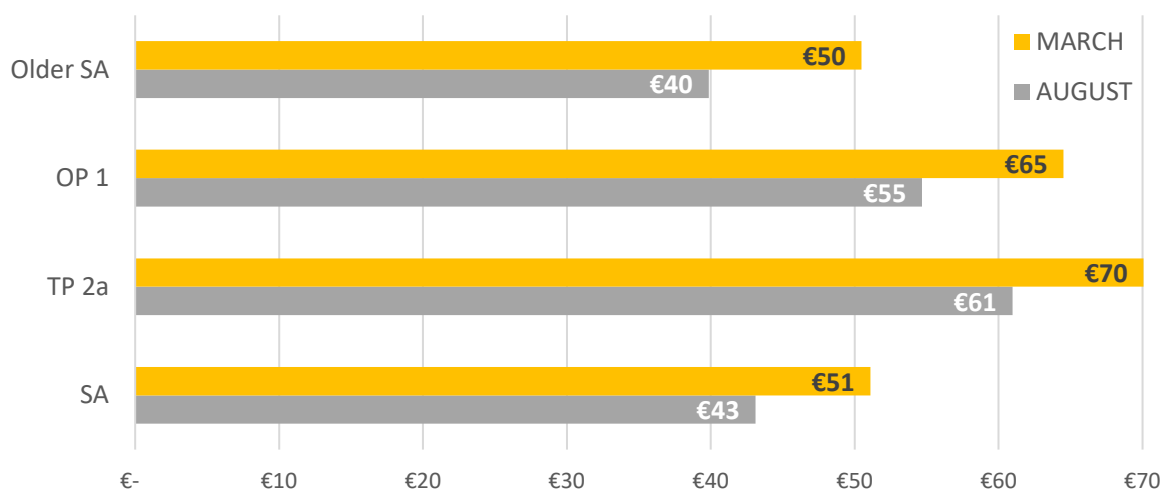
The level of increase varies by household type. Price rises have added significantly to the annual cost with increases between €194 for a Single Adult, working-age (SA) and €318 for a Two Parent household type with a Pre-School and Primary School Child (TP 2a). While the proportional change is greatest for the Older Single Adult, with a 13.7% increase seeing average weekly costs rising from €35.13 to €39.95.ⁱⁱ

For the One Parent household type (OP 1) with a Primary School Child, energy costs have increased by €286 for the year, to an average of €54.83 per week. For this household type, Fuel Allowance now meets 43% of energy needs due to price increases over the five month period, compared to 47% based on March prices.ⁱⁱⁱ

* SA: Single Adult, working age | TP 2a: Two Parents, Preschool Child & Primary School Child | OP 1: One Parent, Primary School Child | Older SA: Older Single Adult

[†] The dwelling efficiency level in the standard MESL scenario is based on a C2 energy rating. An outline of the methodology used to calculate minimum energy needs can be found in the Appendix on page 6.

Graph 2 Rural Household Energy, average cost per week, March & August 2026 prices*



Rural Household Energy costs have fallen by an average of 14.5% in the five months to August 2026. The 2026 MESL demonstrated the impact of the price shock to home heating oil on the rural baskets.^{iv} Over the past months, oil prices moderated from the peaks reached in the second quarter of the year and the average price of home heating oil (reported by the SEAI^v and included in the MESL basket) has fallen by 31.9%, from March to August 2026.

The unit price of electricity in the rural basket has increased by 13.2%, while the standing charge remains unchanged.

Graph 2 demonstrates the change in the cost of Household Energy from March to August for a sample of rural household types, relying on home heating oil.[†] Total household energy needs for the year cost less based on August prices, compared to March. This can largely be attributed to the drop in oil prices, outlined above.

Energy expenditure for the Older Single Adult demonstrates the greatest level of change, with electricity and heating costs falling by 21%, from an average of €50.47 to €39.85 per week.

For the One Parent household type (OP 1) with a Primary School Child, energy costs have dropped by €511 for the year, to an average of €54.68 per week. In this case, Fuel Allowance now meets 43% of the total energy need (based on prices in August of 2026). This is a greater proportion of needs met than in March (36%), when home heating oil prices spiked.

* SA: Single Adult, working age | TP 2a: Two Parents, Preschool Child & Primary School Child | OP 1: One Parent, Primary School Child | Older SA: Older Single Adult

[†] The dwelling efficiency level in the standard MESL scenario is based on a C2 energy rating. An outline of the methodology used to calculate minimum energy needs can be found in the Appendix on page 6.

Household Energy costs by Building Energy Rating (BER)

Energy costs can vary by dwelling efficiency or Building Energy Rating (BER), the 2026 MESL report illustrated this using March 2026 prices. These costs have been updated to the lowest price plan available as of August 2026 for the sample of MESL household types examined in this note, as outlined in Table 1 and Table 2.

Table 1 Urban Household Energy, average cost per week, by BER, August 2026 prices

	E1-E2	D1-D2	C2-C3	MESL C2	B3-C1	A1-B2
SA	€45	€39	€35	€37	€31	€27
TP 2a	€80	€69	€61	€61	€55	€43
OP 1	€74	€63	€55	€55	€49	€37
Older SA	€59	€48	€40	€40	€34	€23

Table 2 Rural Household Energy, average cost per week, by BER, August 2026 prices

	E1-E2	D1-D2	C2-C3	MESL C2	B3-C1	A1-B2
SA	€62	€52	€44	€43	€38	€32
TP 2a	€87	€73	€63	€61	€57	€46
OP 1	€81	€66	€57	€55	€50	€40
Older SA	€65	€51	€41	€40	€34	€24

Table 1 shows that when compared to a mid-energy rating (C2), urban energy costs can be up to 48% higher when in an energy poor home, or up to 44% lower when in a highly efficient home, for the sample of household types examined here.

Comparatively, Table 2 shows that when compared to a C2 rated home, rural energy costs can be as much as 63% higher in a poorly insulated home, or as much as 39% lower when in an A1-B2 rated home.

For the urban One Parent household type (OP 1), Fuel Allowance provides for approximately 43% of energy needs when in a C2 rated home, or 32% of total need when in a poorly insulated home. In the rural equivalent scenario, the payment meets 43% of energy needs at the C2 level of efficiency, or 29% in the energy poor dwelling.

Pay As You Go

The MESL basket cost is based on a 'best case scenario', where it is assumed that the household is switching provider annually, signing up for the best discounts and price plans available on the market. This is generally through paying by direct debit, bundling electricity and gas, or sometimes by accessing the former from different providers.

MESL Snapshot

Some households may choose pay as you go (PAYG) plans to manage their energy bills, and overall household expenditure. ‘Lifestyle’ PAYG meters typically cost more than other payment methods, as previously reported in MESL findings, and are often accompanied by additional charges. People who choose PAYG plans tend to miss out on discounts offered by suppliers for paying by direct debit, and therefore end up paying a higher unit rate for their energy needs.

Table 3 shows the most cost-effective PAYG plan for a sample of urban household types, as of August 2026. In this case, PAYG is 27.9% higher, on average, than the most cost-effective plan available for each individual household type examined in this note.

Table 3 **Urban Household Energy, average cost per week, Pay As You Go, August 2026 prices**

	E1-E2	D1-D2	C2-C3	MESL C2	B3-C1	A1-B2
SA	€ 57	€ 50	€ 44	€ 42	€ 40	€ 36
TP 2a	€ 101	€ 87	€ 76	€ 71	€ 69	€ 55
OP 1	€ 94	€ 79	€ 69	€ 63	€ 61	€ 47
Older SA	€ 78	€ 63	€ 53	€ 47	€ 45	€ 31

Conclusion

This short Snapshot identifies Household Energy costs for a sample of MESL household types, as of prices in August 2026, highlighting the volatility and unpredictability of the current energy market. What is most striking is the decline in oil prices since the initial price shock, although this should be interpreted with caution given the ongoing conflict in the Middle East and uncertainty with regard to how it will evolve in the coming months.

The remarkable change in cost over this short period of time highlights the need for a flexible and targeted policy approach to support low-income households. As supported by previous MESL evidence, it is clear that a flat rate payment simply cannot respond to variations in energy need, particularly during a time of unpredictable price fluctuations. It is time to explore an alternative approach that can respond not only to variations in energy needs, but also to price fluctuations in real-time.^{vi}

ⁱ Central Bank (2026) *Quarterly Bulletin No. 2 2026*. Available at: [Quarterly Bulletin Q2 2026 | Central Bank of Ireland](#). Accessed August 2026.

ⁱⁱ The effect of the Household Benefits Package is included in the household energy expenditure budget.

ⁱⁱⁱ In response to the exceptional increase in the price of home heating oil, it was announced in March 2026 that Fuel Allowance was to be extended for four weeks, giving recipients an additional €152. The figures presented in this note include the additional €152 provided by the extension of Fuel Allowance.

^{iv} Vincentian MESL Research Centre at SVP (2026). *MESL 2026*. Available at: <https://budgeting.ie/wp-content/uploads/2026/06/MESL-2026.pdf>. Accessed August 2026.

^v See SEAI's [quarterly domestic fuel cost comparison](#). The unit price for oil in the MESL baskets is based on the discounted price of Kerosene.

^{vi} See O'Carroll, N. (2024) [Energy Guarantee Research Note](#).

Appendix

Methodology

Minimum energy needs

Heating and electricity requirements can vary significantly, and in the MESL, are dependent on the individual household type and composition e.g., number of children. Heating need is also dependent on the size of the dwelling, its ability to maintain an adequate level of warmth, and fuel type. A C2 energy rating is applied in the standard MESL scenario, however alternative scenarios explored in the research demonstrate how much energy costs can vary by Building Energy Rating (BER).

The heating costs presented in this note reflect the average weekly cost of fuel required to maintain an adequate level of warmth over the course of the year, based on August prices.

This is calculated in the MESL baskets by multiplying the unit price of fuel by the space heating and hot water required to maintain adequate home heating for the year. This figure is then divided by 52 (weeks) to produce the average weekly cost in the budgets.

The actual cost of energy over the course of the year will vary, reflecting a greater need for heat and light during the winter and reduced need during the summer.

The MESL research assumes the use of natural gas for home heating for urban based households and home heating oil for rural based households.

Pricing Household Energy

Household Energy includes the various elements of a typical energy bill, including the unit price, standing charge, PSO levy and carbon tax.

The pricing of Household Energy is based on shopping around for the most competitive rate and switching annually. The most cost-effective plan for each individual household type is identified and included in the energy basket.

The baskets take any discounts offered as part of a new contract into account in its calculations, i.e., for paying by direct debit, bundling, online billing. This also includes cashback or welcome credit. Electricity pricing is based on a flat 24-hour tariff. Time of Use Tariffs or Dynamic Tariffs are not included in pricing.