

Fuel price commentary

We would normally greet the news that heating oil prices have risen with dismay, particularly if the price of competing fuels has stayed the same or decreased. However, at present there is little cause for concern. Yes, the price of heating oil in Great Britain has crept up slightly but, overall, liquid fuel retains a strong competitive advantage over all alternatives. In fact it doesn't matter whether you live in any part of the UK or the Republic of Ireland, if you use heating oil, you're using the cheapest heating fuel out there, simple as that.

For the last six months the price of heating

oil has been remarkably stable – stable and low – not two words we always associate with oil. Current prices are below the levels seen during the dramatic price falls of 2014-15 so it is fair to say that households that depend on oil heating are enjoying something of a Covid windfall – welcome no doubt as many will have seen incomes affected by the impact of the virus.

Analysts suggest that the low prices are set to continue for at least the next six months. This is because the second wave of Covid across Europe and America has choked demand further, leading to a glut of crude

oil on the world market and barrel prices in the \$30-40 region – roughly half the normal recent price. There is a real risk now of a world recession which could suppress demand for some time to come – certainly for much of next year. This will have many unpredictable economic impacts. Yes, it will keep the oil price low, but it will damage national economies, affect household budgets, and erode consumer confidence. It will also render renewables less competitive, weakening hopes of a green recovery. And then there's Brexit to consider too. We will just have to wait and see what happens with that one!

Comparative space and water heating costs for a three-bedroomed home in Great Britain, Northern Ireland and the Republic of Ireland

GREAT BRITAIN

	Average: Oct16-Oct20	October 19	October 20	Price change	% difference
Anthracite Grains	£1,159	1209	1209	£0	0.00%
Electricity (Economy 7)	£1,955	2088	2069	−£19	−0.91%
Gas (British Gas - condensing)	£975	1016	877	−£139	−13.68%
LPG	£1,885	1933	1890	−£43	−2.22%
LPG (condensing)	£1,552	1590	1555	−£35	−2.20%
Oil	£1,185	1356	771	−£585	−43.14%
Oil (condensing)	£971	1110	636	−£474	−42.70%
Wood Pellets	£1,439	1491	1507	£16	1.07%
Air source heat pump radiators	£1,725	1835	1793	−£42	−2.29%
Air source heat pump underfloor	£1,388	1404	1373	−£31	−2.21%

NORTHERN IRELAND

	Average: Oct16-Oct20	October 19	October 20	Price change	% difference
Anthracite Grains	£1,006	1047	1075	£28	2.67%
Electricity (Economy 7)	£1,699	1924	1882	−£42	−2.18%
Gas (Phoenix - condensing)	£937	1050	861	−£189	−18.00%
LPG	£2,530	2708	2431	−£277	−10.23%
LPG (condensing)	£2,075	2219	1994	−£225	−10.14%
Oil	£1,165	1326	740	−£586	−44.19%
Oil (condensing)	£955	1086	611	−£475	−43.74%
Wood Pellets	£1,134	1104	1200	£96	8.70%
Air source heat pump radiators	£1,553	1686	1670	−£16	−0.95%
Air source heat pump underfloor	£1,262	1271	1259	−£12	−0.94%

REPUBLIC OF IRELAND

	Average: Oct16-Oct20	October 19	October 20	Price change	% difference
Anthracite Peas	€1,579	1628	1628	€0	0.00%
Electricity (Urban Night Saver)	€2,077	2194	2176	−€18	−0.82%
Gas (Bord Gais condensing)	€1,348	1431	1299	−€132	−9.22%
LPG	€2,807	2986	3032	€46	1.54%
LPG (condensing)	€2,308	2454	2491	€37	1.51%
Oil	€1,584	1834	1004	−€830	−45.26%
Oil (condensing)	€1,296	1499	827	−€672	−44.83%
Wood Pellets	€1,363	1400	1385	−€15	−1.07%
Air source heat pump radiators	€1,823	1919	1907	−€12	−0.63%
Air source heat pump underfloor	€1,491	1509	1504	−€5	−0.33%

Notes. The tables above are based on quarterly data published by the Sutherland Tables. They show the annual average cost of a range of heating options for a typical pre-1980 three bedroomed semi-detached home with a heat requirement of approximately 16,000 kWh.