

# Fuel price commentary

Price rises in the energy sector are big news at the moment. The regulator, Ofgem, has given suppliers of electricity and gas the green light to raise prices by up to £153 a year. This applies to households that use a default energy tariff to buy their gas and electricity. The effect will hit those on low incomes in poor quality accommodation the hardest because they spend the largest proportion of their income on energy. The price rises approved by Ofgem are said to be due to increases in the wholesale price of energy.

This news came after the latest round of Sutherland Tables data was published, and it will take some time before the effect of the increases approved by Ofgem show up in the data we publish here. However, it is already noticeable that prices are heading upwards for some heating types.

Crude oil has a significant impact on the price of kerosene, which closely mirrors any wholesale price changes. The bad news for oil heated households is that, since late in 2020 the price of Brent crude has climbed relentlessly from around \$45

a barrel, to over \$70 now – the highest price for over 18 months. This accounts for the dramatic increase in the price of kerosene compared to a year ago, but it's worth noting that it's still some way below the four-year average. However, increased crude oil production is expected to hold prices at close to this level for the rest of 2021.

The biggest winners in the last quarter have been households using gas but, unfortunately, their good fortune is likely to be quite short-lived.

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

### GREAT BRITAIN

	Average: Jul17-Jun21	July 20	June 21	Price change	% difference
Electricity (Economy 7)	£2,045	£2,098	<b>£2,282</b>	£184	8.77%
Gas (British Gas - condensing)	£941	£914	<b>£787</b>	-£127	-13.89%
LPG (condensing)	£1,547	£1,561	<b>£1,386</b>	-£175	-11.22%
Oil (condensing)	£951	£582	<b>£825</b>	£243	41.66%
Wood Pellets	£1,476	£1,517	<b>£1,504</b>	-£13	-0.84%
Air source heat pump radiators	£1,783	£1,827	<b>£1,900</b>	£73	4.02%
Air source heat pump underfloor	£1,415	£1,398	<b>£1,590</b>	£192	13.72%

### NORTHERN IRELAND

	Average: Jul17-Jun21	July 20	June 21	Price change	% difference
Electricity (Economy 7)	£1,778	£1,983	<b>£1,882</b>	-£101	-5.09%
Gas (Phoenix - condensing)	£937	£861	<b>£838</b>	-£23	-2.67%
LPG (condensing)	£2,081	£2,059	<b>£1,741</b>	-£318	-15.44%
Oil (condensing)	£935	£596	<b>£744</b>	£148	24.83%
Wood Pellets	£1,140	£1,206	<b>£1,163</b>	-£43	-3.57%
Air source heat pump radiators	£1,599	£1,725	<b>£1,639</b>	-£86	-4.99%
Air source heat pump underfloor	£1,278	£1,299	<b>£1,359</b>	£60	4.62%

### REPUBLIC OF IRELAND

	Average: Jul17-Jun21	July 20	June 21	Price change	% difference
Electricity (Urban Night Saver)	€2,132	€ 2,137	<b>€2,263</b>	€ 126	5.90%
Gas (Bord Gais condensing)	€1,332	€ 1,299	<b>€1,158</b>	-€ 141	-10.85%
LPG (condensing)	€2,359	€ 2,463	<b>€2,175</b>	-€ 288	-11.69%
Oil (condensing)	€1,287	€ 928	<b>€1,189</b>	€ 261	28.13%
Wood Pellets	€1,361	€ 1,391	<b>€1,282</b>	-€ 109	-7.84%
Air source heat pump radiators	€1,866	€ 1,869	<b>€1,947</b>	€ 78	4.17%
Air source heat pump underfloor	€1,527	€ 1,471	<b>€1,665</b>	€ 194	13.19%

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.