

Fuel price commentary

One of the most frequently heard criticisms of oil heating is that the fuel price can change dramatically from one year to the next, even sometimes from one week to the next, due to the volatile nature of the crude oil market. While this may be true, it is clear from the latest Sutherland Tables data that even when the cost is high, it is still at the lower end of the price spectrum, compared to other fuels.

The four-year average cost shows this clearly. It's significantly higher than the current kerosene price, but still much lower than all other fuels except mains gas, which is not a direct competitor in most areas where oil is used. Regardless of where you live, oil is the

cheapest off-gas grid fuel by some margin, whether you compare the current cost, or the longer-term four-year average.

You will also notice that the annual cost of oil heating is very competitive with mains gas. This is important because the supposed high cost of oil heating is often given as a reason to focus on off-grid homes early in the decarbonisation process. Policy experts claim off-grid homes offer a significant cost benefit, but this is really a myth. Unless significant effort is made to reduce heat demand, a switch from oil to an air source heat pump is unlikely to result in running cost savings unless the system offers a truly excellent SCOP.

Changes to the Sutherland Tables

The team behind the Sutherland Tables has recently updated its methodology. As of April 2021 the figures in the following tables/graphs are representative of dwellings that were built to comply with 1980's building regulations and SAP standards, but have been subsequently upgraded to comply with 2020 building regulations and relevant SAP standards. As a result, data for older standard efficiency oil and LPG appliance and anthracite grains are no longer included.

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

GREAT BRITAIN

	Average: Apr17-Apr21	April 20	April 21	Price change	% difference
Electricity (Economy 7)	£2,014	£2,082	£2,216	£134	6.44%
Gas (British Gas – condensing)	£952	£938	£744	-£194	-20.68%
LPG (condensing)	£1,556	£1,551	£1,377	-£174	-11.22%
Oil (condensing)	£958	£808	£801	-£7	-0.87%
Wood Pellets	£1,463	£1,502	£1,504	£2	0.13%
Air source heat pump radiators	£1,764	£1,819	£1,836	£17	0.93%
Air source heat pump underfloor	£1,399	£1,392	£1,537	£145	10.42%

NORTHERN IRELAND

	Average: Apr17-Apr21	April 20	April 21	Price change	% difference
Electricity (Economy 7)	£1,751	£2,034	£1,882	-£152	-7.47%
Gas (Phoenix – condensing)	£937	£987	£790	-£197	-19.96%
LPG (condensing)	£2,092	£2,059	£1,741	-£318	-15.44%
Oil (condensing)	£944	£922	£731	-£191	-20.72%
Wood Pellets	£1,138	£1,199	£1,146	-£53	-4.42%
Air source heat pump radiators	£1,584	£1,752	£1,639	-£113	-6.45%
Air source heat pump underfloor	£1,270	£1,320	£1,359	£39	2.95%

REPUBLIC OF IRELAND

	Average: Apr17-Apr21	April 20	April 21	Price change	% difference
Electricity (Urban Night Saver)	€ 2,114	€ 2,169	€ 2,263	€ 94	4.33%
Gas (Bord Gais condensing)	€ 1,340	€ 1,378	€ 1,158	-€ 220	-15.97%
LPG (condensing)	€ 2,347	€ 2,463	€ 2,175	-€ 288	-11.69%
Oil (condensing)	€ 1,283	€ 1,154	€ 1,127	-€ 27	-2.34%
Wood Pellets	€ 1,363	€ 1,404	€ 1,287	-€ 117	-8.33%
Air source heat pump radiators	€ 1,852	€ 1,898	€ 1,947	€ 49	2.58%
Air source heat pump underfloor	€ 1,514	€ 1,492	€ 1,665	€ 173	11.60%

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.