

# Fuel price commentary

It's perhaps stating the obvious to say that fuel prices only hit the headlines when they are either extremely high or low. We certainly don't need the latest Sutherland Tables data to know that they're currently very high; few of us can have failed to have seen the alarming headlines.

It's interesting to look at how the impact of energy price increases has played out. The highest rises have been in the wholesale cost of gas, which also affects electricity generation, but the price consumers pay has risen less than the headlines might suggest. This is because the full impact has yet to feed through into the data, and because a price cap

limits the price consumers pay. Instead, the energy suppliers have had to absorb huge losses, and some have gone bust as a consequence. In April, the price cap will be raised, and consumers of gas and electricity can expect big rises, although the full impact won't be felt until the next heating season.

Heating oil has no price cap and consumers have faced the full force of the price rises over the current winter. That's bad news for customers and, unfortunately, there's no immediate prospect that crude oil prices will fall substantially. We can hope that prices may be lower in the summer but, with supply failing to keep

up with increasing global demand and the ongoing impact from the Russian invasion of Ukraine, we can probably expect high prices to continue into 2023. Interestingly, the price rises are less in the Republic of Ireland, so could other factors such as Brexit also be in play?

Will high prices weaken consumer enthusiasm for oil heating? Energy prices are just one of many inflationary pressures and it's likely we'll all be feeling the pinch this year. If it continues long term, some may begin looking at other heating options, particularly if government policy increases support for renewables such as heat pumps.

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

### GREAT BRITAIN

	Four-year average cost	September 21	December 21	Price change	% difference
Electricity (Economy 7)	£2,104	£2,385	<b>£2,701</b>	316	13.25%
Gas	£932	£833	<b>£924</b>	91	10.92%
LPG - condensing	£1,537	£1,381	<b>£1,416</b>	35	2.53%
Oil - condensing	£971	£896	<b>£1,201</b>	305	34.04%
Wood pellets	£1,496	£1,484	<b>£1,460</b>	-24	-1.62%
Air source heat pump radiators	£1,818	£1,984	<b>£2,086</b>	102	5.14%
Air source heat pump underfloor	£1,459	£1,699	<b>£1,745</b>	46	2.71%

### NORTHERN IRELAND

	Four-year average cost	September 21	December 21	Price change	% difference
Electricity (Economy 7)	£1,845	£2,019	<b>£2,019</b>	0	0.00%
Gas	£945	£896	<b>£1,012</b>	116	12.95%
LPG - condensing	£2,035	£1,774	<b>£1,917</b>	143	8.06%
Oil - condensing	£943	£793	<b>£974</b>	181	22.82%
Wood pellets	£1,165	£1,132	<b>£1,149</b>	17	1.50%
Air source heat pump radiators	£1,649	£1,749	<b>£1,749</b>	0	0.00%
Air source heat pump underfloor	£1,321	£1,449	<b>£1,449</b>	0	0.00%

### REPUBLIC OF IRELAND

	Four-year average cost	September 21	December 21	Price change	% difference
Electricity (Economy 7)	€2,196	€2,404	<b>€2,600</b>	196	8.15%
Gas (Phoenix - condensing)	€1,337	€1,259	<b>€1,407</b>	148	11.76%
LPG - condensing	€2,374	€2,224	<b>€2,345</b>	121	5.44%
Oil - condensing	€1,332	€1,294	<b>€1,490</b>	196	15.15%
Wood pellets	€1,357	€1,282	<b>€1,291</b>	9	0.70%
Air source heat pump radiators	€1,915	€2,064	<b>€2,220</b>	156	7.56%
Air source heat pump underfloor	€1,570	€1,764	<b>€1,891</b>	127	7.20%

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.