

Fuel price commentary

With the remorseless rise in fuel prices dominating our newspapers and media channels, you would need to be living a very sheltered life not to realise that we are witnessing unprecedented events at the moment. The dramatic hike in the cost of living, driven by rising energy prices, affects everyone, and the bad news is that it isn't going to get better any time soon.

Usually, the media focus is on gas and electricity prices, but oil heating has also been in the headlines, and not for good reasons. Without the limited protection provided by the Government's gas price cap, oil heating customers have faced the full impact of global crude oil price

rises, with the annual cost increasing by 23% in three months according to the Sutherland Tables. At times the actual purchase cost of heating oil has been even higher than this, dramatically squeezing household finances and making oil look uncompetitive against other heating options. Fuel suppliers were powerless to prevent this. However, it is unlikely to translate into people abandoning oil, because most households simply couldn't afford to switch, and popular alternatives such as LPG and storage heaters are even more expensive!

However, by the time we get the next round of Sutherland Tables data

in June, all that will have changed because the price cap was raised in April, increasing annual energy costs by around 50% for gas and electricity users. It's set to rise again in October so, with annual heating costs expected to hit £3,000pa for gas users, by the end of the year oil may actually look quite affordable again!

The ongoing conflict in Ukraine means the situation will remain extremely uncertain. One ray of hope is that the US Government will release its large oil reserve to the market, increasing supply and potentially bringing the crude oil price down. Watch this space!

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

GREAT BRITAIN

	Apr-18	Mar-22	Price change	% Difference
Electric storage heater	£1913	£3196	£1283	67.07%
Gas condensing boiler	£967	£924	£-43	-4.45%
LPG condensing boiler	£1567	£1460	£-107	-6.83%
Oil condensing boiler	£1143	£1435	£292	25.55%
Wood Pellets	£1532	£1590	£58	3.79%
Air source heat pump radiators	£1685	£2542	£857	50.86%
Air source heat pump underfloor		£2130		

NORTHERN IRELAND

	Apr-18	Mar-22	Price change	% Difference
Electricity	£1518	£2420	£902	59.42%
Gas (Phoenix)	£907	£1012	£105	11.58%
LPG (Condensing)	£2187	£2069	£-118	-5.40%
Oil (Condensing)	£1092	£1659	£567	51.92%
Wood Pellets	£1123	£1252	£129	11.49%
Air source heat pump radiators	£1459	£2112	£653	44.76%
Air source heat pump underfloor		£1748		

REPUBLIC OF IRELAND

	Apr-18	Mar-22	Price change	% Difference
Electricity (Urban Night Saver)	€2052	€2677	€625	30.46%
Gas (Bord Gais Eireann condensing)	€1337	€1455	€118	8.83%
LPG (Condensing)	€2213	€2467	€254	11.48%
Oil (Condensing)	€1311	€1739	€428	32.65%
Wood Pellets	€1311	€1361	€50	3.81%
Air source heat pump radiators	€1806	€2284	€478	26.47%
Air source heat pump underfloor		€1945		

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.