Fuel price commentary

In terms of heating, the 2022-23 winter was extremely tough for many people across the UK and Republic of Ireland. The impact is seen in national statistics that reveal demand for energy fell significantly – not because the weather was milder, but because households were seeking to manage the cost by either turning down or, in some cases, switching off their heating completely. Many sought to keep the cost affordable by relying more on secondary room heating such wood burning stoves – with a downturn in urban air quality reported widely as a consequence.

While these impacts – caused by high inflation and the impact of the war in Ukraine – caused significant discomfort and hardship, we should also remember that there may be more serious impacts too. It remains to be seen what the heath and excess winter death data looks like.

In the face of this depressing situation, we must also look for positives. Were there any winners over the last quarter? The Sutherland Tables show that, perhaps surprisingly, oil heating users have benefitted from the biggest fall in heating costs – across all regions. This needs explaining. When energy prices go up, oil prices are usually the quickest to react and last winter was no exception. However, the opposite is also often true; when prices begin to fall, oil heating users are frequently the first to benefit. Given the high prices experienced at the end of 2022 the falls are significant – and welcome – even if the average cost remains relatively high.

Of course, the extent to which you benefit will depend on when you fill your tank, but at least oil prices are heading in the right direction. Other energy prices are also beginning to fall, so the trends going forward appear at last to be positive.

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

GREAT BRITAIN (average)

	Dec-22	Mar-23	Price change	% Difference	4 year average
Electric storage heater	3135	**3189**	54	2%	2495
Gas condensing boiler	1930	**2120**	190	10%	1027
LPG Condensing boiler radiators and DHW cylinder	1749	**1773**	24	1%	1533
Oil condensing boiler, radiators and DHW cylinder	1752	**1392**	-360	-21%	1113
Wood pellets	2902	**2963**	61	2%	1657
Air source heat pump radiators	3320	**3417**	97	3%	2134
Air source heat pump underfloor	2957	**2858**	-99	-3%	1735

NORTHERN IRELAND

	Dec-22	Mar-23	Price change	% Difference	4 year average
Electric storage heater	2480	**2139**	-341	-14%	2115
Gas condensing boiler	1869	**1733**	-136	-7%	1134
LPG Condensing boiler radiators and DHW cylinder	2293	**2293**	0	0%	2050
Oil condensing boiler, radiators and DHW cylinder	1781	**1525**	-256	-14%	1091
Wood pellets	2082	**2116**	34	2%	1341
Air source heat pump radiators	2498	**2407**	-91	-4%	1876
Air source heat pump underfloor	2066	**1991**	-75	-4%	1521

REPUBLIC OF IRELAND

	Dec-22	Mar-23	Price change	% Difference	4 year average
Electric storage heater	4613	**4583**	-30	-1%	2661
Gas condensing boiler radiators and DHW cylinder	2781	**2781**	0	0%	1579
LPG Condensing boiler radiators and DHW cylinder	2776	**2856**	80	3%	2486
Oil condensing boiler, radiators and DHW cylinder	2236	**1965**	-271	-12%	1525
Wood pellets	2484	**2478**	-6	0%	1553
Air source heat pump radiators	3896	**3866**	-30	-1%	2298
Air source heat pump underfloor	3284	**3254**	-30	-1%	1922

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.Prices are shown in pounds sterling (£) for Great Britain and Northern Ireland, and euros (€) for the Republic of Ireland.