

Fuel price commentary

The UK and Republic of Ireland (RoI) energy markets are still highly dependent on fossil fuels so heating costs remain volatile as we begin 2024. The continuing war in Ukraine, and the growing conflict in the Middle East, have had an unwelcome impact on fuel prices and could potentially push them higher if they result in any further interruption to supply. This is particularly likely if production or shipping is disrupted or targeted more widely.

Despite this, many people have seen a welcome reduction in heating costs compared to twelve months ago, but the picture is far from consistent. In Great Britain, users of mains

gas, wood pellets and heat pumps have all seen significant price falls compared to a year ago. The price of heating oil remains about the same – more expensive than mains gas but highly competitive against other options – while LPG users have seen significant price increases. The good news for those who live in the RoI is that prices have fallen for all heating types, although the price fall for LPG is very small.

In Northern Ireland the picture is rather different; heating oil and LPG have both fallen in cost, as have wood pellets, while mains gas and heat pump heating now costs more to run. But look at the price

of electric storage heating – an increase of almost 50% compared to a year ago! This type of heating had previously been somewhat cheaper in Northern Ireland, compared to Great Britain and RoI, but sadly for those who rely on it, it now appears that this type of heating is now extremely expensive everywhere.

With prospects uncertain going forward, predicting the future is difficult. Any economic slowdown across the world could have the effect of reducing prices, while further conflict could increase them. Elections in several countries, including the US and UK may also be a factor in future trends.

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

GREAT BRITAIN (average)

	Dec-22	Dec-23	Price change	% Difference	4 year average
Electric storage heaters	3135	£3,162	£27	1%	£2,751
Gas condensing boiler	1930	£1,626	-£304	-16%	£1,226
LPG Condensing boiler radiators and DHW cylinder	1749	£2,134	£385	22%	£1,612
Oil condensing boiler, radiators and DHW cylinder	1752	£1,746	-£6	0%	£1,193
Wood pellets	2902	£2,370	-£532	-18%	£1,915
Air source heat pump radiators	3418	£2,750	-£668	-20%	£2,414
Air source heat pump underfloor	2858	£2,313	-£545	-19%	£1,986

NORTHERN IRELAND

	Dec-22	Dec-23	Price change	% Difference	4 year average
Electric storage heaters	2480	£3,675	1195	48%	£2,406
Gas condensing boiler	1869	£2,215	346	19%	£1,327
LPG Condensing boiler radiators and DHW cylinder	2293	£2,166	-127	-6%	£2,046
Oil condensing boiler, radiators and DHW cylinder	1781	£1,429	-352	-20%	£1,128
Wood pellets	2082	£1,860	-222	-11%	£1,490
Air source heat pump radiators	2498	£2,875	377	15%	£2,105
Air source heat pump underfloor	2066	£2,377	311	15%	£1,713

REPUBLIC OF IRELAND

	Dec-22	Dec-23	Price change	% Difference	4 year average
Electric storage heaters	4613	£4,304	-309	-7%	€3,061
Gas condensing boiler	2781	€2,659	-122	-4%	€1,823
LPG Condensing boiler radiators and DHW cylinder	2856	€2,831	-25	-1%	€2,547
Oil condensing boiler, radiators and DHW cylinder	2236	€2,021	-215	-10%	€1,579
Wood pellets	2484	€2,370	-114	-5%	€1,721
Air source heat pump radiators	3896	€3,640	-256	-7%	€2,623
Air source heat pump underfloor	3284	€3,069	-215	-7%	€2,213

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.