

# Fuel price commentary

Some aspects of this quarter's fuel prices are hard to explain. Why, for example, has the cost of running a heat pump in Great Britain fallen in the last year, while the cost of other types of electric heating, such as night storage heaters, has increased?

The answer would seem to be in the different electricity price tariffs offered by the energy companies, which vary considerably, and of which the Sutherland Tables use just a handful for their comparisons. That said, it is striking that users of storage heaters – who are typically less affluent than heat pump owners and use less efficient heating – are offered more expensive tariffs and

have seen their prices increase, while heat pump owners have seen prices fall. It suggests that something is fundamentally wrong with the energy market.

The situation in Northern Ireland appears clearer as all electric heating is more expensive, but storage heater users are again suffering disproportionately, with a massive 72% increase in the last year.

For most other heating technologies, the news is somewhat better, although the picture is varied. Oil heating costs have fallen in all areas, and even though the price changes are quite small, it is now the cheapest fuel

everywhere – which is great news for oil heating customers. Wood pellets are the other technology to see price falls in all areas, substantially so in Northern Ireland. In Great Britain, LPG has increased in price, while the Government's price cap has helped the annual cost of mains gas to come down. However, in Northern Ireland and RoI, the annual cost of mains gas has risen significantly.

It is noteworthy that all current heating costs are higher than their respective four-year averages. With war raging in Ukraine and the Middle East, it is doubtful if this will change during the rest of 2024 – which is bad news for consumers.

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

GREAT BRITAIN (average)

	Mar-23	Mar-24	Price change	% Difference	4 year average
Electric storage heaters	3189	<b>3324</b>	£135	4%	£2,826
Gas condensing boiler	2120	<b>1577</b>	-£543	-26%	£1,263
LPG Condensing boiler radiators and DHW cylinder	1773	<b>1904</b>	£131	7%	£1,600
Oil condensing boiler, radiators and DHW cylinder	1392	<b>1373</b>	-£19	-1%	£1,201
Wood pellets	2963	<b>2340</b>	-£623	-21%	£1,921
Air source heat pump radiators	3417	<b>2744</b>	-£673	-20%	£2,404
Air source heat pump underfloor	2858	<b>2309</b>	-£549	-19%	£2,001

NORTHERN IRELAND

	Mar-23	Mar-24	Price change	% Difference	4 year average
Electric storage heaters	2139	<b>£3,675</b>	1536	72%	£2,502
Gas condensing boiler	1733	<b>£2,215</b>	482	28%	£1,395
LPG Condensing boiler radiators and DHW cylinder	2293	<b>£2,209</b>	-84	-4%	£2,052
Oil condensing boiler, radiators and DHW cylinder	1525	<b>£1,333</b>	-192	-13%	£1,143
Wood pellets	2116	<b>£1,817</b>	-299	-14%	£1,528
Air source heat pump radiators	2407	<b>£2,875</b>	468	19%	£2,171
Air source heat pump underfloor	1991	<b>£2,875</b>	884	44%	£1,804

REPUBLIC OF IRELAND

	Mar-23	Mar-24	Price change	% Difference	4 year average
Electric storage heaters	4583	<b>4039</b>	-544	-12%	€3,170
Gas condensing boiler	2781	<b>4039</b>	1258	45%	€1,980
LPG Condensing boiler radiators and DHW cylinder	2856	<b>2856</b>	0	0%	€2,571
Oil condensing boiler, radiators and DHW cylinder	1965	<b>1899</b>	-66	-3%	€1,601
Wood pellets	2478	<b>2345</b>	-133	-5%	€1,777
Air source heat pump radiators	3866	<b>3420</b>	-446	-12%	€2,712
Air source heat pump underfloor	3254	<b>2884</b>	-370	-11%	€2,294

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.