

Fuel price commentary

Heating oil prices this winter are likely to be dictated by three main influencing factors. The first is rumours, which began circulating in September, that the world's largest oil exporter, Saudi Arabia, was preparing to increase its oil output and abandon its unofficial \$100-a-barrel target for oil prices. If true, this will drive down prices, but it may be counterbalanced by inflationary pressures resulting from any reduction in supply due to the spreading conflict in the Middle East and damage resulting from the recent hurricanes in the US. The Trump effect may also influence prices as he favours increasing US

production and may also impact the value of the dollar relative to other currencies.

It remains to be seen which of these factors proves the most significant for oil heating users in the UK and Ireland, but with world demand for crude oil appearing to fall, relatively stable or slightly lower prices may be the most likely outcome.

Looking now at the Sutherland Tables data, compared to the previous quarter, most energy prices have begun to creep upwards, although there is some regional variation and

some striking changes for some fuels. For example, the annual cost of wood pellet heating has increased by £265 in Northern Ireland, although compared to last year, the annual cost has actually fallen slightly. In Great Britain, the cost of oil heating is similar to both the previous quarter, and a year ago. The same is also true in Northern Ireland and in the Republic, although prices have risen slightly in NI. However, for oil heating customers, the good news is that for the second quarter running it is the overall cheapest heating option – and that's true of the longer-term four-year average too.

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

GREAT BRITAIN (average)

	Sep-23	Sep-24	Price change	% Difference	4 year average
Electric storage heaters	£3,320	£2,688	-£632	-19%	£2,900
Gas condensing boiler	£1,591	£1,282	-£309	-19%	£1,305
LPG Condensing boiler radiators and DHW cylinder	£1,850	£2,023	£173	9%	£1,648
Oil condensing boiler, radiators and DHW cylinder	£1,323	£1,277	-£46	-3%	£1,272
Wood pellets	£2,514	£2,390	-£124	-5%	£2,023
Air source heat pump radiators	£2,935	£2,541	-£394	-13%	£2,474
Air source heat pump underfloor	£2,456	£2,181	-£275	-11%	£2,095

NORTHERN IRELAND

	Sep-23	Sep-24	Price change	% Difference	4 year average
Electric storage heaters	3,675	3,201	-474	-13%	£2,643
Gas condensing boiler	2,215	1,782	-433	-20%	£1,492
LPG Condensing boiler radiators and DHW cylinder	2,166	2,291	125	6%	£2,075
Oil condensing boiler, radiators and DHW cylinder	1,238	1,241	3	0%	£1,199
Wood pellets	1,991	1,869	-122	-6%	£1,591
Air source heat pump radiators	2,875	2,898	23	1%	£2,296
Air source heat pump underfloor	2,377	2,431	54	2%	£1,924

REPUBLIC OF IRELAND

	Sep-23	Sep-24	Price change	% Difference	4 year average
Electric storage heaters	€4,516	€3,818	-698	-15%	€3,366
Gas condensing boiler	€2,937	€2,188	-749	-26%	€2,078
LPG Condensing boiler radiators and DHW cylinder	€2,783	€2,949	166	6%	€2,624
Oil condensing boiler, radiators and DHW cylinder	€1,780	€1,847	67	4%	€1,695
Wood pellets	€2,311	€2,309	-2	0%	€1,873
Air source heat pump radiators	€3,798	€3,426	-372	-10%	€2,882
Air source heat pump underfloor	€3,187	€2,919	-268	-8%	€2,452

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.