

Utility Regulator warns that unprecedented increases in international wholesale energy prices will lead to price increases for local consumers

Today, Utility Regulator Chief Executive, John French, warned consumers in Northern Ireland that they unfortunately will face higher energy bills this winter. This increase is due to a continuing rises in wholesale energy costs across UK and European markets.

“Over the last year, we have witnessed record increases in the prices of wholesale gas, coal, oil, and carbon on UK and European markets. Wholesale prices have rebounded, after economies have started to recover from the initial stages of the Covid-19 pandemic. In addition, energy markets have experienced declining UK and European natural gas production, and a reduction in gas supplies from Russia and the USA, all of which have also contributed to record price increases.

“These wholesale price increases will unfortunately impact consumers in Northern Ireland, as wholesale energy costs make up around half of both our gas and electricity bills.

“Therefore, there will be increases in the regulated gas tariffs (SSE Airtricity and Firmus Energy) in Northern Ireland. These will be announced in early September, once our review has been completed. It is likely that these tariffs will increase from the current average annual household gas bill of around £515 per year, to be closer aligned with average annual gas bills in GB (£625) and ROI (£782).

“However, we do not expect any further change in the regulated electricity tariff in 2021. Power NI increased their regulated electricity tariff for domestic consumers back in July by 6.9%. This meant that their regulated electricity tariff increased by £39 per year, to provide an average household bill of £610 per year. In comparison, GB and ROI have recently announced further electricity price increases, making their average annual household electricity bills £810 and £865 respectively.

“I recognise that any price increase is unwelcome, especially at this time with many households and business struggling to recover from the Covid-19 pandemic. Whilst we have no control over wholesale energy markets, the Utility Regulator, and partners such as the Consumer Council have been working with industry to see how we can mitigate some of the effects of these increases.

“For example, we have approved a reduction in network gas costs, which will reduce the impact of wholesale gas price rises to an average households by £20 a year. In addition, we are continuing to work with energy suppliers who provide regulated tariffs, to ensure their prices fairly reflect movements in the underlying wholesale markets, and any future reductions are fully passed onto consumers.

“Furthermore, I have recently written to all energy suppliers to ask them to actively support and protect consumers as tariffs increase and as winter approaches. In doing so, I have re-iterated the need for energy companies to have a sympathetic approach to customers’ ability to pay, and I have reminded suppliers of their obligations to avoid customer disconnections and consider other approaches to protecting people in debt. Finally, I have asked energy suppliers to consider if they can either individually, or collectively, establish funds to help customers in immediate hardship this winter.

“Whilst I fully recognise that these steps will not offset the impact of price increases, we will continue to work with government, partners like the Consumer Council and the energy industry to see what more can be done to protect consumers in light of the significant price increases.

“Consumers who are worried about the impact of these higher prices should contact their electricity or gas supplier as soon as possible, to discuss the options available to them. In addition, there are also a number of agencies who can provide free and independent advice to households, including Advice NI, Christians Against Poverty, and Money and Pensions Service.”

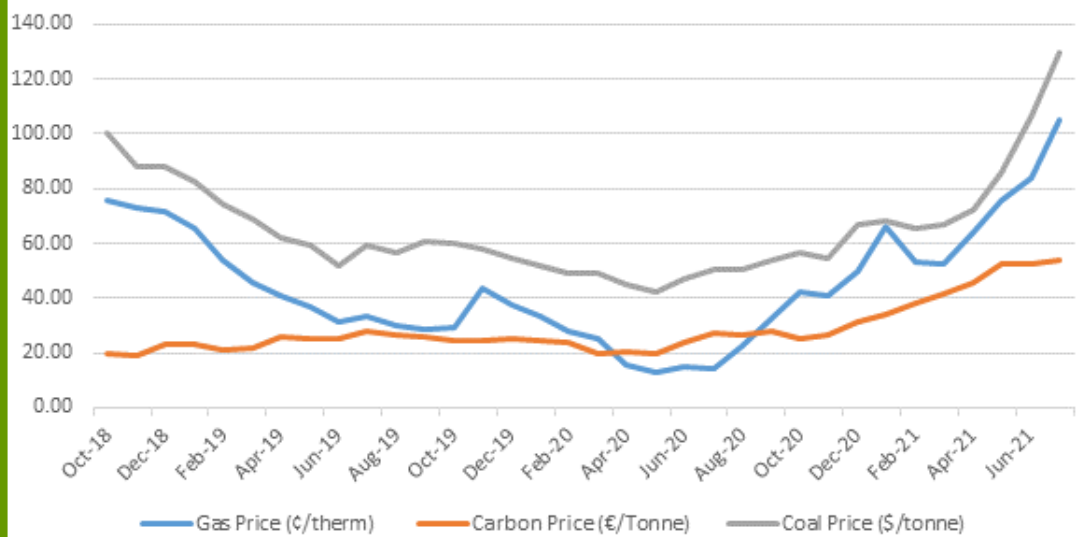


Wholesale electricity and gas price trends

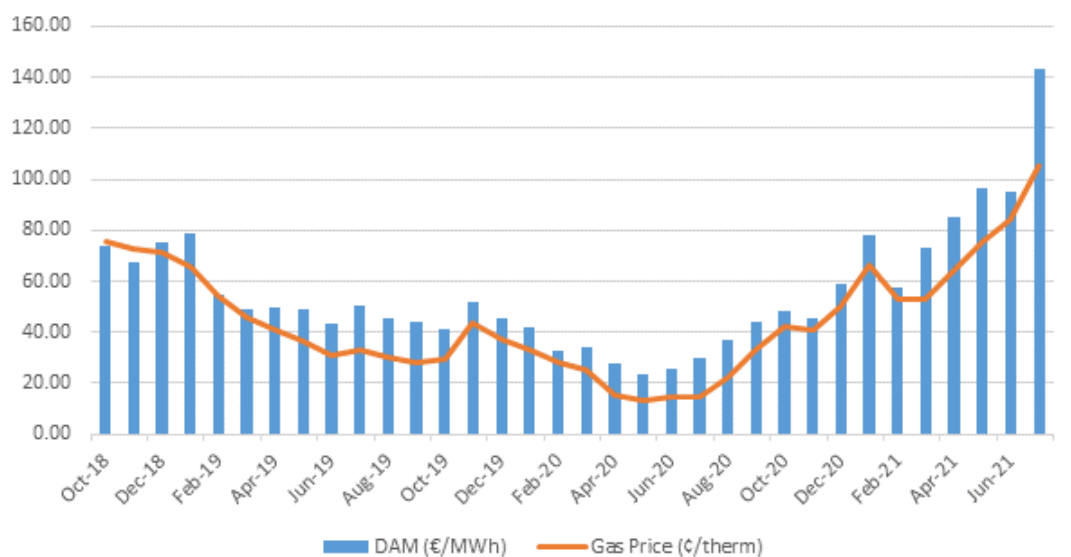
Global energy prices have risen to unprecedented levels during 2021. Wholesale gas costs in Europe have hit all-time highs with UK gas costs at their highest since 2005. Costs of other key energy commodities have also increased significantly. These increases have impacted on the cost of wholesale electricity here in our wholesale electricity market, the SEM. Higher gas, coal and carbon costs are driving up the prices seen across our trading markets with prices in July 377% greater than prices seen in July 2020.

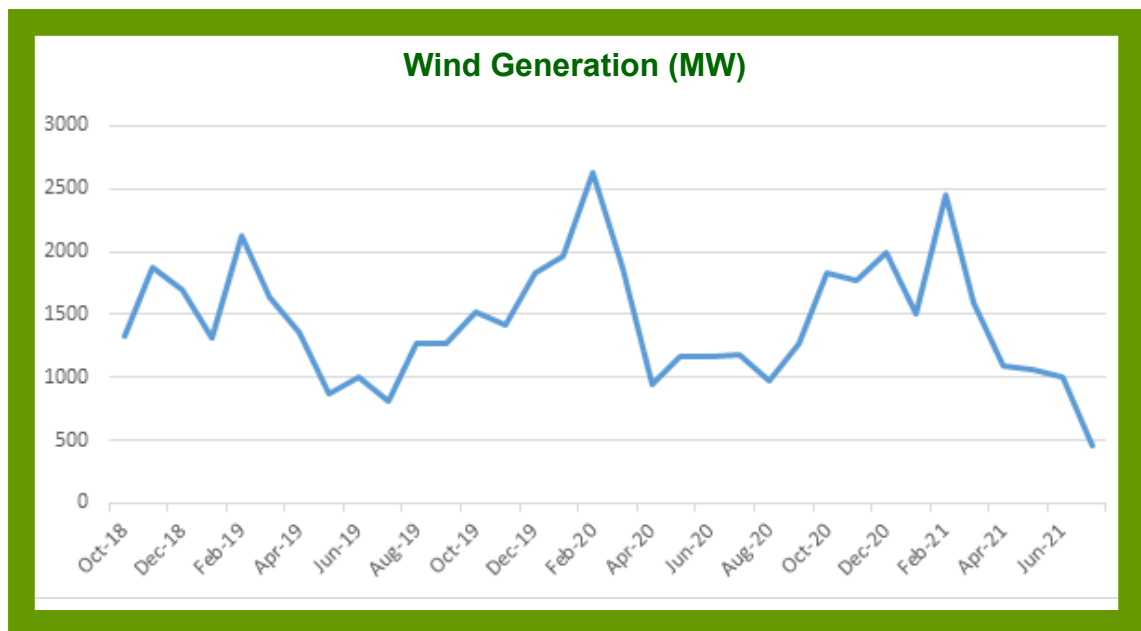
We continue to see higher costs in periods with lower wind availability, and lower costs with higher wind availability. Average wind generation on the system across July 2021 decreased by 62% compared to July 2020 having a significant impact on market prices.

Key Monthly Fuel Costs (October 18 - July 21)



Day Ahead Market (DAM) and Gas Prices (October 18 - July 21)





Support for consumers

If you are worried about paying for your electricity or gas, please contact your supplier as soon as possible.

- Suppliers will work with you to agree a repayment plan if you have fallen behind with your energy bills.
- If you already have a repayment plan, suppliers can review this for you if you are struggling to keep up with the payments.
- If you use a Prepayment meter and have a repayment plan in place to clear your debt, suppliers can review the amount of debt that is taken off each top-up you make so this is affordable for you.

How can I find out who my electricity or gas supplier is and how to contact them?

- For electricity, if you have your meter point number (known as an MPRN a 17 digit number) you can [contact NIE Networks](#) to check who your supplier is. You can find your MPRN number on your electricity bill.
- Gas is slightly different and your supplier will depend on the area you live in. If you live in the Greater Belfast area, your supplier will either be [SSE Airtricity Gas Supply](#) or [firmus energy](#). If you live in the Ten Towns area¹, your gas supplier is [firmus energy](#) and in the West of Northern Ireland, your supplier will be [SSE Airtricity Gas Supply](#).
- You can find [a full list of all the electricity and gas suppliers on our website](#) including contact numbers and email addresses.

What other support is available?

- You can check if you are eligible for support from the government
 1. **[Winter Fuel Payment:](#)** If you were born on or before 26 September 1955 you could get between £100 and £300 to help you pay your heating bills. You will usually get this automatically if you are

eligible and get State Pension or another social security benefit (not Housing Benefit, Child Benefit or Universal Credit). If you are eligible but don't get paid automatically, you will need to make a claim.

2. **Cold weather payment:** If you're receiving certain benefits, you could qualify for extra money for each week there is very cold weather in your area.
3. **Fuel Direct Scheme:** You can have some of your bills (including rent, services charges, fuel or water bills) paid directly out of your benefits payments if you're having difficulties (this is also known as 'third party deductions'). You can find more information on the [NI direct website](#). If you receive Pension credit, contact the [pension centre](#) for more information.

- You can get free and independent debt advice

A money advisor at Advice NI will be able to provide advice on managing debt:
Advice NI: 0800 915 4604

Other tips

- Contact your supplier and check if you are on the cheapest tariff available to you.
- Paying by direct debit may also be cheaper if it is suitable for you – please contact your supplier for advice on this.
- You might also be able to save money by switching your supplier. The Consumer Council have a free [switching tool](#) that you can use.
- Contact your supplier to check if you are eligible for their Customer Care Register. If you are of pensionable age, disabled or chronically sick you are able to benefit from some additional services.
- Use the [NI Direct benefits checker](#) as a guide to the benefits available to you.

Where can I get advice on how to save energy in my home

- Contact your energy supplier who will give you information and advice on how to use your electricity or gas more efficiently.
- Energy advice is also available on the [NI Direct government](#) website.
- The Consumer Council's [Switch On leaflet](#) contains also has useful information on efficiency information.
- You can also contact [NI Energy Advice](#) who offer free independent and impartial energy advice, including advice about energy grants/schemes and other sources of help. For example, [The Northern Ireland Sustainable Energy Programme](#) (NISEP) provides help to install energy saving measures in your home. This can include energy-efficient boilers, heating controls, loft insulation and cavity wall insulation. The [Affordable Warmth Scheme](#) also provides support for energy efficiency measures and a [Boiler Replacement Scheme](#) is also available.

STAFF PROFILE

Janet Diffin

Retail Analyst: Consumer Protection Team

Janet works as an analyst in the Consumer Protection team. As an experienced researcher, her professional expertise helps us enhance our understanding of consumer choices and experiences. The Consumer Protection team is working on a tracker survey of domestic consumers, which will be completed in the Autumn. The insights gained from this work will help us identify how best to support and protect domestic energy consumers. Key to Janet and her colleagues' work is developing and implementing a dedicated Consumer Protection programme which sets out how practically support vulnerable consumers.

Janet says: "I joined the UR in January of this year. My role in the Consumer Protection team is varied and includes engaging with stakeholders to address the needs of vulnerable consumers. I have a background in academic research so it is great to see research evidence from our domestic and non-domestic tracker surveys being used to directly inform policy development and future areas of work. I look forward to continuing work on our Best Practice Programme in the coming months. This programme will set how we make practically protect consumers across the electricity, gas and water sectors in Northern Ireland."



Job Opportunities

As an economic regulator, our role is to enable, incentivise, and hold electricity, gas, and water companies to account for providing the best levels of service to consumers in Northern Ireland.

Details about [job opportunities](#) within the Utility Regulator are on our website.

Consultations/News Update

During August we published the following consultations and updates.

Please click on the links for further details:

- [Call for Evidence on electricity distribution tariff reform – response deadline extended](#)
- [Consultation on proposed electricity generation licence for Belfast Energy Storage Company Limited](#)
- [Consultation published on proposed licence modification for West Transmission Ltd](#)
- [Craigmore Energy Limited – Grant of Electricity Generation Licence](#)
- [Evishagaran Wind Farm Limited – Grant of Electricity Generation Licence](#)

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