Quarterly Retail Energy Market Monitoring Report

Quarter 2: April to June 2021

Published: 31 August 2021

Abstract

The Quarterly Retail Energy Market Monitoring report (QREMM) is the latest of a series of Utility Regulator (UR) reports (previously known as the Quarterly Transparency Reports (QTRs)) that provide a range of information about the retail energy market in Northern Ireland (NI).

The data relates mainly to market shares, market activity and domestic prices in the electricity and gas retail markets. The data also includes information on non-domestic, or industrial and commercial (I&C), electricity prices.

We collect and monitor market information through the Retail Energy Market Monitoring (REMM) framework.

The information shown in this report comes from network companies, suppliers, BEIS (Department for Business, Energy & Industrial Strategy) and Eurostat. Some figures have been calculated internally.

Audience

Electricity and gas industry, associations of consumers, regulators, statistical bodies, suppliers, potential new market entrants, consultants, researchers and journalists.

Consumer impact

The information used to produce these reports allows us to monitor the retail market, flag potential concerns and to inform regulatory decisions. All of this directly impacts on consumers.

This set of reports increases transparency for consumers on matters of their direct interest, such as the active suppliers in each energy market sector and NI prices compared against other jurisdictions.

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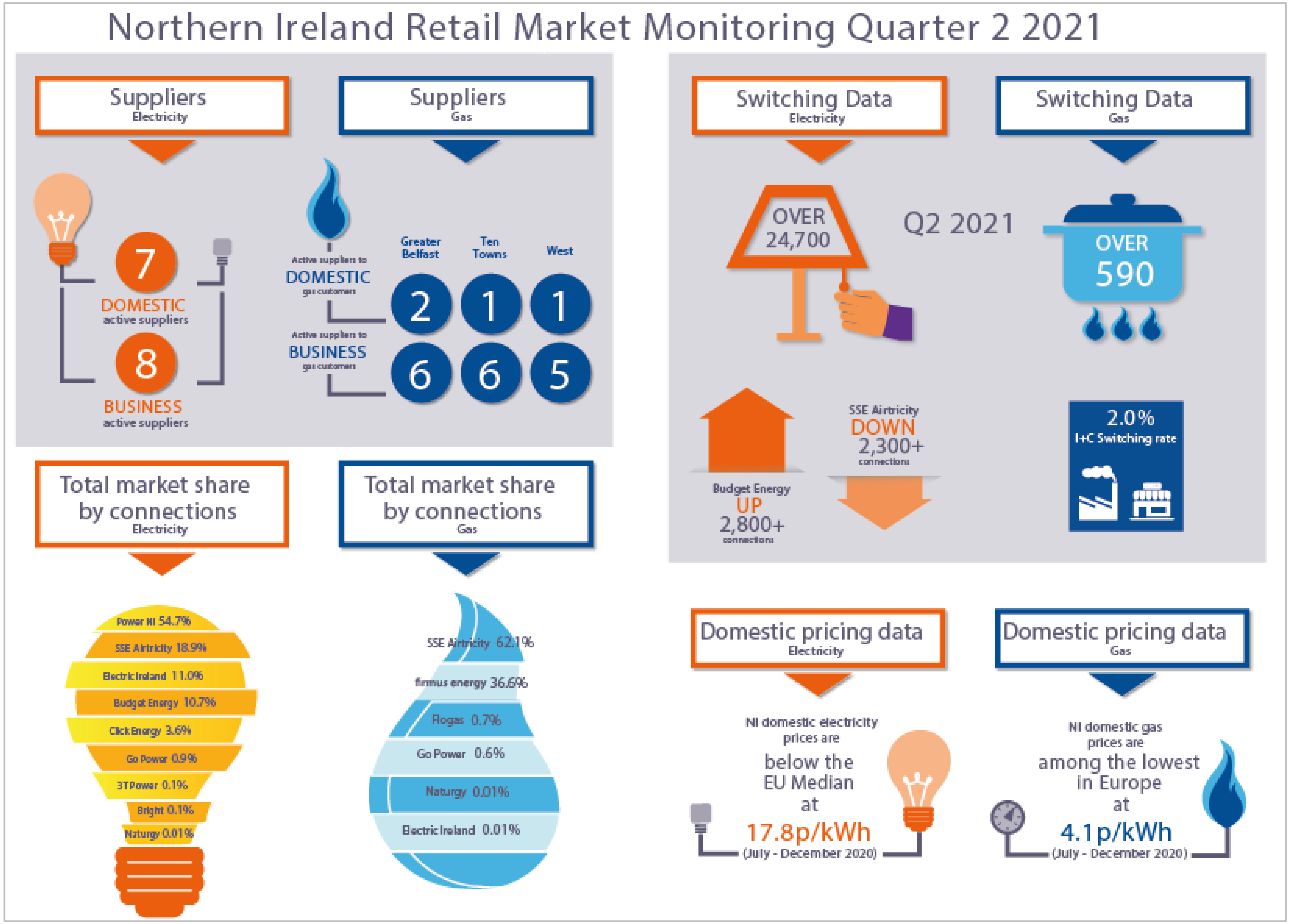
1. Summary of key market indicators



Key developments during Q2 2021

1. The semester 2 (July to December) 2020 electricity pricing data is sourced from Eurostat and individual supplier's submissions under the REMM framework. The current pricing data illustrates the following:
    - NI domestic electricity prices (17.8 p/kWh) continue to rank below the EU median (19.5 p/kWh), UK (18.9 p/kWh) and are lower than the Republic of Ireland (23.7 p/kWh).
    - The NI I&C electricity price for the Very Small connections (which represent c72% of I&C connections) is 15.6 p/kWh, which is lower than the EU median (16.4 p/kWh), UK (17.1 p/kWh) and Republic of Ireland (21.4 p/kWh).
    - For Large and Very Large I&C customers (c0.02% of connections) NI prices (9.0p/kWh) are just above RoI (8.3p/kWh) but below the UK (12.2 p/kWh).

2. The domestic gas prices in NI are amongst the lowest in Europe at 4.1 p/kWh. This is less than RoI (6.3 p/kWh) and EU median (6.8 p/kWh) but just above UK (3.9 p/kWh).

3. Market activity in the electricity domestic and I&C sectors continues to illustrate a gradual change in the market dynamics. Power NI (the incumbent price controlled electricity supplier) retain their dominant position with 54.9% of connections in the domestic market and continued growth of the competing suppliers (representing 45.1% of domestic connections, an increase from 44.6% for the same period last year).

4. Overall electricity switching activity in Q2 2021 increased from the previous quarter. Domestic customers continue to engage in the market with over 23,300 domestic switches completed during Q2 2021. In the I&C sector, electricity switching also saw an increase during the period with a switching rate of 1.9% (up from 1.0% in the previous quarter), with just under 1,400 switches completed.

5. In the gas sector, I&C switching activity saw a small decrease in the switching rate, down from 2.8% in Q1 2021 to 2.2% for Q2 2021. Domestic switching in the Greater Belfast area saw a small increase with 272 switches completed in Q2 2021, up from 235 in Q1 2021.

2. Introduction

2.1 The purpose of this report is to deliver transparency for stakeholders and consumers, providing readers with readily accessible information on the evolution and performance of Northern Ireland (NI) electricity and natural gas retail sectors.

2.2 This report (previously known as the Quarterly Transparency Reports (QTRs)) is one of the tools we use to communicate some of the main indicators we monitor in the retail energy markets. We protect consumers by promoting effective competition wherever appropriate, and by monitoring the markets. Therefore, monitoring the retail markets is key when complying with our statutory duties[1].

Energy suppliers in NI market

	Network Operator							
	NIE Networks		PNGL		FeDL		SGN NG	
	Electricity		Gas Greater Belfast		Gas Ten Towns		Gas West	
	Dom	I&C	Dom	I&C	Dom	I&C	Dom	I&C
Budget Energy	💡	💡						
Click Energy	💡	💡						
Electric Ireland	💡	💡		🔥		🔥		🔥
firmus energy			🔥	🔥	🔥	🔥		🔥
Flogas				🔥		🔥		🔥
Go Power	💡	💡		🔥		🔥		🔥
Power NI	💡	💡						
SSE Airtricity	💡	💡	🔥	🔥		🔥	🔥	🔥
Naturgy		💡		🔥		🔥		
3T Power		💡						
bright	💡							
Suppliers	**7**	**8**	**2**	**6**	**1**	**6**	**1**	**5**

Source: UR

[1] Detail on the background to this report, information sources and methodology is contained in Annex A.

2.3 The electricity and gas (in the Greater Belfast area) markets have been open to competition to domestic customers since 2007. However, there were no competing suppliers in the domestic market until 2010.

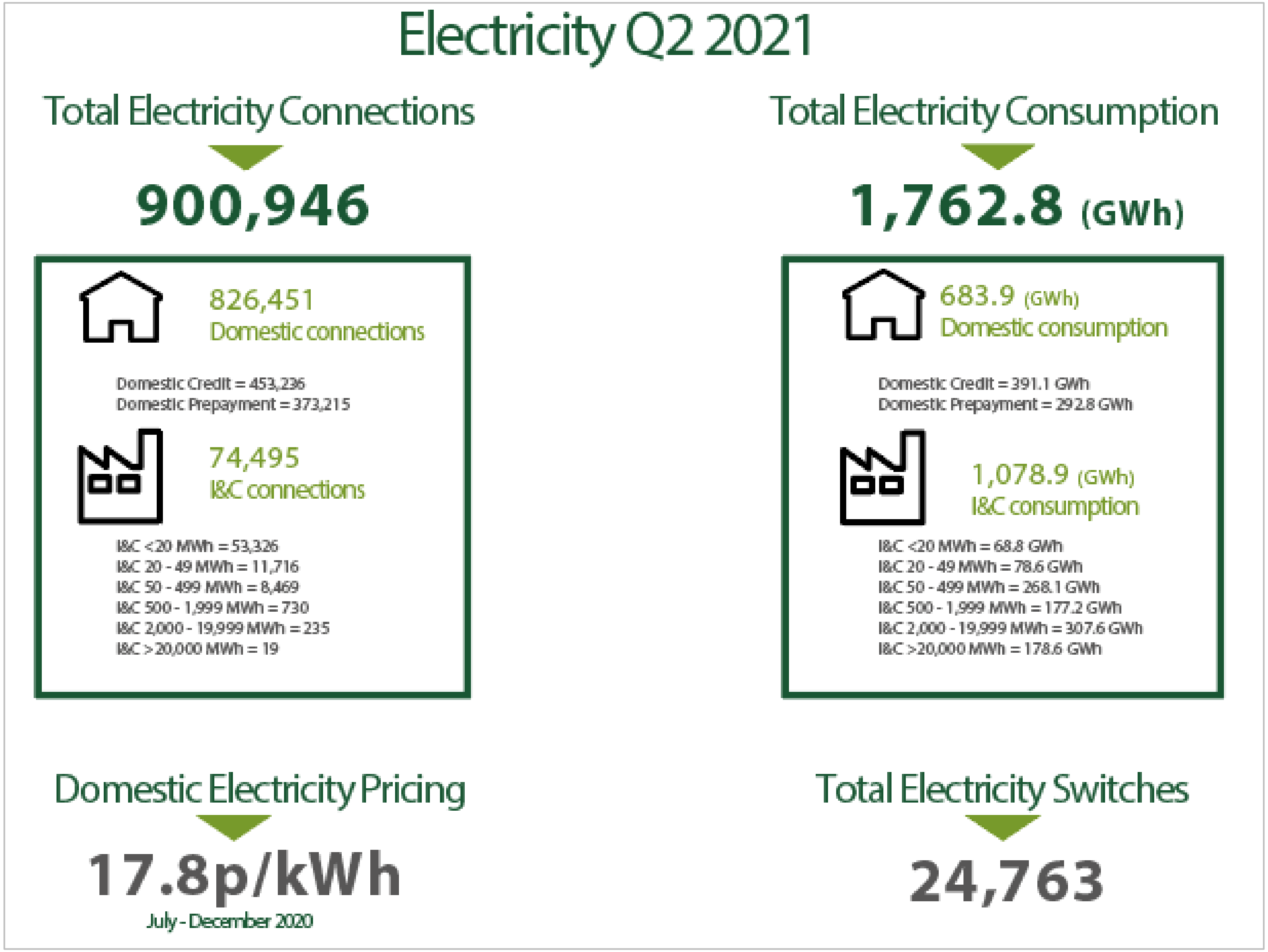
2.4 The Ten Towns area opened to gas competition for large I&C customers (those consuming over 732,000 kWh per annum) in October 2012, and to domestic and small I&C customers in April 2015. The first gas connection to the new West [2] gas distribution area was a large I&C user during Q1 2017.

2.5 During the first quarter of 2021 there were **nine** suppliers in the electricity market and **six** suppliers in the gas market although not all of these suppliers are certified to operate in all sectors (or in all gas distribution areas).

2.6 The detail of the dates of entry for the suppliers in each of the retail market segments is available in Annex B of this report. For more information about the retail energy market in NI, please visit: https://www.uregni.gov.uk/supply.

[2] It is anticipated that gas in the West distribution area will be developed as per Annex 2, Part 3 of the Scotia Gas Networks Northern Ireland licence.

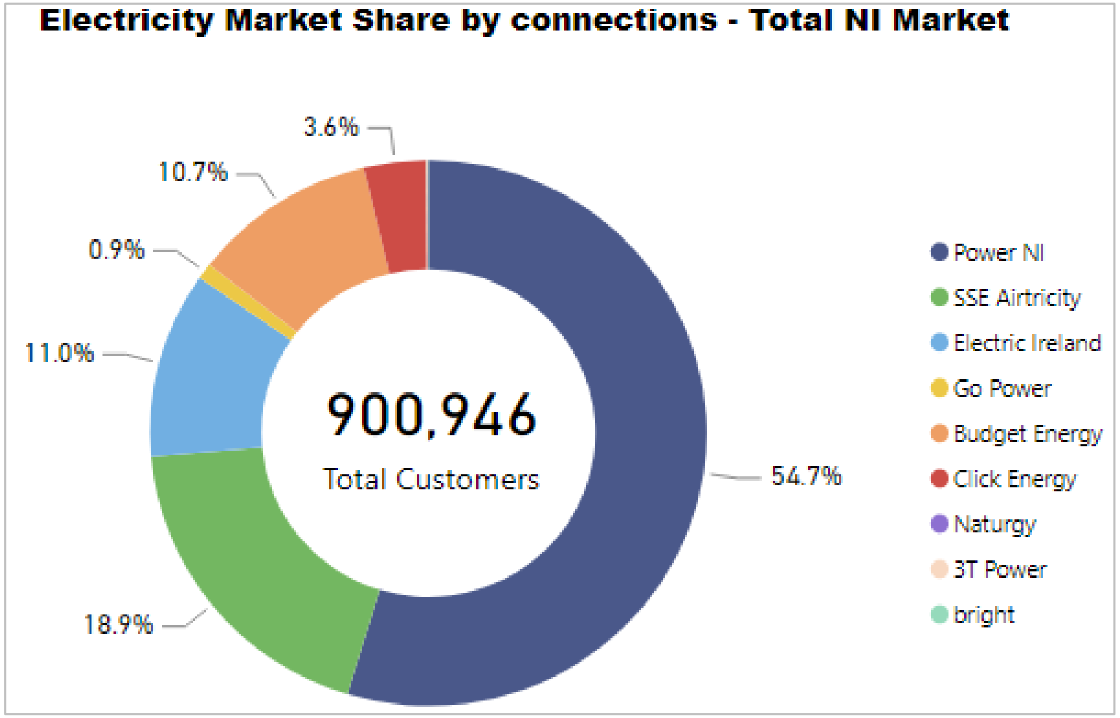
3. Electricity



Total NI market shares (by connections)

3.1 The chart[3] to the right shows the percentage market share by connections[4] for each electricity supplier at the **end of June 2021**.

3.2 When looking at the electricity retail market as a whole by connections (domestic and I&C customers), Power NI, the incumbent supplier, has the leading position with 54.7% share of the market.

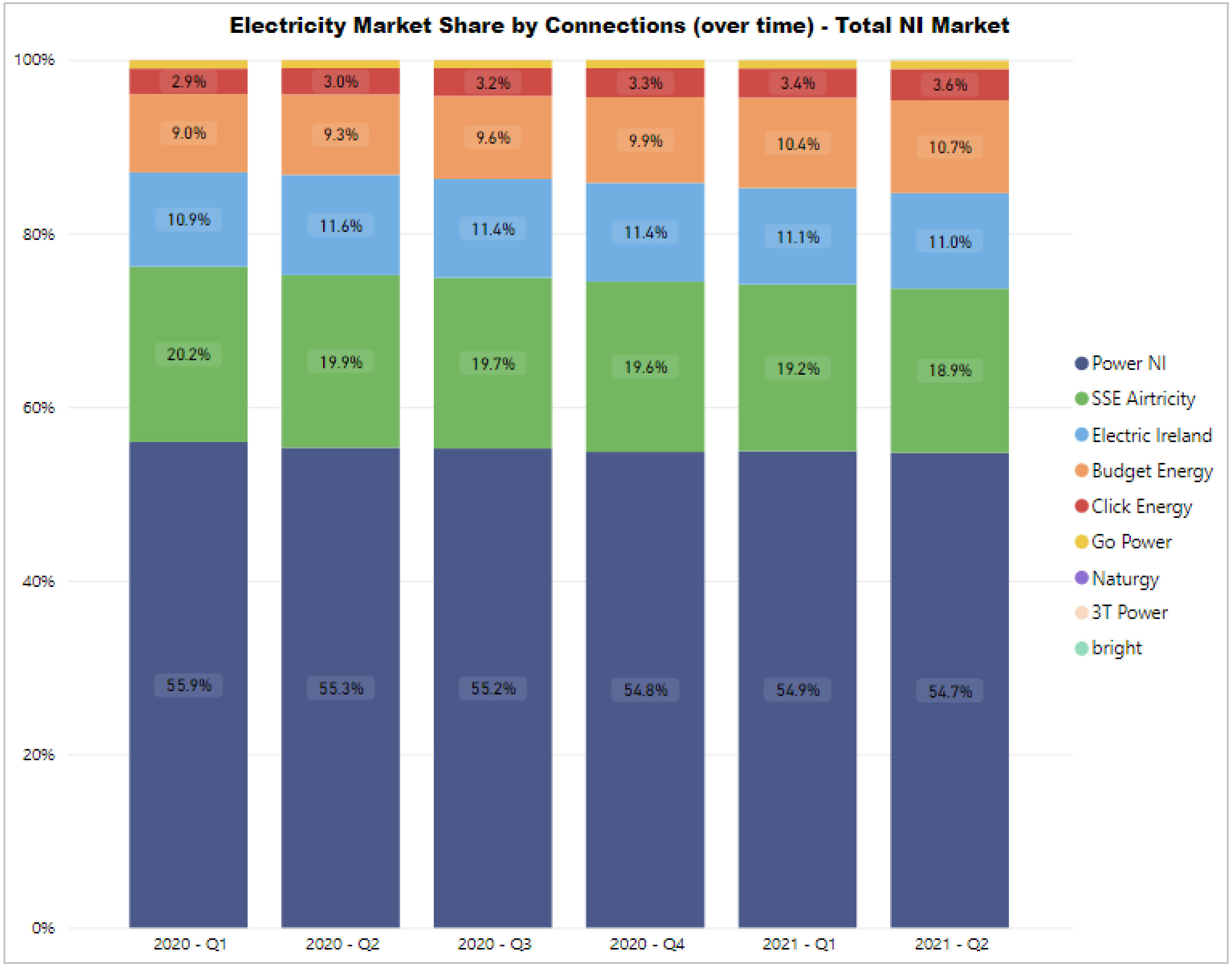


Market Segment	Power NI	SSE Airtricity	Electric Ireland	Budget Energy	Click Energy	Go Power	Naturgy	3T Power	bright	Total Customers
Domestic credit	290,861	96,467	47,002	14,615	3,320	647	0	0	324	453,236
Domestic prepayment	162,425	60,020	40,495	81,158	28,939	0	0	0	178	373,215
I&C < 20 MWh	31,243	9,920	6,222	383	257	5,124	20	157	0	53,326
I&C 20 – 49 MWh	4,897	2,736	2,416	104	41	1,474	4	44	0	11,716
I&C 50 – 499 MWh	3,116	1,225	2,583	50	26	1,191	12	266	0	8,469
I&C 500 – 1,999 MWh	226	82	299	0	4	79	18	22	0	730
I&C 2,000 – 19,999 MWh	71	21	104	0	3	30	3	3	0	235
I&C ≥ 20,000 MWh	3	2	11	0	0	3	0	0	0	19
Total	**492,842**	**170,473**	**99,132**	**96,310**	**32,590**	**8,548**	**57**	**492**	**502**	**900,946**

Data source: NIEN

[3] Please note the percentages in the chart may not tally to 100% as the data labels for some suppliers are not labelled due to the size of their market share.
[4] Note that long-term vacant sites are not included in connection numbers, and that combined premises are included in the <20MWh category.

3.3 The bar chart below shows the trends in the market shares (by customer numbers) for each active domestic and I&C supplier in NI for the previous six quarters.

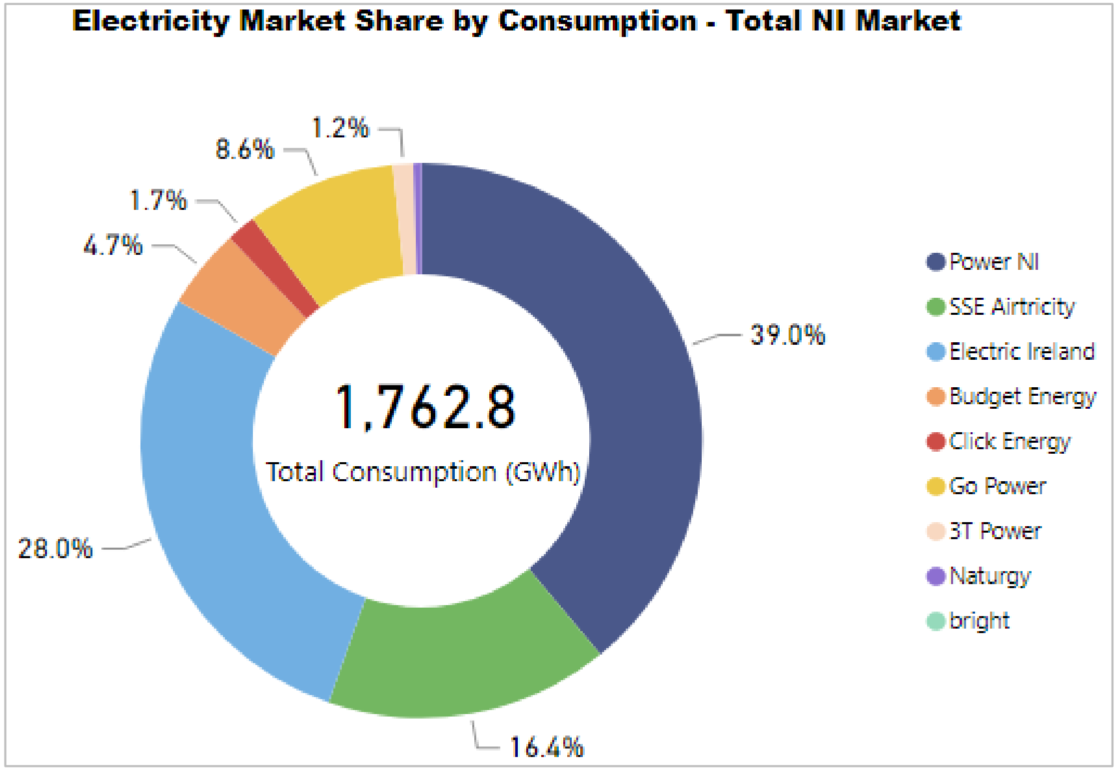


Data source: NIEN

Total NI market shares (by consumption)

3.4 The chart to the right shows the percentage market share by consumption for each electricity supplier for the period **April to June 2021.**

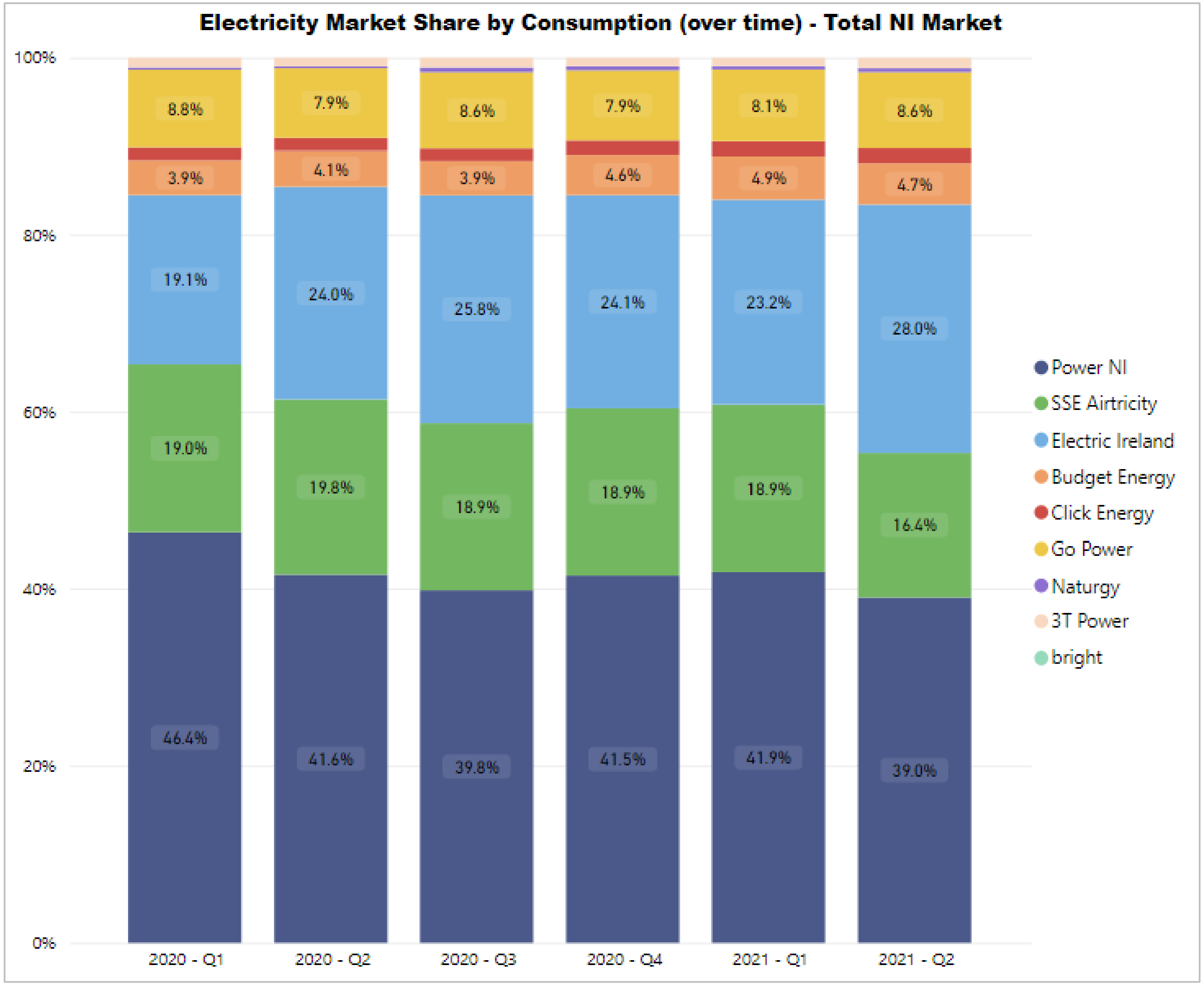
3.5 Electricity consumption in the NI retail market for Q2 2021 was 1,763 GWh.



Market Segment	Power NI	SSE Airtricity	Electric Ireland	Budget Energy	Click Energy	Go Power	3T Power	Naturgy	bright	Total Consumption (GWh)
Domestic credit	236.5	93.1	42.5	14.9	2.6	1.3	0.0	0.0	0.0	391.1
Domestic prepayment	124.9	47.3	33.3	65.1	22.1	0.0	0.0	0.0	0.0	292.8
I&C < 20 MWh	36.8	14.1	10.3	0.6	0.3	6.4	0.4	0.0	0.0	68.8
I&C 20 – 49 MWh	32.4	18.3	17.9	0.8	0.2	8.6	0.3	0.0	0.0	78.6
I&C 50 – 499 MWh	90.7	38.6	88.5	1.1	0.7	34.4	13.5	0.6	0.0	268.1
I&C 500 – 1,999 MWh	61.7	19.9	65.9	0.0	0.8	20.4	4.6	3.7	0.0	177.2
I&C 2,000 – 19,999 MWh	86.4	30.0	151.1	0.0	3.1	31.6	2.0	3.4	0.0	307.6
I&C ≥ 20,000 MWh	18.0	26.9	84.7	0.0	0.0	49.1	0.0	0.0	0.0	178.6
Total	**687.4**	**288.2**	**494.1**	**82.5**	**29.7**	**151.7**	**20.9**	**7.8**	**0.0**	**1,762.8**

Data source: NIEN

3.6 The bar chart below shows the trends in the market shares (by consumption) for each active domestic and I&C supplier in NI for the previous six quarters.

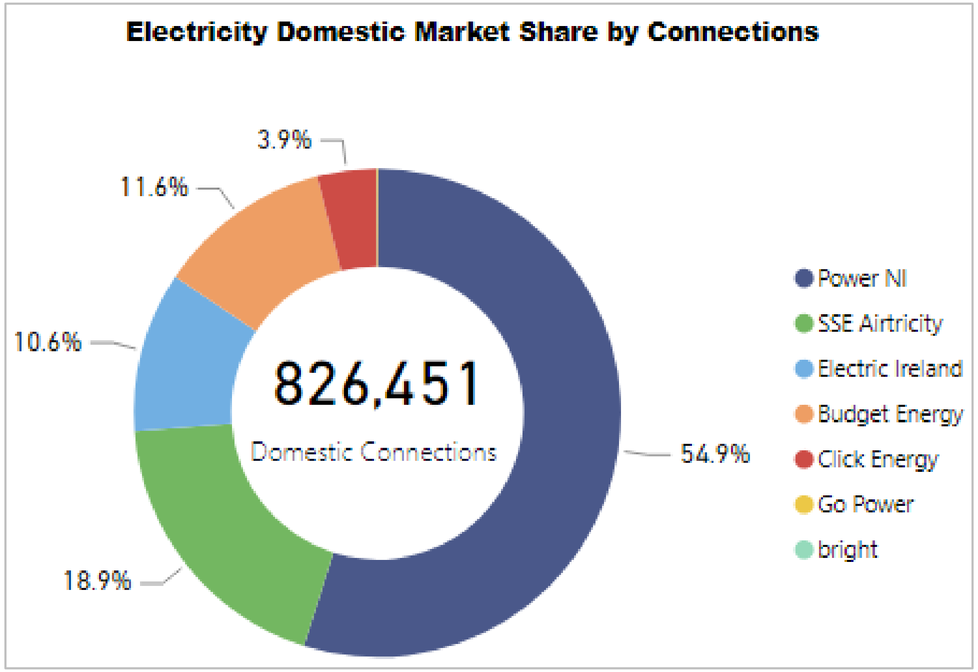


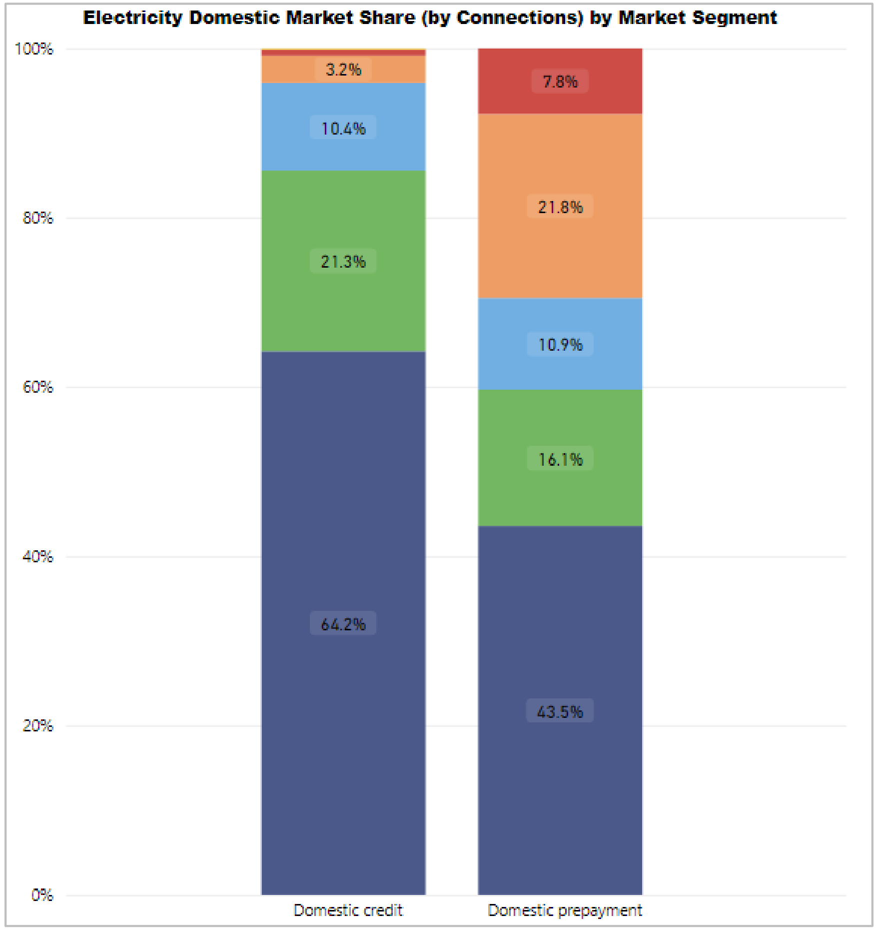
Data source: NIEN

Domestic Market Analysis (by connections)

3.7 This section of the report provides a more detailed analysis of the electricity domestic market, by connections.

3.8 The non-incumbents now represent 45.1% of total domestic connections in NI.



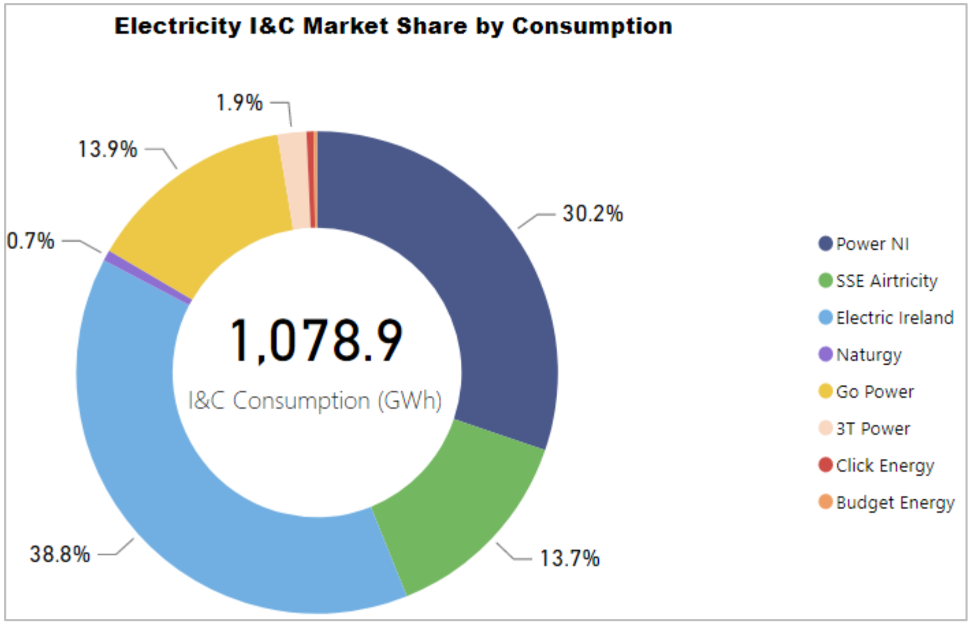


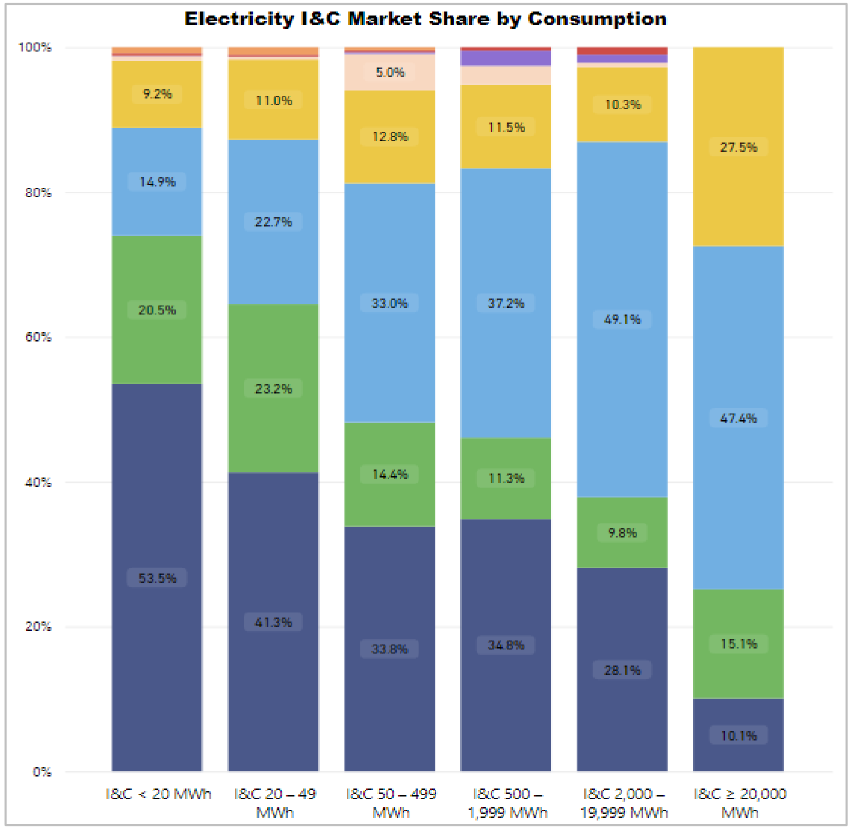
Market Segment	Power NI	Power NI %	SSE Airtricity	SSE Airtricity %	Electric Ireland	Electric Ireland %	Budget Energy	Budget Energy %	Click Energy	Click Energy %	Go Power	Go Power %	bright	bright %	Total Customers	Total Customers %
Domestic prepayment	162,425	36%	60,020	38%	40,495	46%	81,158	85%	28,939	90%	0	0%	178	35%	373,215	45%
Domestic credit	290,861	64%	96,467	62%	47,002	54%	14,615	15%	3,320	10%	647	100%	324	65%	453,236	55%
Total	**453,286**		**156,487**		**87,497**		**95,773**		**32,259**		**647**		**502**		**826,451**	

Data source: NIEN

I&C Market Analysis (by consumption)

3.9 This section of the report provides a more detailed analysis of the electricity I&C market, by consumption. I&C consumption for the period was 1,079 MWh.





Market Segment	Power NI	SSE Airtricity	Electric Ireland	Go Power	3T Power	Naturgy	Click Energy	Budget Energy	Total Consumption (GWh)
I&C < 20 MWh	36.8	14.1	10.3	6.4	0.4	0.0	0.3	0.6	68.8
I&C 20 – 49 MWh	32.4	18.3	17.9	8.6	0.3	0.0	0.2	0.8	78.6
I&C 50 – 499 MWh	90.7	38.6	88.5	34.4	13.5	0.6	0.7	1.1	268.1
I&C 500 – 1,999 MWh	61.7	19.9	65.9	20.4	4.6	3.7	0.8	0.0	177.2
I&C 2,000 – 19,999 MWh	86.4	30.0	151.1	31.6	2.0	3.4	3.1	0.0	307.6
I&C ≥ 20,000 MWh	18.0	26.9	84.7	49.1	0.0	0.0	0.0	0.0	178.6
Total	**326.1**	**147.8**	**418.3**	**150.4**	**20.9**	**7.8**	**5.1**	**2.5**	**1,078.9**

Data source: NIEN

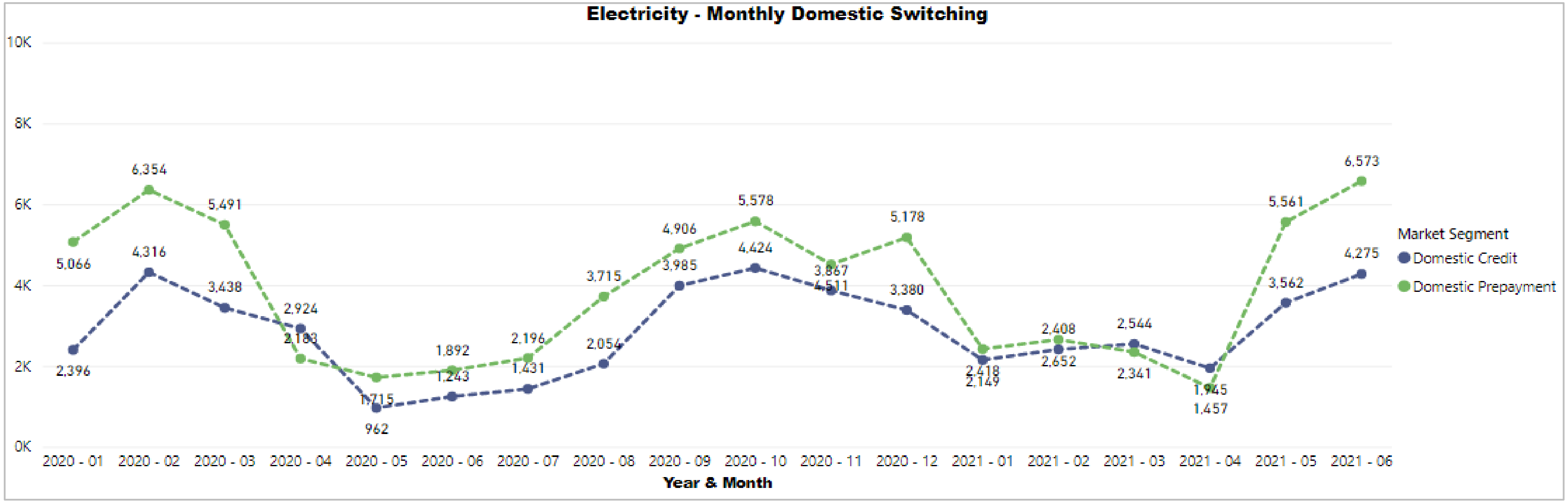
Market activity (Switching)

3.10 The table below shows the total market activity through changes of supplier (CoSs) on a quarterly basis for the domestic and I&C sectors including the quarterly switching rate[5] .

Switching rate – Total NI market						
Quarter	**2020 – Q1**	**2020 – Q2**	**2020 – Q3**	**2020 – Q4**	**2021 – Q1**	**2021 – Q2**
No. of switches	28,323	16,248	18,974	28,105	15,284	24,763
Switching rate (%)	3.2%	1.8%	2.1%	3.1%	1.7%	2.8%

Data source: NIEN

3.11 The graph below shows the number of domestic switches, split by domestic credit and domestic prepayment on a monthly basis followed by a table with the total domestic switches and domestic switching rate for the quarter.



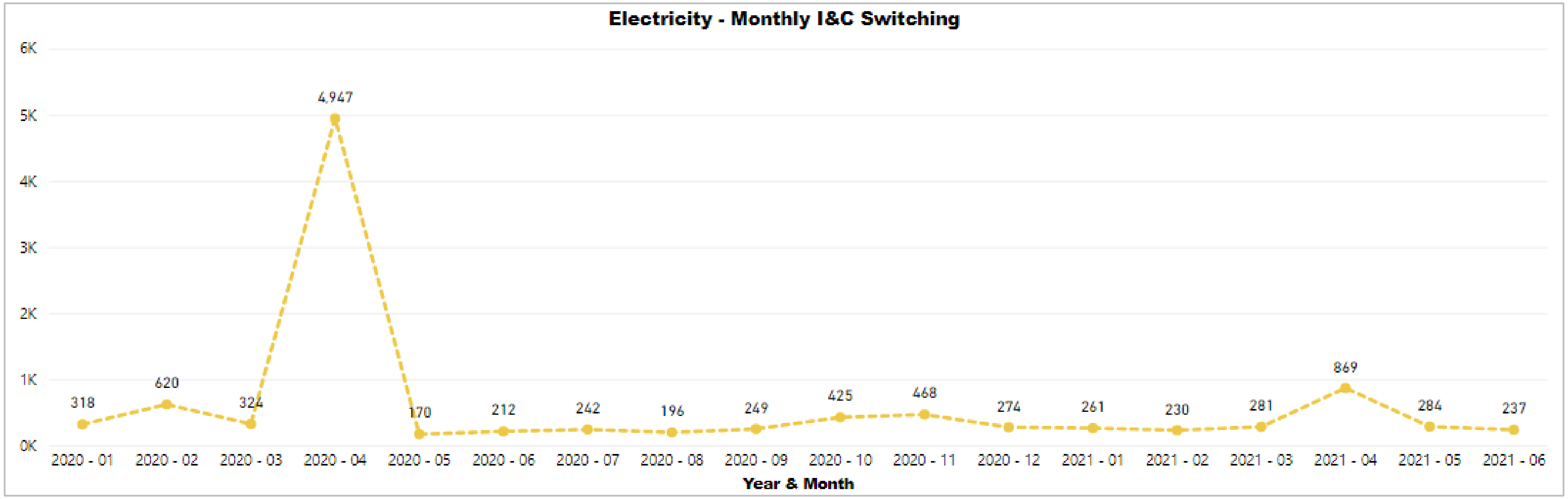
Data source: NIEN

[5] The switching rate percentages are calculated using the number of quarterly switches divided by the number of customers at the end of the quarter in the relevant market.

Switching rate – Domestic market						
Quarter	**2020 – Q1**	**2020 – Q2**	**2020 – Q3**	**2020 – Q4**	**2021 – Q1**	**2021 – Q2**
No. of switches	27,061	10,919	18,287	26,938	14,512	23,373
Switching rate (%)	3.3%	1.3%	2.2%	3.3%	1.8%	2.8%

Data source: NIEN

3.12 The graph below shows the number of I&C switches on a monthly basis and the table details the total switches and switching rate for the quarter.



Switching rate – I&C market						
Quarter	**2020 – Q1**	**2020 – Q2**	**2020 – Q3**	**2020 – Q4**	**2021 – Q1**	**2021 – Q2**
No. of switches	1,262	5,329	687	1,167	772	1,390
Switching rate (%)	1.7%	7.2%	0.9%	1.6%	1.0%	1.9%

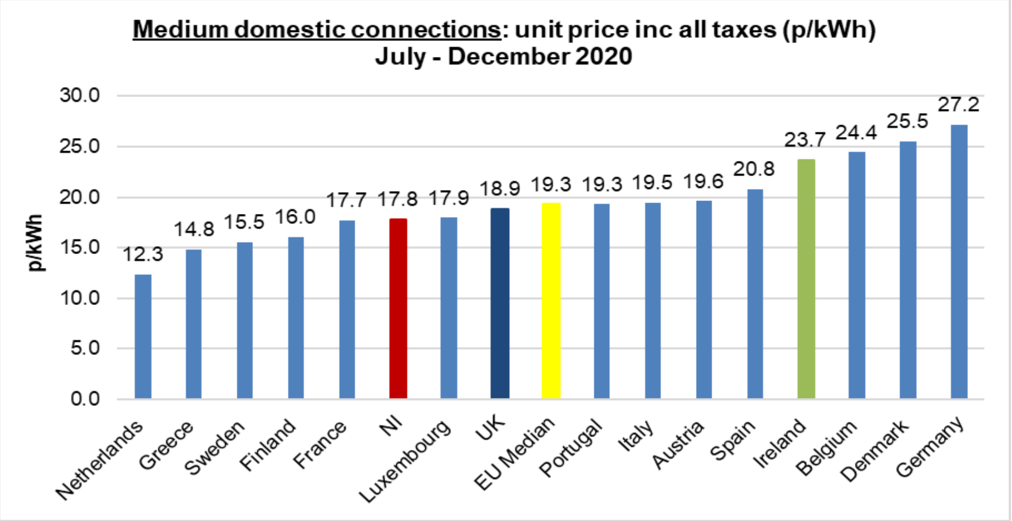
Data source: NIEN

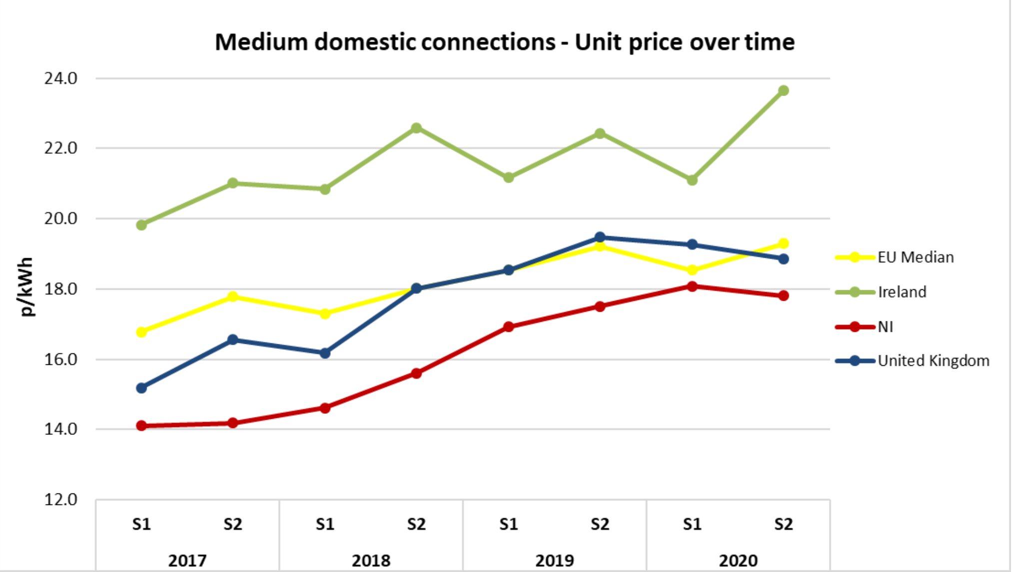
4. Electricity Pricing – Semester 2 2020

4.1 **Domestic price comparison with EU:** In the domestic graphs shown, we use unit prices which include Climate Change Levy (CCL) and include VAT as this reflects the final prices paid by domestic customers. The medium sized domestic customers (annual consumption of between 2,500 and 4,999 kWh) have been selected for the purpose of analysis, as this consumption category reflects the majority of domestic customers in NI.

4.2 In semester 2 2020 the NI price was below the UK[6], EU median and considerably less than RoI.

4.3 The second graph shows the Medium domestic connections unit price (inc all taxes) over the last four years compared to the EU median, UK and RoI.





Source: NI electricity suppliers, BEIS, Eurostat and UR internal calculations

6 Please note that the UK figure for semester 2 2020 was updated following publication of the BEIS report (Domestic electricity prices in the EU for small, medium and large consumers - International domestic energy prices - GOV.UK (www.gov.uk)) on 29 June 2021.

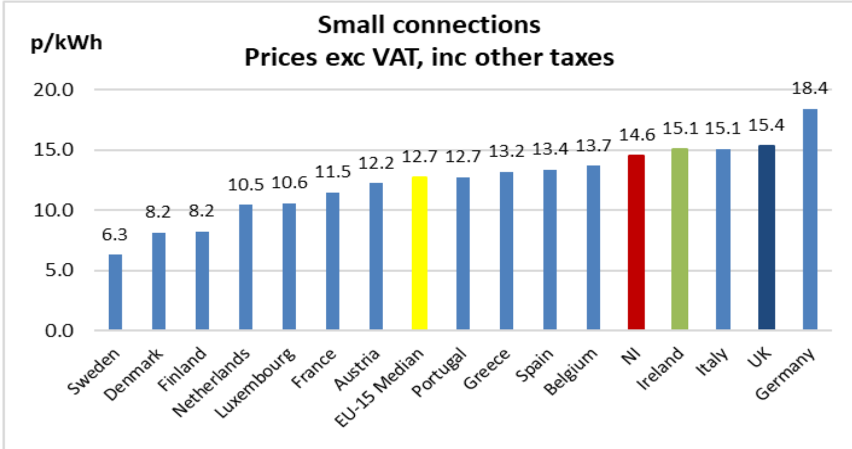
4.4 **I&C price comparison with EU**: The graphs below show I&C electricity prices in the 15 EU[7] countries (converted to GBP) and in NI, per consumption size bands (following standard EU categorisation). The I&C graphs use unit prices which include Climate Change Levy (CCL) but exclude VAT, as VAT is a refundable expense for many businesses. This reflects the final prices paid by I&C customers. We amalgamate the two largest categories of annual consumption (large and very large connections) to avoid any confidentiality issues in sectors where there are a small number of customers and suppliers involved.

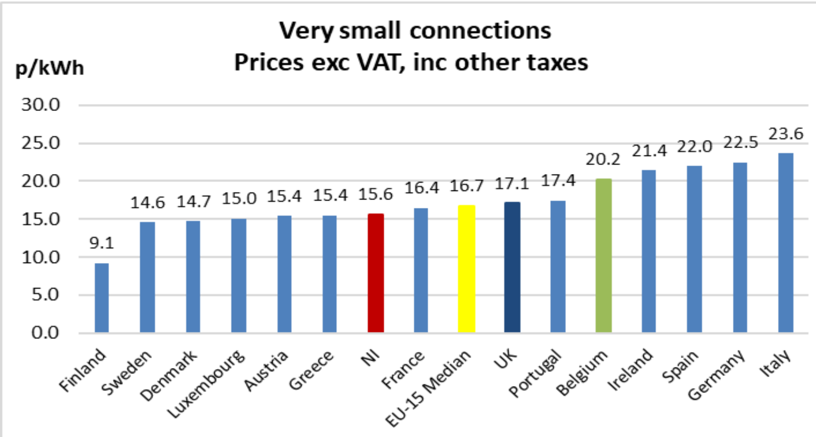
4.5 For the Very Small I&C Category the NI prices are lower than the EU median and significantly lower than RoI (c72% of I&C connections in NI are in this size category). For large and very large I&C customers (c0.02% of connections), NI prices are just above RoI but are below the UK.

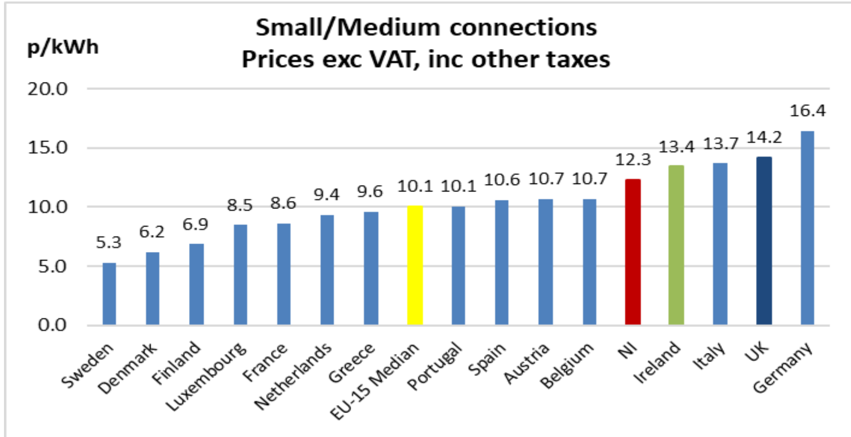
End of Q4 2020[8]

Size of Customer	Annual Consumption bands (MWh)	% of I&C connections	% of I&C consumption	I&C connection numbers
Very small	< 20	71.8%	8.0%	53,212
Small	20 – 499	26.9%	35.7%	19,889
Small / Medium	500 – 1,999	1.0%	15.5%	714
Medium	2,000 – 19,999	0.3%	26.8%	231
Large & Very Large	>20,000	0.02%	14.0%	16

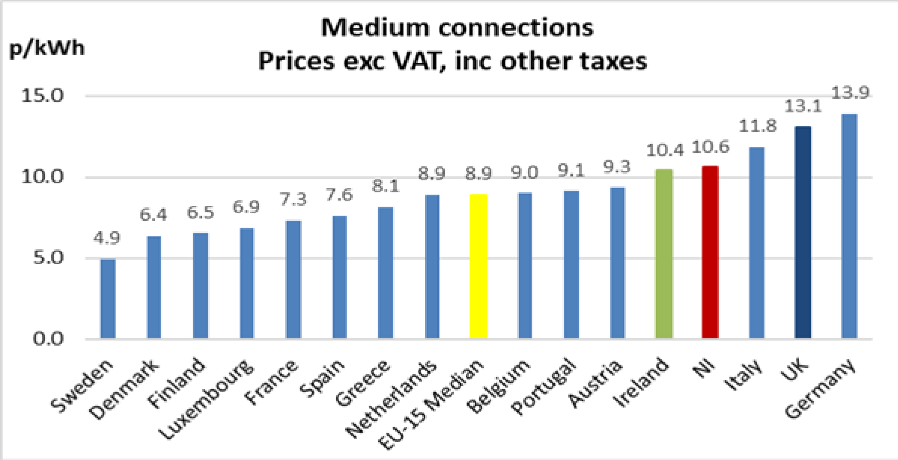
Source: NIEN

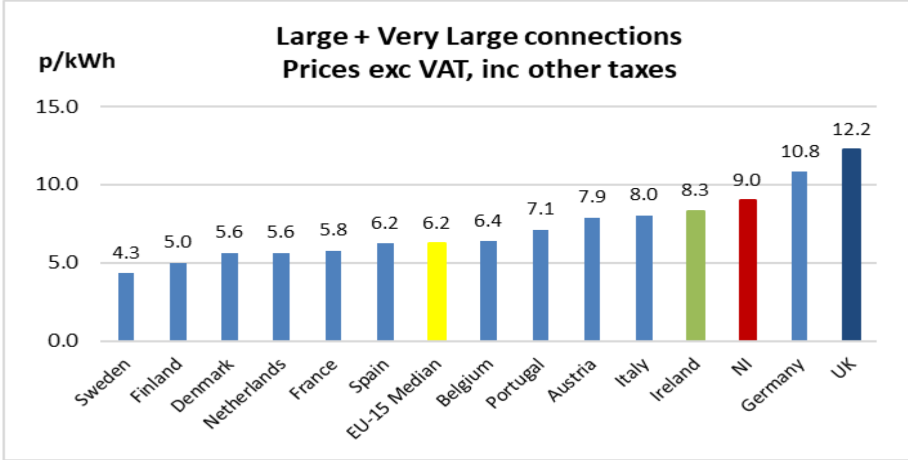




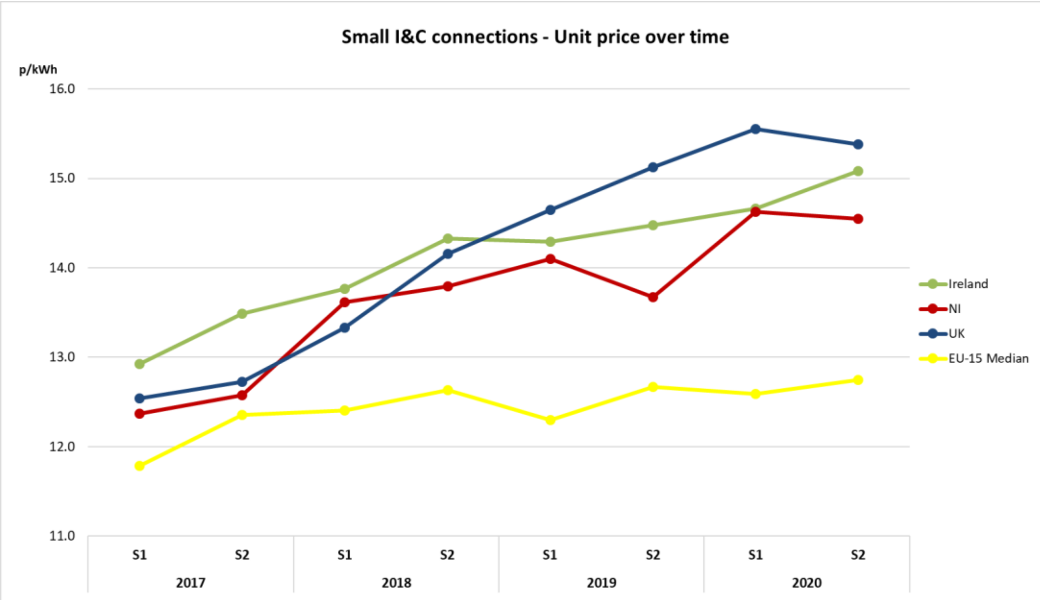


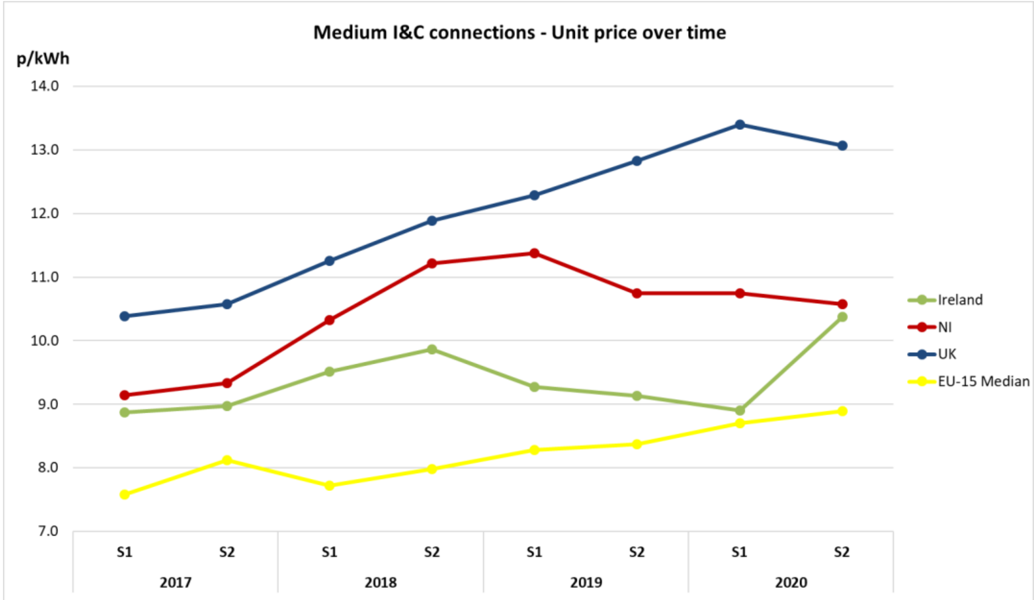
[7] Some graphs do not include all 15 EU countries due to availability of data from Eurostat or BEIS.
[8] The pricing data relates period end Q4 2020 (S2 July - December 2020) as opposed to Q2 2021. This is due to the availability of pricing data from Eurostat and suppliers.





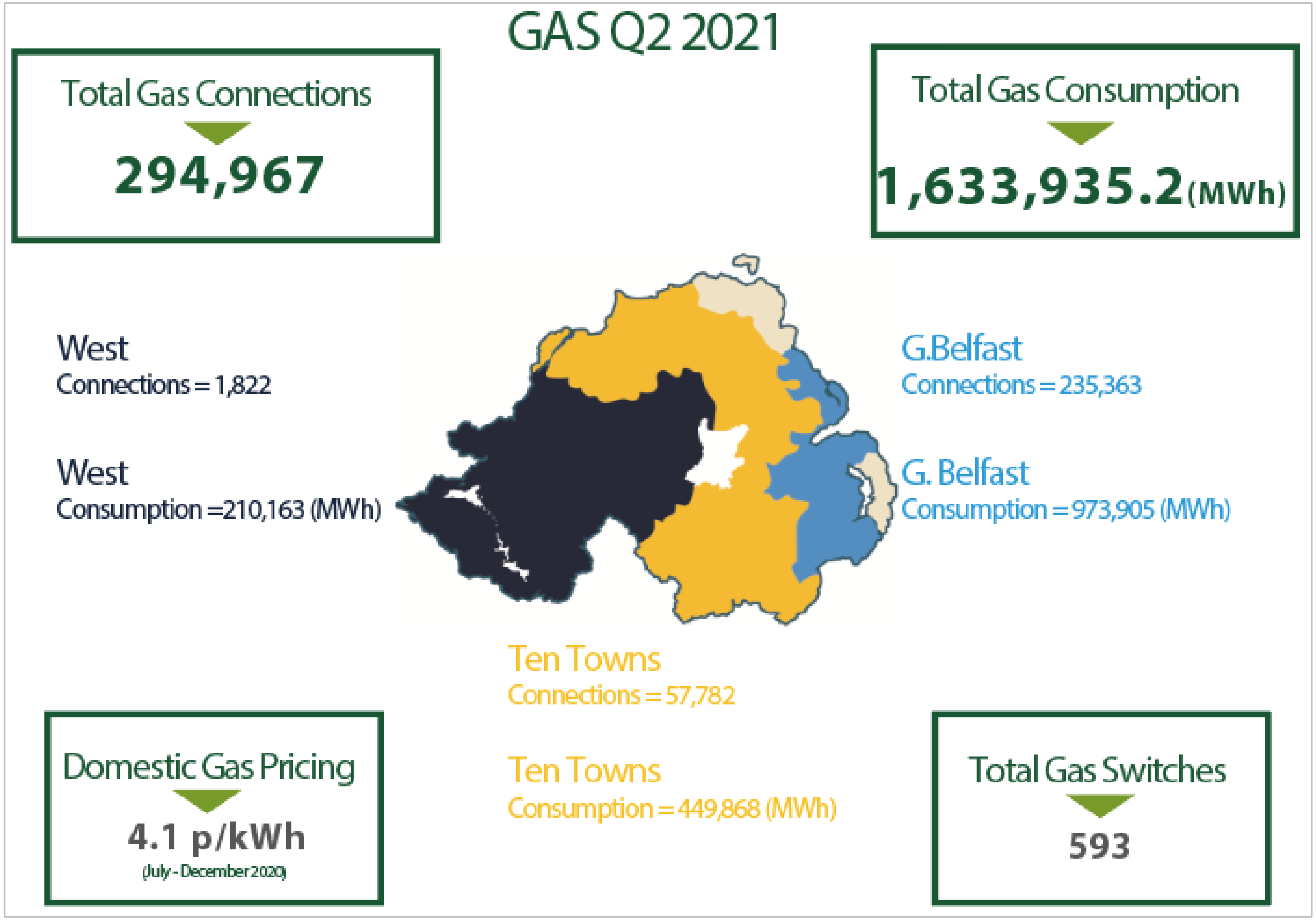
4.6 The graphs below show the unit price over time for the two I&C groups (Small and Medium) which have the majority percentage share of I&C sector, by consumption.





Source: NI electricity suppliers, BEIS, Eurostat and UR internal calculations

5. Gas[9]

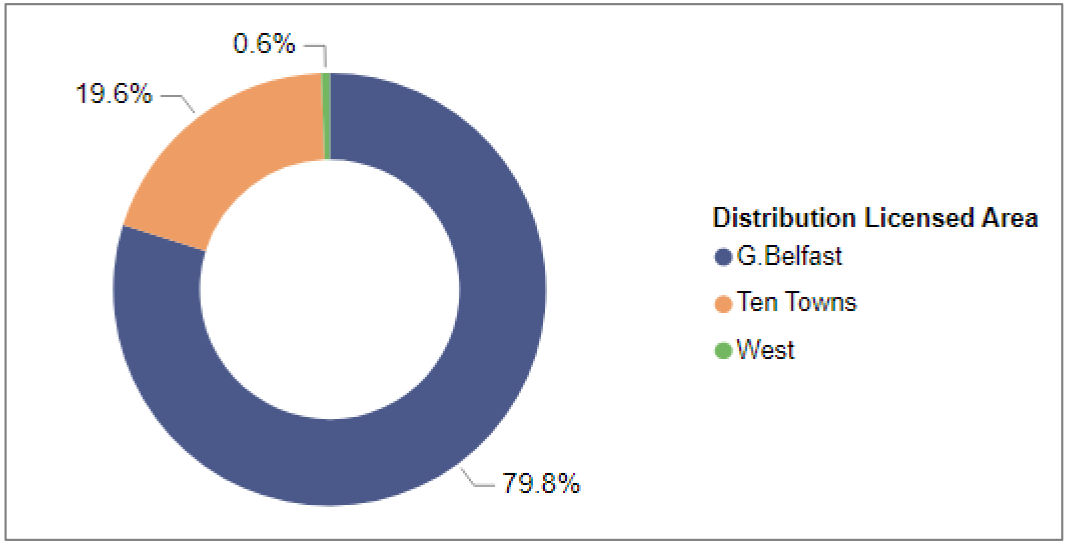


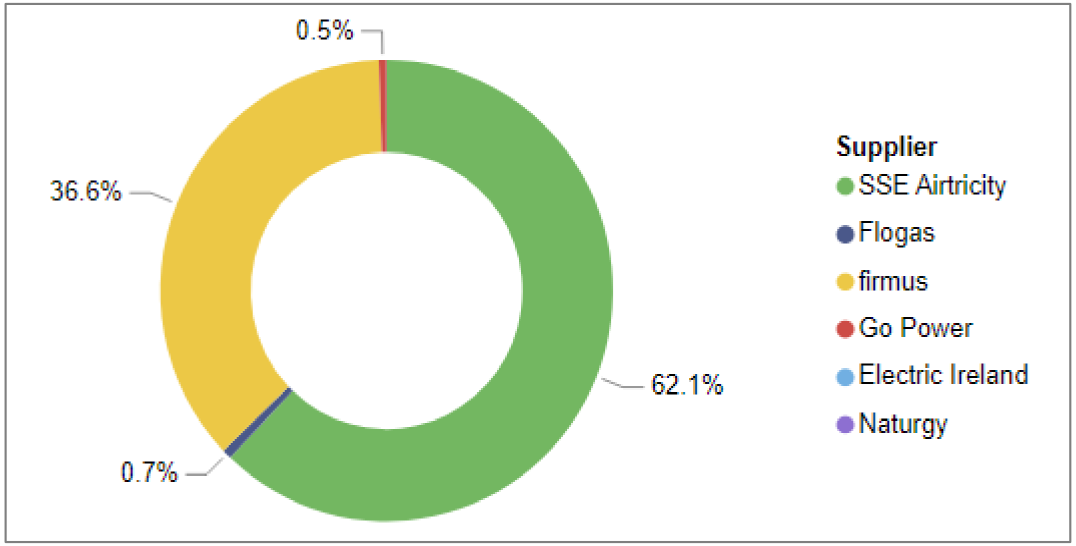
[9] Section 5 consolidates the gas connection, consumption and switching data from the three gas distribution areas (where applicable).

Total NI market share (by connections)

5.1 This section provides information on the total connection numbers in NI, by supplier, in all three-distribution areas. The market shares in terms of connections[10] are as at the **end of June 2021.**

Gas Market Share by Connections - Total NI Market





Distribution Licensed Area	Market segment	SSE Airtricity	firmus	Flogas	Go Power	Naturgy	Electric Ireland	Total Connections
G.Belfast	Domestic Only	175,302	48,543	0	7	0	0	223,852
G.Belfast	I&C Only	6,058	2,680	1,477	1,271	17	8	11,511
Ten Towns	Domestic Only	0	54,935	0	0	0	0	54,935
Ten Towns	I&C Only	130	1,881	535	294	0	7	2,847
West	Domestic Only	1,771	0	0	0	0	0	1,771
West	I&C Only	13	17	18	1	0	2	51
Total		**183,274**	**108,056**	**2,030**	**1,573**	**17**	**17**	**294,967**

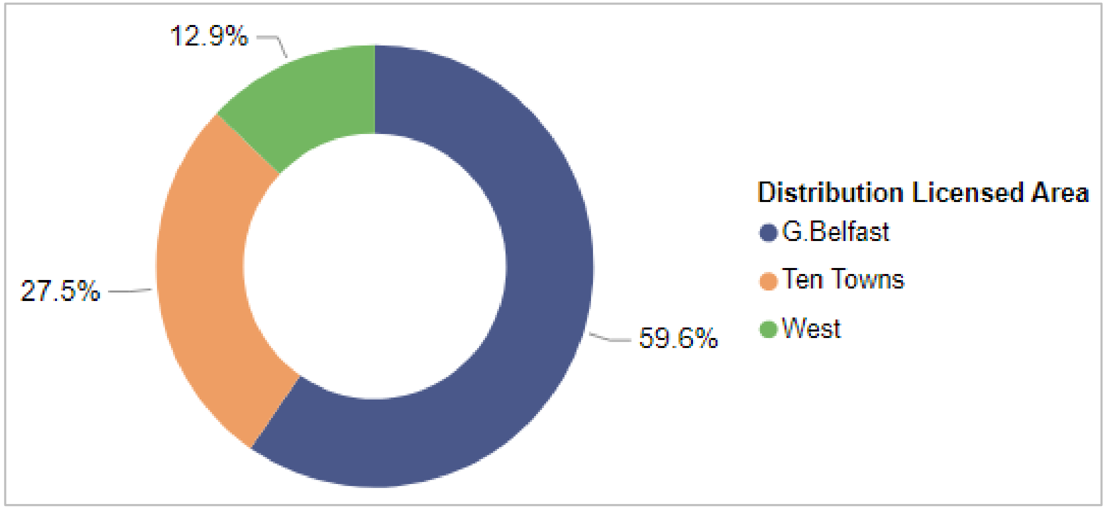
Data source: PNGL / FeDL / SGN NG

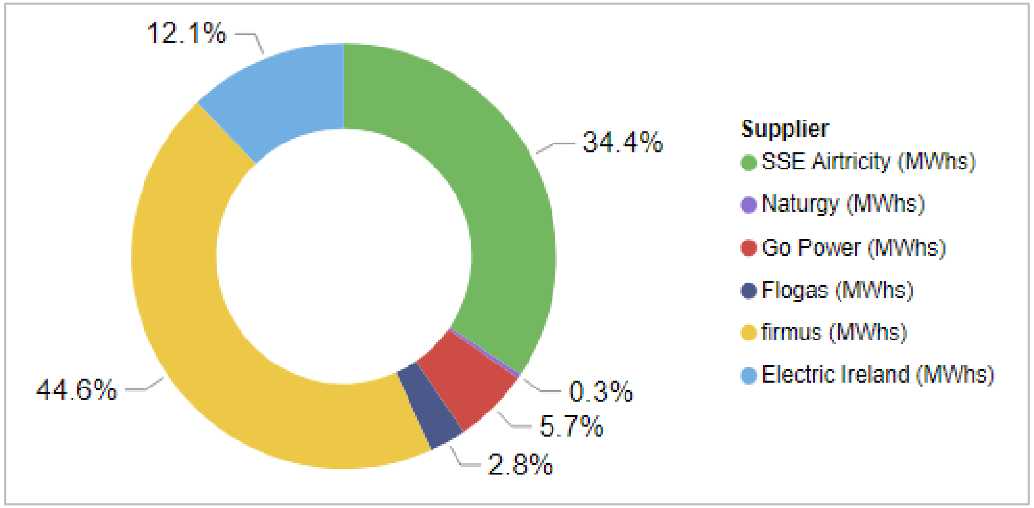
[10] Please note the percentages in the chart may not tally to 100% as the data labels for some suppliers are not reflected due to the size of their market share.

Total NI market share (by consumption)

5.2 The pie chart below shows the total gas consumption[11] in NI for the period **April to June 2021**, with a breakdown by distribution area.

Gas Market Share by Consumption - Total NI Market



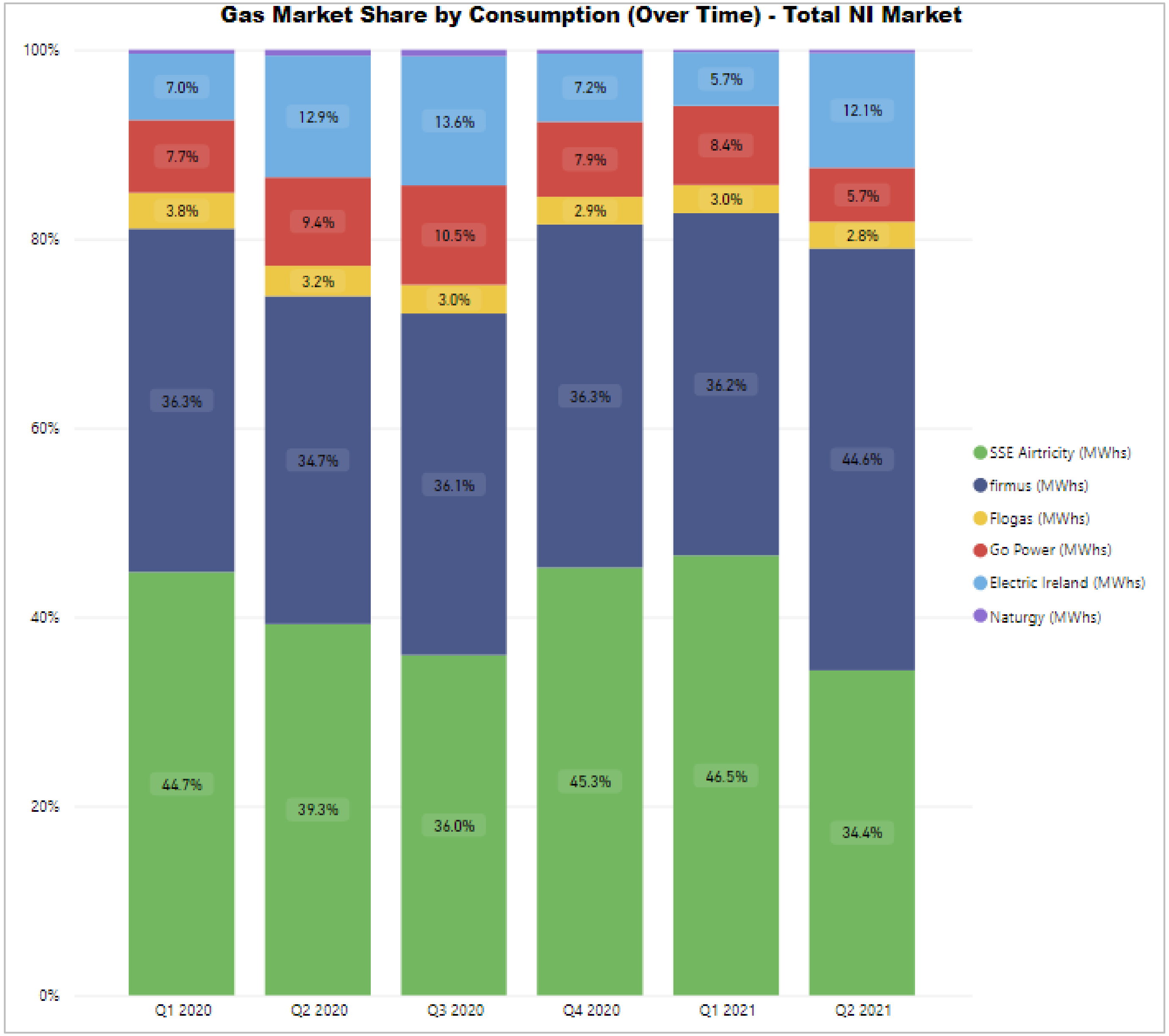


Distribution Licensed Area	SSE Airtricity (MWhs)	firmus (MWhs)	Electric Ireland (MWhs)	Naturgy (MWhs)	Go Power (MWhs)	Flogas (MWhs)	Total Consumption (MWhs)
G.Belfast	497,058.9	336,309.8	34,721.8	5,659.4	69,444.2	30,710.5	973,904.6
Ten Towns	36,097.2	342,259.5	34,087.1	0.0	23,787.5	13,636.5	449,867.8
West	28,611.4	50,060.0	129,278.7	0.0	456.4	1,756.3	210,162.8
Total	**561,767.5**	**728,629.3**	**198,087.6**	**5,659.4**	**93,688.1**	**46,103.3**	**1,633,935.2**

Data source: PNGL / FeDL / SGN NG

[11] Gas consumption presented in this QREMM is in MWh (previously up to 2015 gas consumption was presented in Therms in the QTRs).

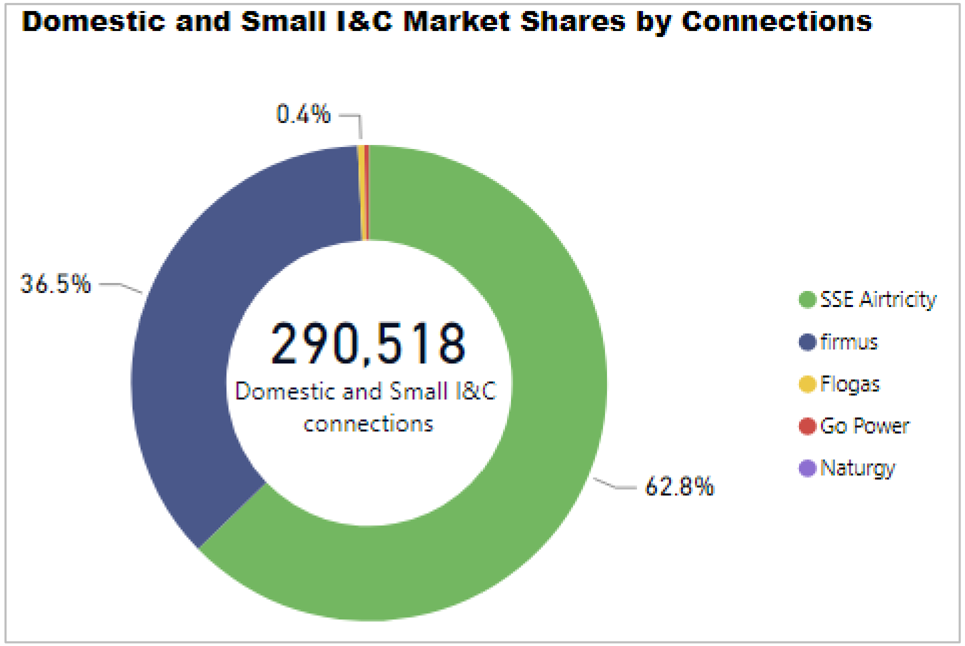
5.3 The bar chart below shows the trends in the market shares (by consumption) for each active domestic and I&C supplier in NI for the previous six quarters.

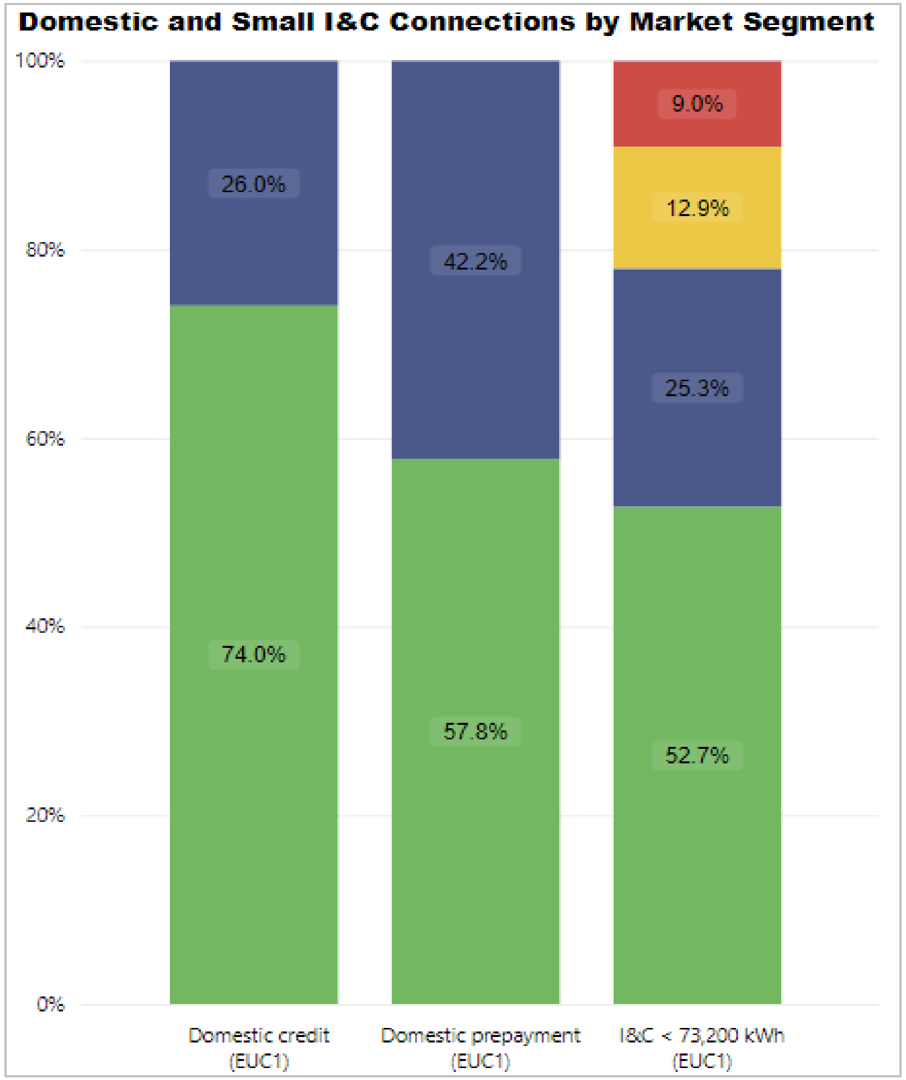


Data source: PNGL / FeDL / SGN NG

Domestic and Small I&C analysis (by connections)

5.4 This section of the report provides a more detailed analysis of the gas **domestic and small I&C sector**[12], by connections (at the end of June 2021).





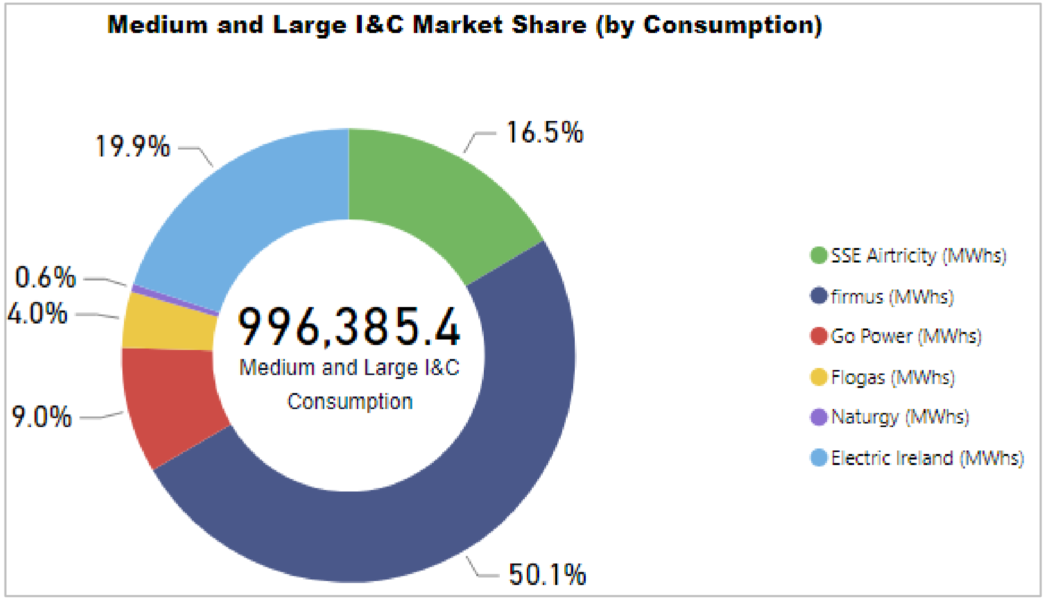
Distribution Licensed Area	Market segment	SSE Airtricity	firmus	Flogas	Go Power	Naturgy	Total Connections
G.Belfast	Domestic credit (EUC1)	67,794	13,312		7		81,113
G.Belfast	Domestic prepayment (EUC1)	107,508	35,231				142,739
G.Belfast	I&C < 73,200 kWh (EUC1)	5,207	1,419	950	759	5	8,340
Ten Towns	Domestic credit (EUC1)		10,658				10,658
Ten Towns	Domestic prepayment (EUC1)		44,277				44,277
Ten Towns	I&C < 73,200 kWh (EUC1)	37	1,097	328	140		1,602
West	Domestic credit (EUC1)	590					590
West	Domestic prepayment (EUC1)	1,181					1,181
West	I&C < 73,200 kWh (EUC1)	5	4	9			18
Total		**182,322**	**105,998**	**1,287**	**906**	**5**	**290,518**

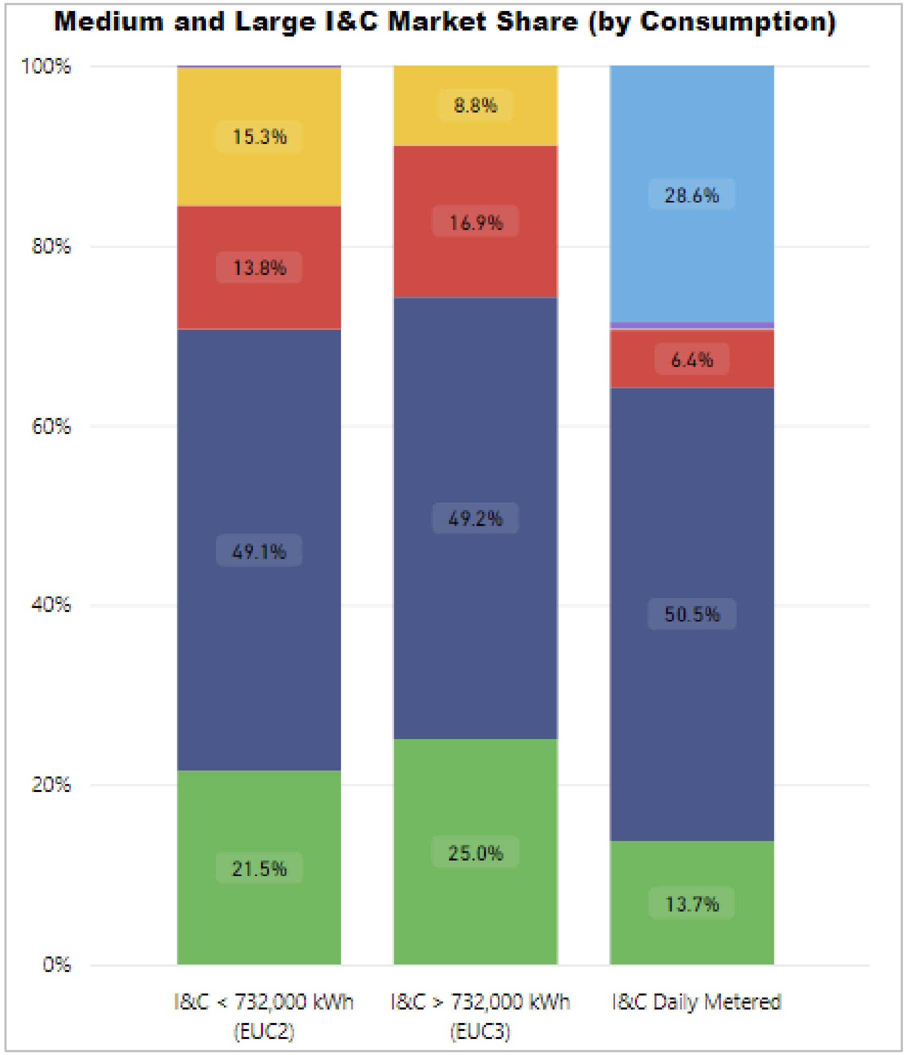
Data sources: PNGL / FeDL / SGN NG

[12] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum.

Medium and Large I&C analysis (by consumption)

5.5 This section of the report provides a more detailed analysis of the gas **medium and large I&C sector**[13], by consumption.





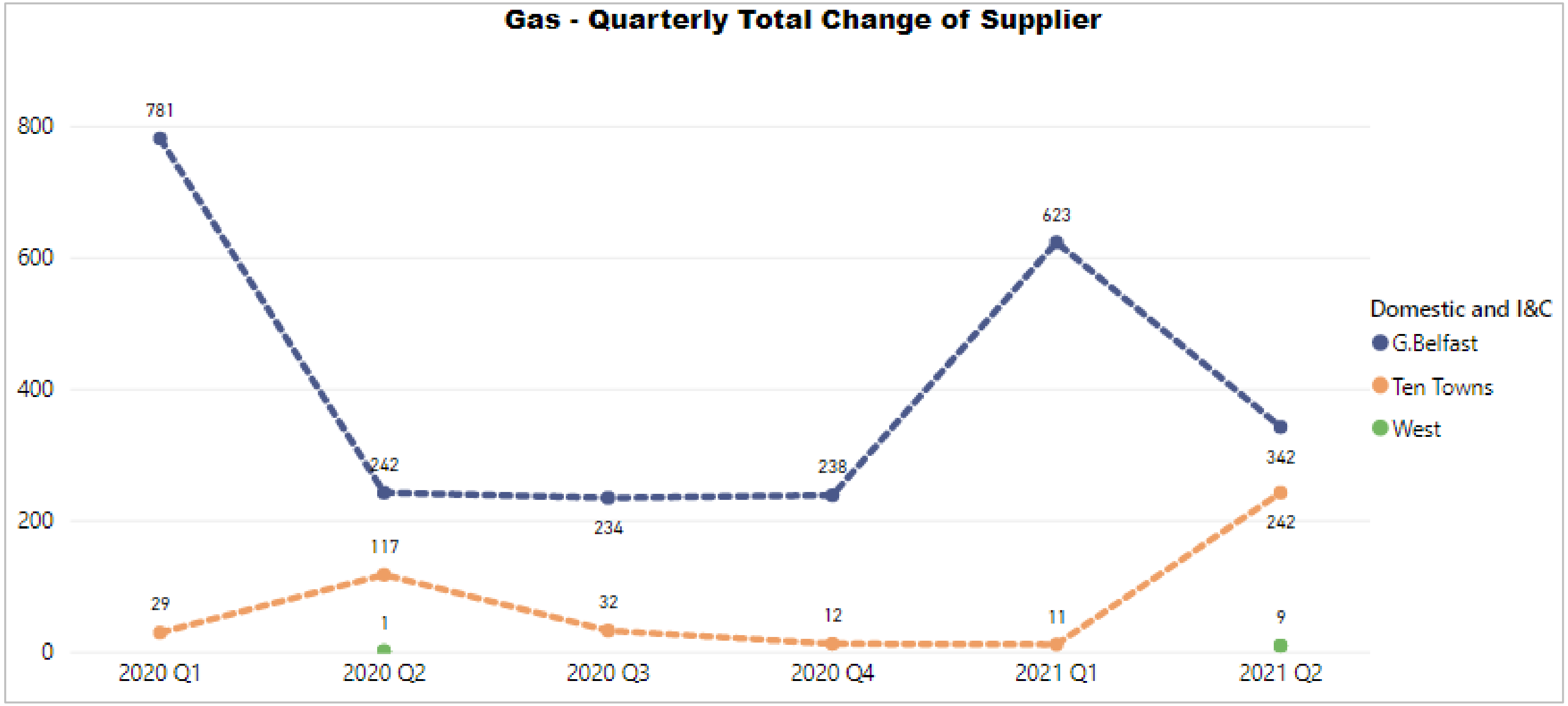
Distribution Licensed Area	Market segment	SSE Airtricity (MWhs)	firmus (MWhs)	Flogas (MWhs)	Go Power (MWhs)	Naturgy (MWhs)	Electric Ireland (MWhs)	Total Consumption (MWhs)
G.Belfast	I&C < 732,000 kWh (EUC2)	36,284.7	56,366.2	19,518.9	18,741.7	463.3	0.0	131,374.7
G.Belfast	I&C > 732,000 kWh (EUC3)	20,720.8	30,348.7	6,489.9	13,882.4	0.0	0.0	71,441.8
G.Belfast	I&C Daily Metered	46,507.1	131,510.4	0.0	33,418.8	5,178.5	34,721.8	251,336.6
Ten Towns	I&C < 732,000 kWh (EUC2)	3,477.5	34,510.5	8,682.1	6,838.6	0.0	0.0	53,508.6
Ten Towns	I&C > 732,000 kWh (EUC3)	7,850.4	27,137.5	3,221.2	5,929.7	0.0	0.0	44,138.9
Ten Towns	I&C Daily Metered	24,538.8	169,096.5	0.0	10,315.3	0.0	34,087.1	238,037.7
West	I&C < 732,000 kWh (EUC2)	171.0	217.7	189.8	0.0	0.0	0.0	578.5
West	I&C > 732,000 kWh (EUC3)	768.4	147.2	644.2	0.0	0.0	0.0	1,559.8
West	I&C Daily Metered	24,112.1	49,684.3	877.3	456.4	0.0	129,278.7	204,408.8
Total		**164,430.8**	**499,018.9**	**39,623.5**	**89,582.9**	**5,641.8**	**198,087.6**	**996,385.4**

Data sources: PNGL / FeDL / SGN NG

[13] The medium and large I&C sector relates to any customers with annual consumption that is greater than or equal to 73,200 kWh per annum. The I&C Daily Metered sector relates to any customer with annual consumption that is greater than 2,196,000 kWh per annum.

Market activity (Switching)

5.6 The graph below shows the market activity through changes of supplier (CoSs) on a quarterly basis in the NI gas market (domestic and I&C) across the three distribution areas. The table that follows shows the number of switches and switching rate[14] per quarter.

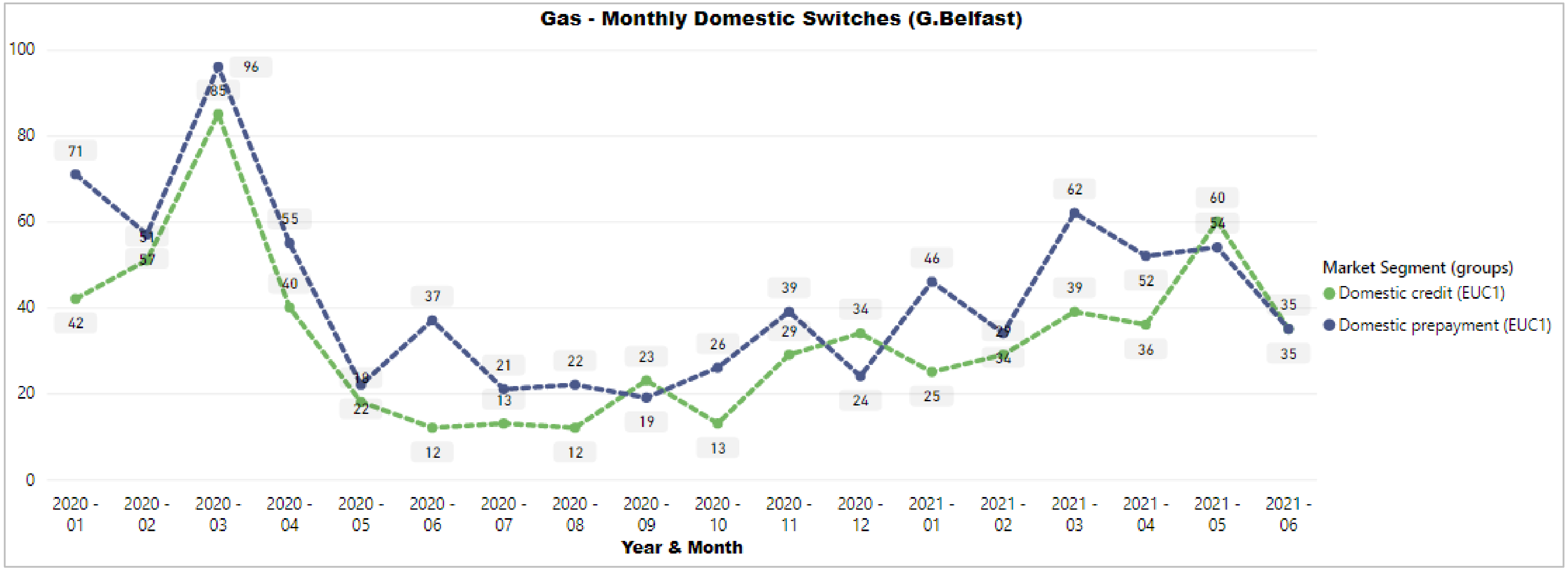


Switching rate – Total NI market						
Quarter	**2020 – Q1**	**2020 – Q2**	**2020 – Q3**	**2020 – Q4**	**2021 - Q1**	**2021 - Q2**
No. of switches	810	360	266	250	634	593
Switching rate (%)	0.3%	0.1%	0.1%	0.1%	0.2%	0.2%

Data source: PNGL / FeDL / SGN NG

[14] The switching rate percentages are calculated using the number of quarterly switches divided by the number of customers at the end of the quarter in the relevant market.

5.7 Greater Belfast is the only distribution area in which there is competition within the domestic credit and prepayment[15] sectors. The line chart below reflects the monthly change of customer numbers (gains), per market segment within the domestic sector. The table shows the total domestic gains and switching rate per quarter.

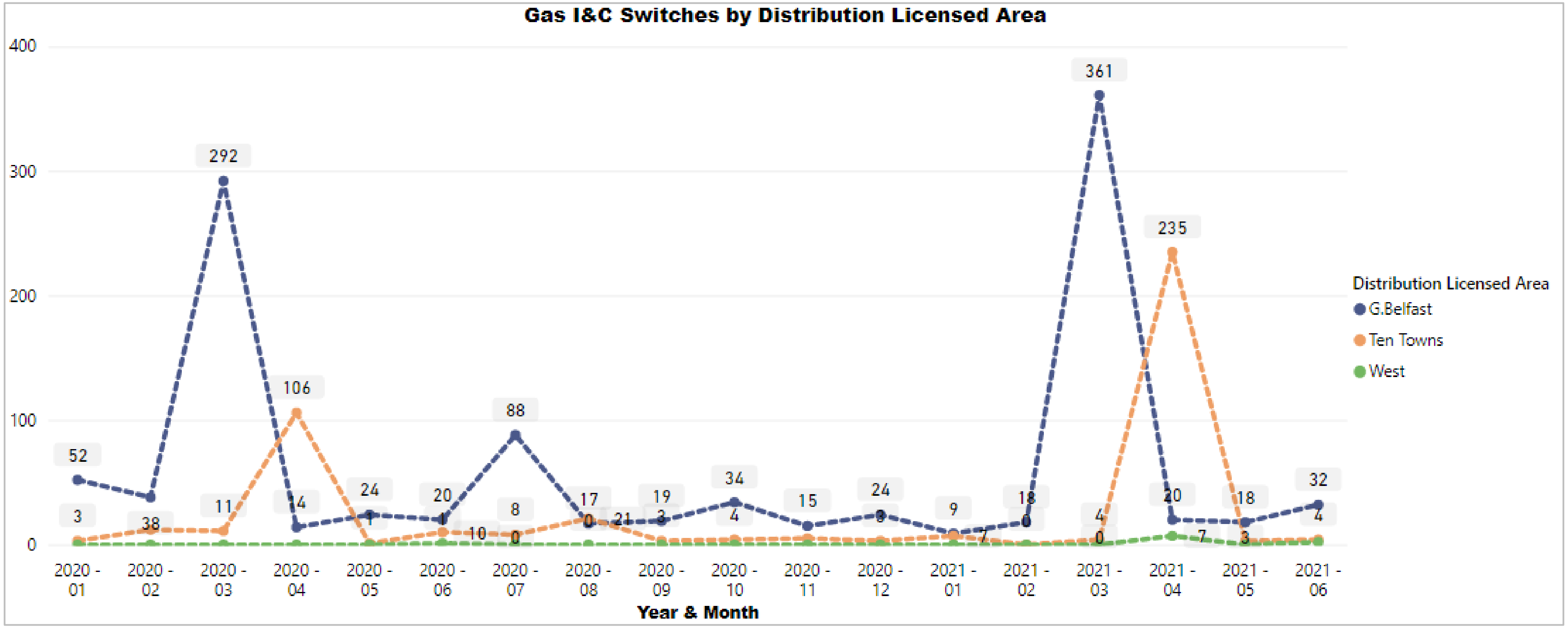


Switching rate – Domestic market (G. Belfast only)						
Quarter	**2020 – Q1**	**2020 – Q2**	**2020 – Q3**	**2020 – Q4**	**2021 – Q1**	**2021 – Q2**
No. of switches	399	184	110	165	235	272
Switching rate (%)	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%

Data source: PNGL

[15] Note that prepayment switches, within the domestic sector, include switches back to the previous supplier in cases where the customer has not taken the required action to complete their switch.

5.8 The line chart below reflects the monthly change of customer numbers (gains), within the I&C sector across the three gas distribution areas. The table that follows shows the number of I&C switches and switching rate per quarter.



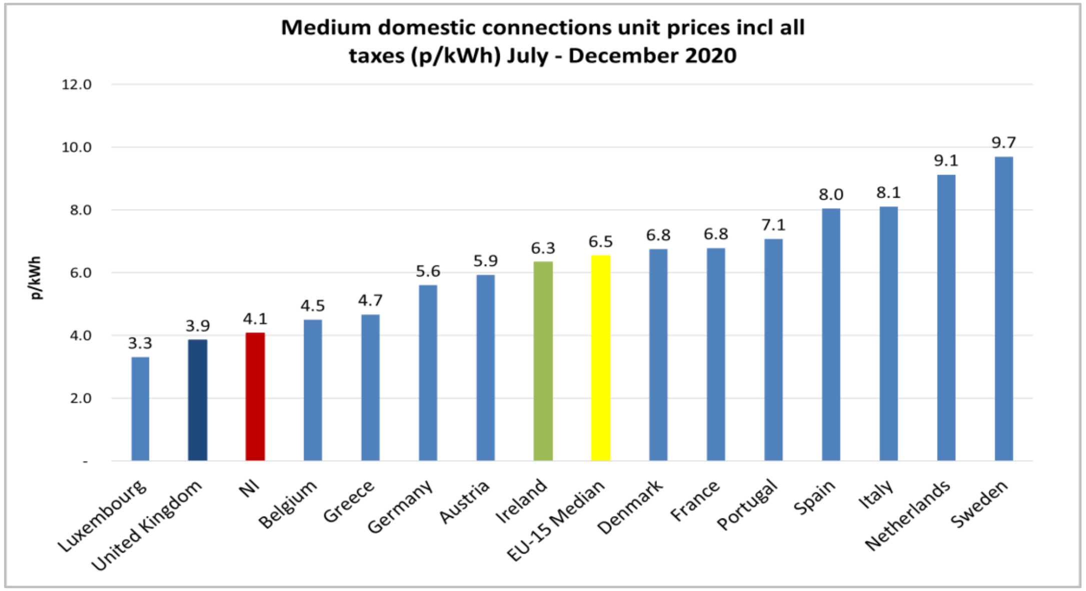
Switching rate – I&C market						
Quarter	**2020 – Q1**	**2020 – Q2**	**2020 – Q3**	**2020 – Q4**	**2021 – Q1**	**2021 – Q2**
No. of switches	408	176	156	85	399	321
Switching rate (%)	2.9%	1.3%	1.2%	0.6%	2.8%	2.2%

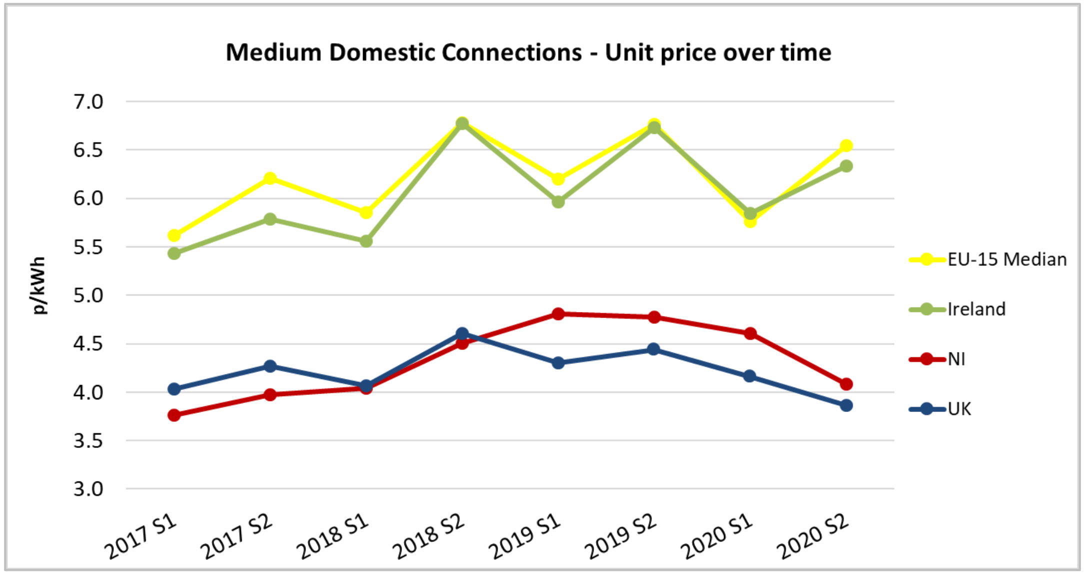
Data source: PNGL / FeDL / SGN NG

6. Gas Pricing – Semester 2 2020

6.1 The pricing data detailed in this report is for the semester July – December 2020 (S2). In the domestic graph show below, we use unit prices which include Climate Change Levy (CCL) and include VAT, as this reflects the final prices paid by domestic customers. The medium sized domestic customers (annual consumption between 5,557 - 55,557 kWh) have been selected for the purpose of analysis, as this consumption category reflects the majority of domestic customers in NI.

6.2 The NI unit price is the average pence per kWh for medium customers for the Greater Belfast, Ten Towns and West network areas. The NI domestic gas prices still rank among the lowest in the EU. The NI gas prices is less than RoI and the EU median, but just above the UK[16].





Data source: Eurostat and NI gas suppliers collated by UR

[16] Please note that the UK figure for semester 2 2020 was updated following publication of the BEIS report (Domestic electricity prices in the EU for small, medium and large consumers - International domestic energy prices - GOV.UK (www.gov.uk)) on 29 June 2021.

6.3 During the period illustrated in the graph on the previous page (Semester 2: July to December 2020), there has been a decrease to the regulated tariff within the Ten Towns area. Further detail on these regulated tariffs are available in the UR tariff review briefing notes[17]. The table below illustrates the regulated tariffs for S2 2020 period.

01 April to 30 September	Greater Belfast SSE Airtricity	Ten Towns firmus energy
Domestic Regulated Tariff Usage for first 2,000 kWh	5.291 p/kWh	5.760p/kWh
Domestic Regulated Tariff Usage >2,000 kWh	3.626 p/kWh	3.880 p/kWh
Following Regulated Tariff Reviews:		
01 October to Present	**Greater Belfast & West SSE Airtricity**	**Ten Towns firmus energy**
Domestic Regulated Tariff Usage for first 2,000 kWh	5.291 p/kWh	5.04 p/kWh
Domestic Regulated Tariff Usage >2,000 kWh	3.626 p/kWh	3.40 p/kWh

Source: UR

[17] Firmus energy (Supply) Ltd October 2020 UR tariff review for the Ten Towns is available here. Latest SSE Airtricity Gas Supply (NI) Ltd UR tariff review for Greater Belfast & West April 2020 is available here.

Annex A: Background & Sources

Purpose, methodology and data sources

The framework in which this set of quarterly reports lies is called Retail Energy Market Monitoring (REMM) which was introduced in July 2015. The ultimate objective of introducing this enhanced framework was to develop the current monitoring of retail indicators, and to provide increased transparency in the retail energy markets in NI.

The main data sources for this report are as follows:

1. Connections and consumption, market shares and market activity information is provided by the network companies:
2. Northern Ireland Electricity Networks (NIEN) for electricity data; and
3. Phoenix Natural Gas Limited (PNGL), firmus energy (Distribution) Limited (feDL) and Scotia Gas Networks Northern Ireland (SGN NG) for gas data.

EU domestic and I&C electricity prices are from Eurostat and BEIS. NI domestic and I&C electricity prices are derived directly from REMM data submitted by suppliers. NI domestic gas prices are also derived from REMM data submitted by suppliers.

Electricity pricing

For the electricity prices section, we follow Eurostat's format and methodology. As a result the average prices for NI are comparable with prices in other EU countries (those published in the Department for Business, Energy & Industrial Strategy's (BEIS) Quarterly Energy Prices reports[18] and Eurostat data base[19]) once these figures have been converted to GBP (Note: from 01 January 2021, BEIS no longer provide pricing data to Eurostat. Therefore, the UK figures reported in the pricing graphs have been obtained directly from BEIS publicised data).

The base figures are all submitted on a quarterly basis by suppliers, split by domestic and non-domestic (I&C). The UR performs a high level reasonableness check of the base figures, but the suppliers are responsible for the accuracy of the information that is provided to the UR. The base figures are as follows:

1. **Volume** of electricity sold to consumers.

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[18] https://www.gov.uk/government/collections/quarterly-energy-prices
[19] http://ec.europa.eu/eurostat/web/energy/data/database

2. The **value**, or revenue gained from the sale, split into three categories: excluding all taxes, excluding VAT, and including all taxes.

3. The **number** of customers supplied in that particular size category.

The volume and value are used to calculate a NI quarterly average value per size band. This value per unit (per size band) is what we refer to in this paper as "price". For clarity we do not receive from suppliers the actual price paid by their customers. Instead we calculate the average value or revenue collected per unit in that particular size category, as per the Eurostat methodology.

As the Eurostat figures are published on a semester basis (semester 1 (S1) January to June and semester 2 (S2) July to December) we therefore average the two relevant quarters to obtain the comparable six-month period for NI.

It should be noted that the comparability of the derived NI prices to the other Member States can be greatly affected by fluctuations in the Euro GBP exchange rate. For the purposes of tariff comparisons we convert the EU tariff data from Euro to GBP using the monthly average exchange rate applicable for the semester (published by Eurostat). Therefore tariff movements and comparisons between NI and other Member States can be impacted by both an increase and decrease in a tariff and/or also by any variation in exchange rates.

Gas pricing

The gas prices section, also follows the Eurostat format and methodology (as outlined in Electricity Prices). As a result the average prices for NI are comparable with prices in other EU countries (those published in BEIS's Quarterly Energy Prices reports[20] and Eurostat data base[21]) once these figures have been converted to GBP.

Electricity wholesale market monitoring data

Readers should also be aware of the Quarterly Market Monitoring Report which provides an overview of the SEM and sets out recent trends in the market in relation to pricing, demand, scheduling and contract prices. It focuses in particular on the wholesale element of electricity prices, which makes up roughly 60% of customers' bills. These reports[22] are prepared by the Market Monitoring Unit (MMU) within the UR in joint collaboration with the Commission for Regulation of Utilities (CRU).

Northern Ireland gas markets

The gas distribution network licensees are responsible for the medium and low pressure mains that convey to the licensed areas throughout Northern Ireland. There are three Distribution Network Operators[23] (DNOs) who operate in separate distribution areas as follows:

[20] www.gov.uk/government/collections/quarterly-energy-prices
[21] http://ec.europa.eu/eurostat/web/energy/data/database
[22] The latest SEM market monitoring report is here
[23] Natural Gas NI – Natural Gas Network Operators and Suppliers

1. firmus energy (Distribution) Ltd (feDL) from the North West through the Central region to the Southern areas of Northern Ireland;
2. Phoenix Natural Gas Ltd (PNGL) mainly Greater Belfast, Larne and a recent extension into East Down; and
3. SGN Natural Gas Ltd (SGN NG) in the West of Northern Ireland.

Each DNO owns and manages the natural gas distribution network in their distribution area. Those companies who supply gas (suppliers) pay the relevant DNO a fee to transport natural gas, and then sell it straight to the consumer. Although a DNO is responsible for making sure the natural gas reaches individual homes, it is the responsibility of the gas supplier to bill consumers for the gas they use.

Annex B: Supplier Entry to NI Retail Markets

The tables below set out the dates that each supplier entered the retail market sectors.

Electricity	
Domestic	Incumbent supplier: Power NI June 2010: SSE Airtricity June 2009: firmus supply June 2011: Budget Energy October 2011: Electric Ireland October 2015: Click Energy October 2015: Open Electric December 2016: Open Electric ceased supply October 2019: Go Power November 2020: bright
I&C	Incumbent supplier: Power NI July 1999: ESB Independent Energy (NI) t/a Electric Ireland August 1999: Energia January 2008: SSE Airtricity April 2009: firmus supply[27] July 2011: Budget Energy February 2012: VAYU (Naturgy as of 29th November 2018) April 2012: Go Power October 2015: Click Energy April 2018: 3T Power October 2019: Energia supply business transferred to Power NI

Gas: Greater Belfast[24]	
Domestic	Incumbent supplier since September 1996: SSE Airtricity[25]
I&C	Incumbent supplier since September 1996: SSE Airtricity September 2008: firmus energy March 2009: Vayu (Naturgy as of 29th November 2018) May 2013: Electric Ireland August 2014: Go Power December 2014: Flogas
Gas: Ten Towns[26]	
Domestic	Incumbent supplier since 2005: firmus
I&C	Incumbent supplier since 2005: firmus January 2013: SSE Airtricity May 2015: Flogas June 2015: Go Power January 2017: Vayu (Naturgy as of 29th November 2018) April 2017: Electric Ireland
Gas: West[28]	
Domestic	July 2017 Designated Commissioning Supplier: SSE Airtricity
I&C	January 2017: Electric Ireland July 2017: SSE Airtricity January 2018: Flogas Q1 2019: firmus energy Q3 2019: Go Power

[24] The Greater Belfast area is defined in Schedule 1 of the Phoenix Natural Gas Limited conveyance licence.
[25] Formerly Phoenix Supply Ltd (PSL).
[26] The Ten Towns area is defined in Schedule 1 of the firmus energy (Distribution) Limited conveyance licence.
[27] Note that firmus supply left the electricity market at the end of 2015.
[28] The West area is defined in Schedule 1 of the Scotia Gas Networks Northern Ireland Ltd (Distribution) Limited conveyance licence.

Glossary

CCL	The Climate Change Levy (CCL) is a tax on electricity, gas and solid fuels delivered to I&C consumers. Its objective is to encourage businesses to reduce their energy consumption or use energy from renewable sources. The rate changes every year.	S2	Semester 2
CoS	Change of supplier	UR	Utility Regulator
EU	European Union	VAT	Value Added Tax
Eurostat	Statistical office of the EU. Its task is to provide the EU with statistics at European level that enable comparisons between countries and regions	UK	United Kingdom
feDL	firmus energy (Distribution) Limited		
firmus energy	firmus energy (Supply) Limited		
GB	Great Britain		
GBP	Great British Pound		
I&C	Industrial and Commercial		
kWh	Kilowatt hour. Unit of energy equivalent to one kilowatt (1kW) of power expended for one hour (1h) of time. 1,000kWh = 1MWh. 1,000MWh = 1GWh.		
NI	Northern Ireland		
NIEN	Northern Ireland Electricity Networks		
LEU	Large Energy Users		
Ofgem	Office of the Gas and Electricity Markets		
PNGL	Phoenix Natural Gas Limited		
Q	Quarter. In this report, Q refers to the calendar year (i.e. Q1 refers to the quarter January-March).		
QTRs	Quarterly Transparency Reports published by the UR at the end of the second month after each calendar quarter (at the end of Feb, May, Aug and Nov).		
REMM	Retail Energy Market Monitoring		
RoI	Republic of Ireland		
SGN NG	SGN Natural Gas		
S1	Semester 1		