

Utility Regulator warns of more increases to consumer bills as wholesale energy prices continue to soar

Utility Regulator Chief Executive, John French, signalled that electricity and gas consumers in Northern Ireland will unfortunately face further significant increases to their energy bills this winter. This is due to unparalleled rises in global wholesale gas markets that has never been experienced before.

Utility Regulator Chief Executive, John French said: "In August this year, I warned consumers that we were experiencing record increases in the global price of wholesale energy. This resulted in Firmus Energy and SSE Airtricity Gas Supply increasing their regulated tariffs by 35.15% and 21.8% respectively from 1 October 2021.

"Unfortunately, there has been a rapid and sustained acceleration of wholesale gas prices since then. When we agreed to Firmus Energy and SSE Airtricity Gas Supply's new regulated tariff at the end of August, the wholesale cost of natural gas was £1.15 per therm – a then record high.

"However, with continuing supply constraints, mainly from reduced gas supplies from Russia, wholesale prices peaked at a new record high of nearly £4.10 per therm in early October. In the last week, the wholesale price has reduced slightly to around £2.40 per therm, but this is still a 109% increase from the end of August.

"With such a volatile market, it is really difficult to predict how long gas prices will stay high. But as a result of these record global prices we do expect to see a significant upward pressure on bills until summer 2022.

"As wholesale costs make up around half of both our gas and electricity bills, I unfortunately envisage further significant increases on both household and business energy bills in the coming weeks.

"These are challenging times, and I would encourage any consumer who is worried about paying their energy bill to contact their supplier to access the help and support that is available. 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.

"Additionally, we are working with partners in the Department for the Economy, Department for Communities and the Consumer Council to actively explore practical measures to alleviate the burden of higher energy prices on consumers.



“While there appears to be no immediate sign that wholesale energy prices will return to normal levels, we will pro-actively monitor this. Should wholesale energy prices reduce, our system of regulation in Northern Ireland allows us to act to make sure that reductions are fully passed onto consumers as quickly as possible.

“Furthermore, I have 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 re-iterated the need for energy companies to have a sympathetic approach to customers’ ability to pay. I have also reminded suppliers of their regulatory 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.”

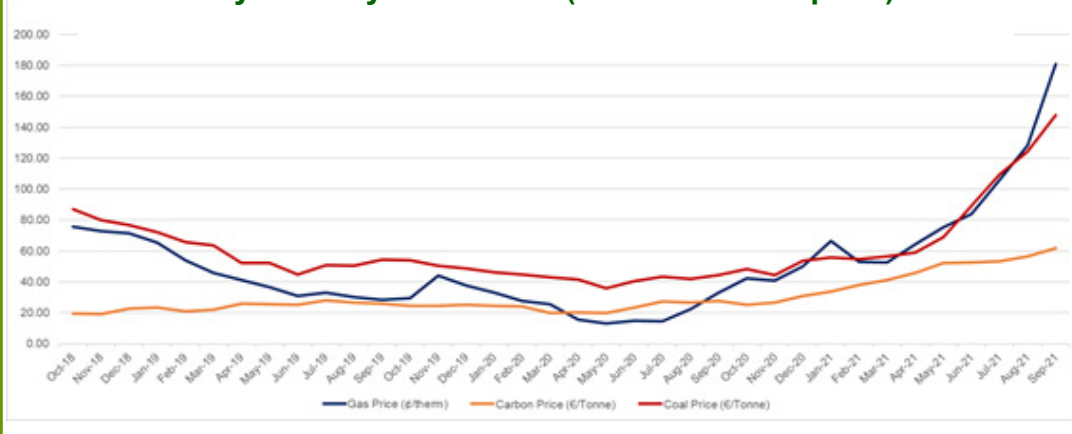
Wholesale electricity and gas price trends

Global energy prices have risen to unprecedented levels during 2021. Wholesale gas costs in Europe have hit all-time highs with costs continuing to rise. These increases led to the gas tariff increases announced during September 2021.

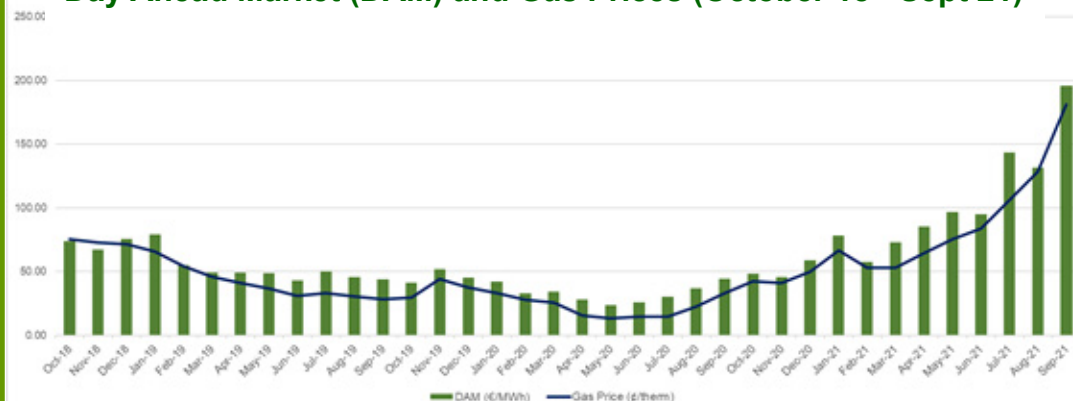
Costs of other key energy commodities have also increased significantly. Higher gas, coal and carbon costs are driving up the prices in our wholesale electricity market, the SEM. Day Ahead Market Prices in September were 341% greater than prices seen in September 2020. We continue to see higher costs in periods with lower wind availability, and lower costs with higher wind availability. Average wind generation on the system across September 2021 decreased by 31% compared to September 2020 impacting market prices with Actual System Demand increased by 5 % on the same month last year.

The wind generation graph shows the wind forecast on an hourly basis against the DAM price where periods of low wind result in a higher DAM price and likewise, periods of high wind lead to a lower DAM price.

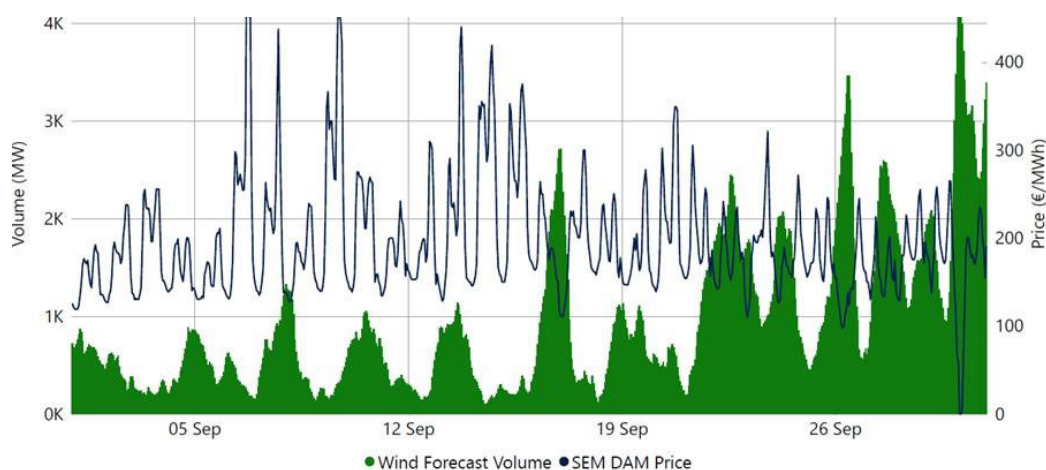
Key Monthly Fuel Costs (October 18 - Sept 21)



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

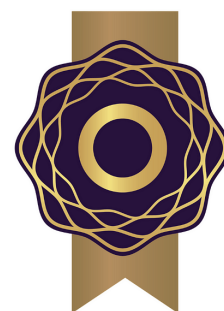


Wind Generation (September 21)



UR receive Diversity Mark recognition

During the development of UR Plan (URP) 2021-24, we considered a number of focused equality, diversity and inclusion objectives to support our values and equality commitments. As part of the URP, we wanted to develop and promote an inclusive culture that also presents us externally as an employer of choice. In February 2021, we became a Disability Confident registered employer with the aim of helping us to promote recruitment and retain the widest possible pool of talent as well as provide access for disabled people and those with long-term health conditions. To add to our journey of achievement towards equality, diversity and inclusion, we undertook the Diversity Charter Mark assessment.



Diversity Mark

We submitted our application in August 2021 to an independent assessment

panel and were awarded the Bronze Diversity Mark Accreditation in September 2021. As part of URP we want establish a working group and invite staff to help us with Equality Diversity and Inclusion going forward.

Energy Efficiency advice for consumers

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.



More information on this can be found on our [Consumer information](#) section on the website.



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STAFF PROFILE

Susan Lavery

HR Manager in the Corporate Affairs Directorate



Susan works as the HR manager, joining UR in 2013 to head up the HR team. Susan holds Post Grad in Personnel Management and is a Chartered member of the CIPD with over 19 years' experience at both strategic and operational level HR. Susan has worked in the public, private and non-profit sector developing policy, managing resourcing, industrial relations, people and performance; and providing advice on employment legislation and best practice, with her most recent experience in a regulatory environment within UR. In recent years the HR team have developed and delivered a people strategy focused on leadership and development of staff to contribute to overall organisational goal to underpin our work in our UR Values and competencies; the overarching UR value to be motivated and empowered to make a difference. In 2021 we were proud to achieve liP silver accreditation, along with our bronze Diversity Charter Mark accreditation. The HR team have developed a 3 year plan, of which we are currently in year one, to deliver actions to equip UR with the tools, knowledge, skills and experience to perform at our best, in the best interests of our stakeholders and ultimately our consumers.

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 October we published the following consultations and updates.

Please click on the links for further details:

- [Utility Regulator warns of more increases to consumer bills as wholesale energy prices continue to soar](#)
- [Consultation on modifications to gas TSO licences relating to the Northern Ireland Gas Capacity Statement](#)
- [Annual Retail Energy Market Monitoring report](#)
- [NISEP Framework Document published and registration for 2022-2023 Primary Bidders open](#)
- [Fuel Mix Disclosure & CO2 Emissions 2020](#)