

Wholesale electricity and gas price trends

Our electricity and gas markets continue to feel the impact of the unprecedented rises in international wholesale fuel prices witnessed across the globe. Reflected in the end prices seen by energy consumers, unfortunately these prices see no sign of significant easement in the near future with further increases likely.

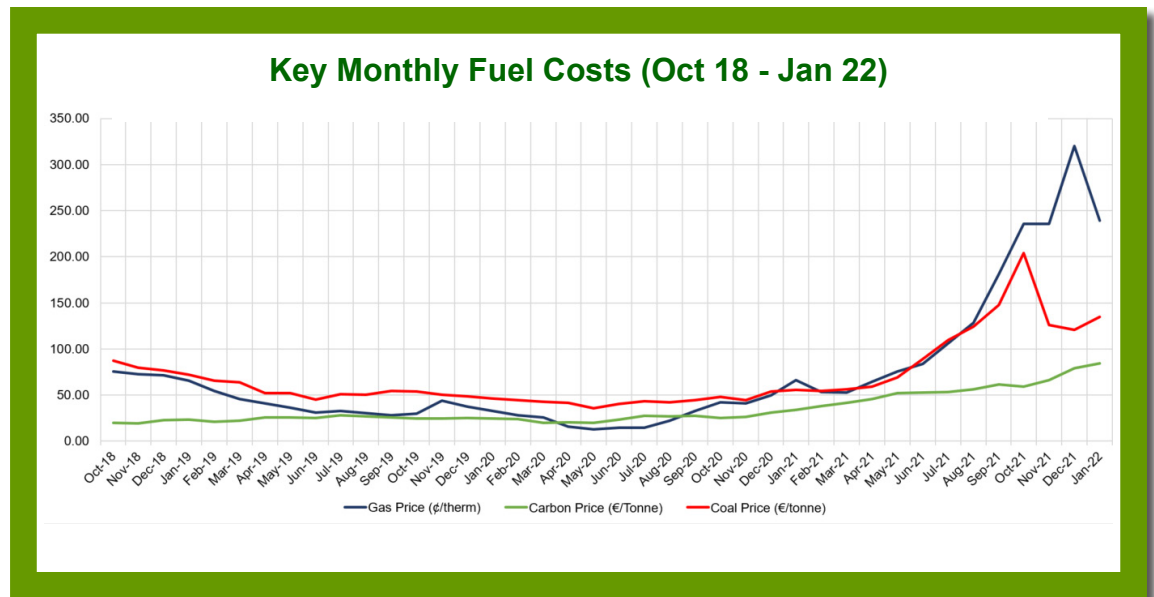
During January we did see the average price of gas decrease by approximately 25%. This decrease however was against the historic highs that had been seen in December 2021 when gas was being traded at a record £4.71 per therm. This compares to a historic normal of around 50 pence per therm. So this moderate decrease seen during January means that prices are still over four times greater than normal. Gas remains the dominant fuel for our power stations so any movement in the wholesale cost has a significant impact on end consumer electricity prices. In addition to increases in gas prices, we have also seen the price of coal and carbon increase significantly with further rises seen during January. The trend in these commodity costs is illustrated in graph 1 below.

The costs of wholesale electricity decreased by 20% in January 2022 when compared to December 2021 with an average monthly price of €201/MWh. (A megawatt hour (MWh) is equal to 1,000 Kilowatt hours (Kwh). It is equal to 1,000 kilowatts of electricity used continuously for one hour. The average annual consumption of a domestic property is 3,200kWh per annum.) This decrease was mainly driven by the reduction in gas price and although welcome, prices remain significantly higher than the prices seen in previous years. The day-ahead market is the main market in which electricity is sold by generators and purchased by suppliers. Electricity consumers will see the price outcomes from this market in their bills. Graph 2 below shows the prices formed in this market relating to the gas price. A direct correlation between increased gas prices and increased market prices can be seen.

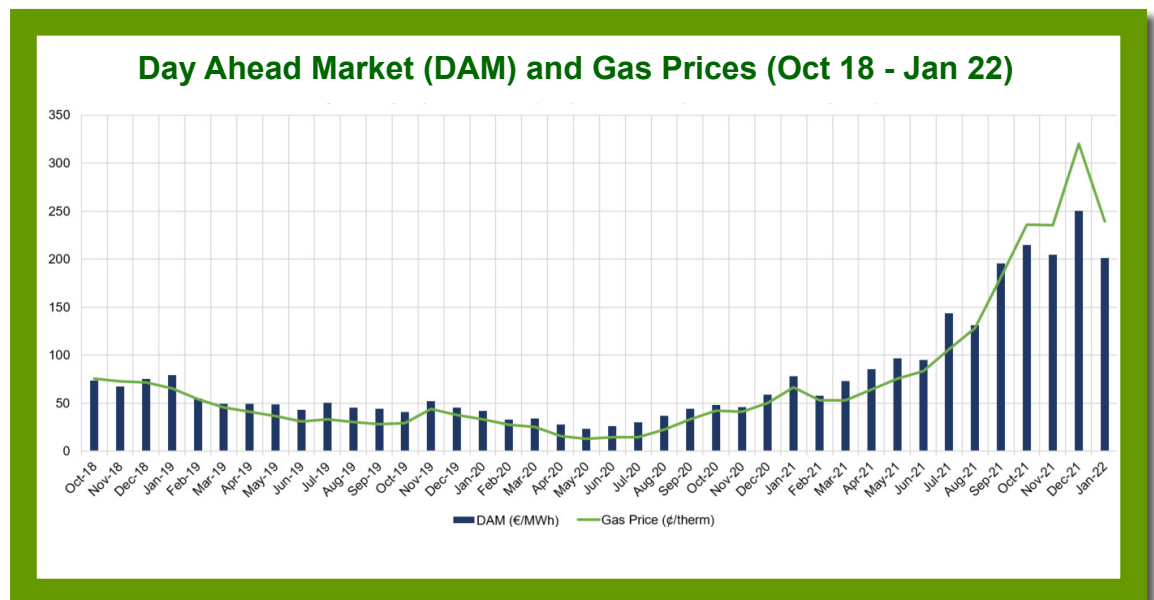
As we continue to expand the use of renewables on our electricity system, we closely look at the level of wind availability and end prices. We continue to see higher prices in times when wind availability is low and lower prices when wind availability is high. Wind availability was lower overall across January 2022 when compared to December 2021 and reflects a general average reduction in wind availability that we have witnessed over the past number of months. Graph 3 shows the link between the level of wind availability on the system and end prices.

Unfortunately there are no immediate signs of any easement in the high energy prices consumers are experiencing. It is important that anyone who is worried about paying their energy bills should contact their supplier as soon as possible to access the support available. A number of government schemes are also up and running. Advice agencies can provide more information on the best source of help for your circumstances with free and independent advice. These include Advice NI, Money and Pensions Service and Christians Against Poverty. Energy efficiency advice is also provided on page four of this newsletter.

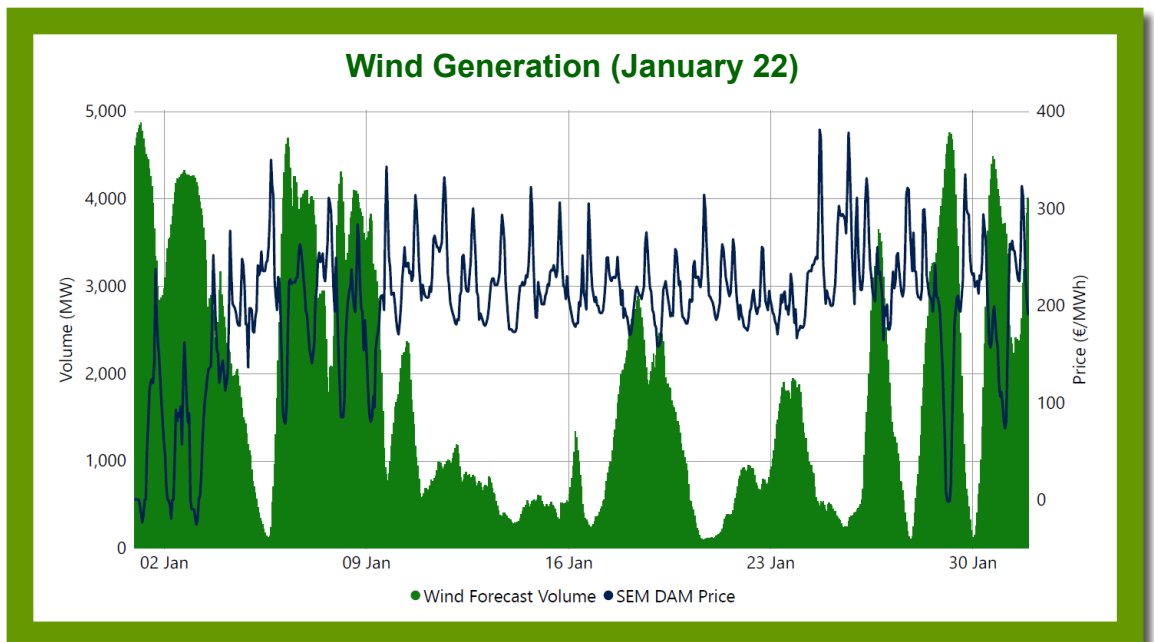
Graph 1



Graph 2



Graph 3



Forward Work Programme 2022-23

We have been consulting on our draft Forward Work Programme (FWP) 2022-23. Our FWP is our annual business plan. It sets out the list of proposed non-routine projects that we intend to do during 2022-23.

At the start of February we held a virtual stakeholder workshop to provide an opportunity to discuss and engage on our draft FWP. The consultation on the draft FWP is now closed.

Following our consultation, we will assess stakeholder comments to help inform the development of our final FWP. We will be publishing our final FWP by the end of March.



Revocation of Bright Energy's electricity supply licence

The electricity supplier, Bright Energy, left the Northern Ireland electricity market earlier in February. As part of the regulatory process in place to ensure consumers are protected, all of Bright Energy's customers were switched to Power NI.

Power NI have been in contact with all the customers to advise of their new terms and conditions. Customers can contact Power NI directly on 03457 455455 (Monday – Friday, 9am – 5pm) to discuss their new account.

Further information on the regulatory process in place to protect energy customers and a question and answer document can be found within our news section ([Revocation of Bright Energy's electricity supply licence | Utility Regulator \(uregni.gov.uk\)](https://www.uregni.gov.uk/news/revocation-of-bright-energy-electricity-supply-licence))



Biomethane industry update - upcoming event

We will be hosting, in co-operation with the gas operators, an industry update on the ongoing work to facilitate biomethane injection into the gas network in Northern Ireland. The event will take place online on Friday, 4 March 2022, 11.00am - 12.30pm.

The event will cover a biomethane project update, connection arrangements, changes to the regulatory framework and green gas certificate schemes. There will also be an opportunity for questions and discussion on next steps.

The industry briefing is directed at anybody with an interest in biomethane injection into the gas network in Northern Ireland.

If you wish to attend, please register your interest by 5pm on 28 February 2022 by email to: Gas_networks_responses@uregni.gov.uk.

Joining details for this online event will be issued to registered participants prior to the event. If you have any queries with regards to the biomethane industry update, please contact: Gas_networks_responses@uregni.gov.uk.



NI Energy Advice Service

Under the terms of the Home Energy Conservation Act (HECA) 1995, the Housing Executive (NIHE) fulfils the statutory role as the Home Energy Conservation Authority for Northern Ireland (NI).

NI Energy Advice Service offers independent and impartial energy advice to domestic householders, all tenures, in Northern Ireland - plus referrals to energy grants and other sources of help.

- [NI Energy Advice](#)
- Email nienergyadvice@nihe.gov.uk
- Call FREE 0800 111 4455

The delivery of this service is an important element in achieving the Department for Communities (DfC) and the Housing Executive's key objective of **tackling fuel poverty**. The NI Advice Service is managed by Housing Executive, and funded by Department for Communities.

Through its HECA role, the Housing Executive encourages and promotes increased levels of energy efficiency, energy awareness and reduces carbon emissions, as well as promoting customer choice of energy supply. It encourages innovative low carbon technologies, which can contribute to reductions in carbon emissions throughout Northern Ireland's housing stock.

Customers have been empowered by relevant up-to-date energy advice.



INDEPENDENT AND IMPARTIAL **FREE** ADVICE

NEED ENERGY ADVICE?
We're here to help

GET IN TOUCH
FREEPHONE **0800 111 4455**
WEB **www.nihe.gov.uk**

Find out about:
• Reducing fuel bills • Grant programmes
• Switching energy providers • Insulation • Damp & condensation
• Warmer homes • Heating systems
• Reducing energy consumption • Renewable energy

NI ENERGY ADVICE

This service is managed by the **Housing Executive** and funded by **DfC**
Department for Communities
www.communities.gov.uk

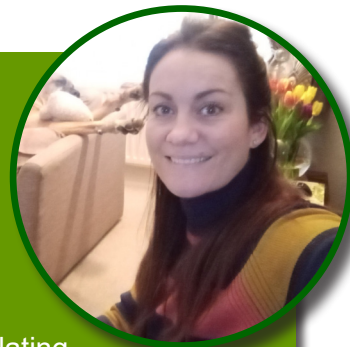
Energy Advisors provide high quality, accurate written and telephone advice, which engages customers and is actionable. This advice helps them to save money on energy bills and reduce their carbon footprint.

Customers can '[Get in Touch](#)' now to find the most appropriate help for their needs. The Service sign posts to relevant and available energy efficiency grants – [NI Sustainable Energy Programme](#) (NISEP), [Boiler Replacement Scheme](#) (BRS managed by the Housing Executive), triaging the Council grant for those in fuel poverty, are vulnerable and/or within targeted postcodes.

STAFF PROFILE

Leigh Greer

Wholesale Manager in Wholesale Market



I graduated with 1st class honours in Law & Accountancy from the University of Dundee in 2003. Having spent time as an Actuarial Analyst and Financial Analyst, I commenced employment with the Utility Regulator in early 2010. I spent four years regulating electricity networks organisations and almost four years in the “I-SEM” programme team, building a strong knowledge across both disciplines. I moved to SONI and EirGrid Group, the electricity system operators, in 2017 for two years as a senior regulatory specialist which was a great experience. I returned to the regulator’s office in late 2019, spending six months with the Consumer Protection unit before taking on my current role.

I now work in the Wholesale Markets Directorate, focussing on regulation of Single Electricity Market (SEM) operations, security of supply in Northern Ireland, all-island revenue controls, licensing arrangements, and monitoring of compliance with licences and market rules. I enjoy the dynamic nature of multi-party stakeholder engagement and interaction with industry – I’m always learning.

Outside of work, I am a Non-Executive Director with Engage With Age, championing for the rights of older people. I am also a volunteer mentor with the Prince’s Trust and a dedicated doggy-Mum. During lockdown, I learnt the joys of a more sensible pace of life and quality time at home which I intend to maintain. My happy place is outdoors, be that in the garden, at the beach or on a walk. If I win the lottery tomorrow, I shall keep tabs on utility regulation from afar while I set up a dog sanctuary – that new pace of life still has the ability to get even more sensible!

Consultations/News Update

During February we published the following consultations.

Please click on the link for further details:

- [Industry update - SONI TSO’s proposals to meet the requirements of EU Regulation 2017/2196 Emergency Restoration](#)
- [Revocation of DSU license to generate and supply electricity granted to Kiwi Power Limited](#)
- [Consultation on proposed electricity generation licence for Gronan Wind Farm Limited](#)
- [Biomethane industry update - upcoming event](#)
- [Regulatory letter for licence holders published on LIBOR exchange rate replaced with Bank of England base rate](#)
- [Further information regarding Bright’s exit from the Northern Ireland electricity supply market](#)
- [Utility Regulator comment on Firmus Energy’s regulated gas tariff increase](#)
- [Cost and Performance Report 2019-2020 for NI Water published](#)

SUBSCRIBE TO OUR NEWS ALERTS

Get the latest news updates directly to your email by [subscribing to our news alert service](#).

CONTACT US:

By post: Utility Regulator Queens House 14 Queen Street Belfast BT1 6ED
By telephone: +44 (0) 28 9031 1575
By email: info@uregni.gov.uk

To contact individual staff members:
firstname.surname@uregni.gov.uk

