Annual Retail Energy Market Monitoring Report

Period: January – December 2021

Published: 29th July 2022

Abstract

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

The data relates to market shares, market activity, complaints data 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.

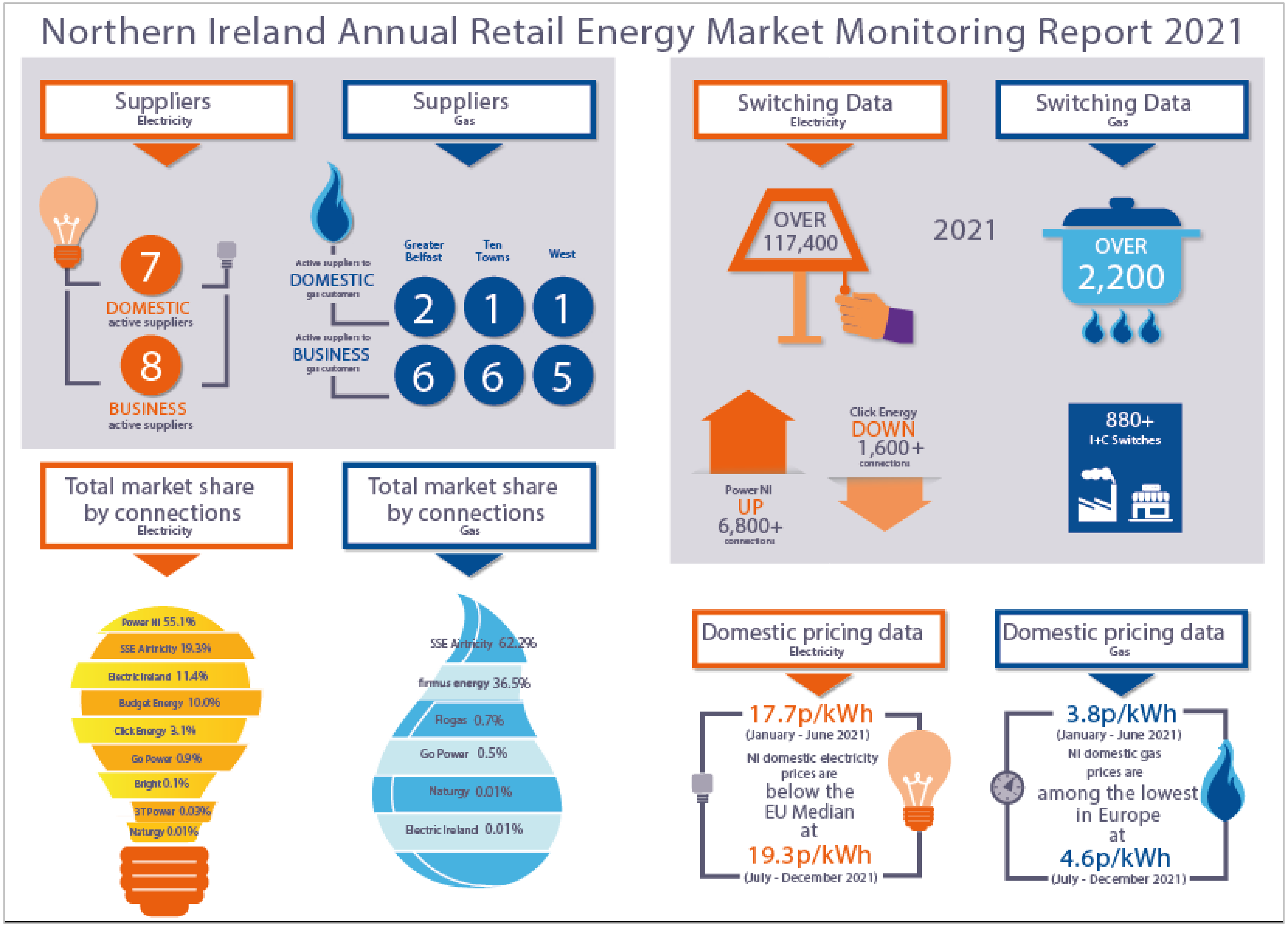
Consumer impact

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.

Contents page

1. Summary of key market indicators



Key developments during 2021

1. The semester 2 (July - December) 2021 electricity pricing data is sourced from Eurostat and individual supplier's submissions under the REMM framework. The pricing data for the period illustrates the following:
   - NI domestic electricity prices (19.3 p/kWh) continued to rank below the EU median (20.1 p/kWh), UK (20.1 p/kWh) and were lower than the Republic of Ireland (25.3 p/kWh).
   - The NI I&C electricity price for the Very Small connections (which represent c71% of I&C connections) was 23.0 p/kWh, which was higher than the EU median (18.0 p/kWh), higher than the UK (18.5 p/kWh) and just above the Republic of Ireland (22.5 p/kWh).
   - For Large and Very Large I&C customers (c0.02% of connections) NI prices (16.1p/kWh) were higher than the EU median (10.2 p/kWh), RoI (13.4p/kWh) and the UK (15.0p/kWh).
2. The semester 2 (July - December) 2021 domestic gas prices in NI were among the lowest in Europe at 4.6 p/kWh. This was less than RoI (6.7 p/kWh) and EU median (6.7 p/kWh) and marginally higher than UK (4.5 p/kWh).
3. Market activity in the electricity domestic and I&C sectors during 2021 continues to show that Power NI (the incumbent price controlled electricity supplier) retain their dominant position at a similar level with 55.6% of connections in the domestic market in 2021 compared to 54.8% in 2020.
4. Domestic customers continue to engage in the market with over c110,000 domestic switches completed during 2021, an indication that 13.3% of the market is participating in switching (an increase from 9.3% in 2020). I&C switching activity decreased from c8,400 in 2020 to c6,800 in 2021.
5. In the gas sector, there was c2,200 switches during 2021. This equates to c1,300 domestic switches (domestic switching only applies to the Greater Belfast distribution network area) and c880 I&C switches. This is an increase from c850 and c820 switches during 2020 respectively.
6. During 2021, there were c24,300 electricity complaints made by domestic and I&C customers and c10,200 gas complaints made by customers to their suppliers. This is an increase from c8,900 electricity complaints and c2,900 gas complaints during 2020. The three most common supplier complaints made during 2021 related to: bills, payments and accounts, customer service and prepayment meter issues.

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 Annual Transparency Reports (ATRs)) 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 At the end 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 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

Electricity 2021

Total Electricity Connections
(end of Q4 2021)

905,270

829,376
Domestic connections

Domestic Credit = 453,924
Domestic Prepayment = 375,452

75,894
I&C connections

I&C <20 MWh = 53,643
I&C 20 - 49 MWh = 12,109
I&C 50 - 499 MWh = 9,117
I&C 500 - 1,999 MWh = 764
I&C 2,000 - 19,999 MWh = 243
I&C >20,000 MWh = 18

Total Electricity Consumption
(2021)

7,574.9 (GWh)

2,975.6 (GWh)
Domestic consumption

Domestic Credit = 1,699.9 GWh
Domestic Prepayment = 1,275.7 GWh

4,599.3 (GWh)
I&C consumption

I&C <20 MWh = 335.1 GWh
I&C 20 - 49 MWh = 384.7 GWh
I&C 50 - 499 MWh = 1,179.3 GWh
I&C 500 - 1,999 MWh = 730.5 GWh
I&C 2,000 - 19,999 MWh = 1,247.3 GWh
I&C >20,000 MWh = 722.4 GWh

Total Electricity Complaints

24,358

Domestic Electricity Pricing

17.7p/kWh
January - June 2021

19.3p/kWh
July - December 2021

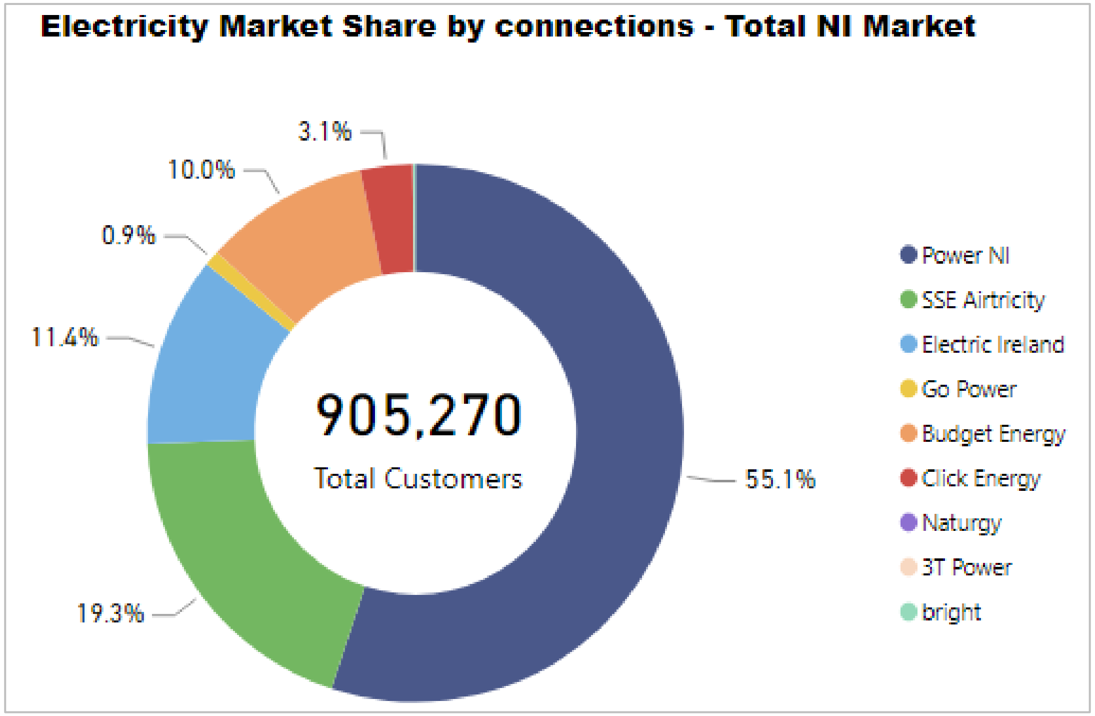
Total Electricity Switches

117,448

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 December 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 55.1% share of the market. This is an increase in market share of 0.3% when compared to 2020.

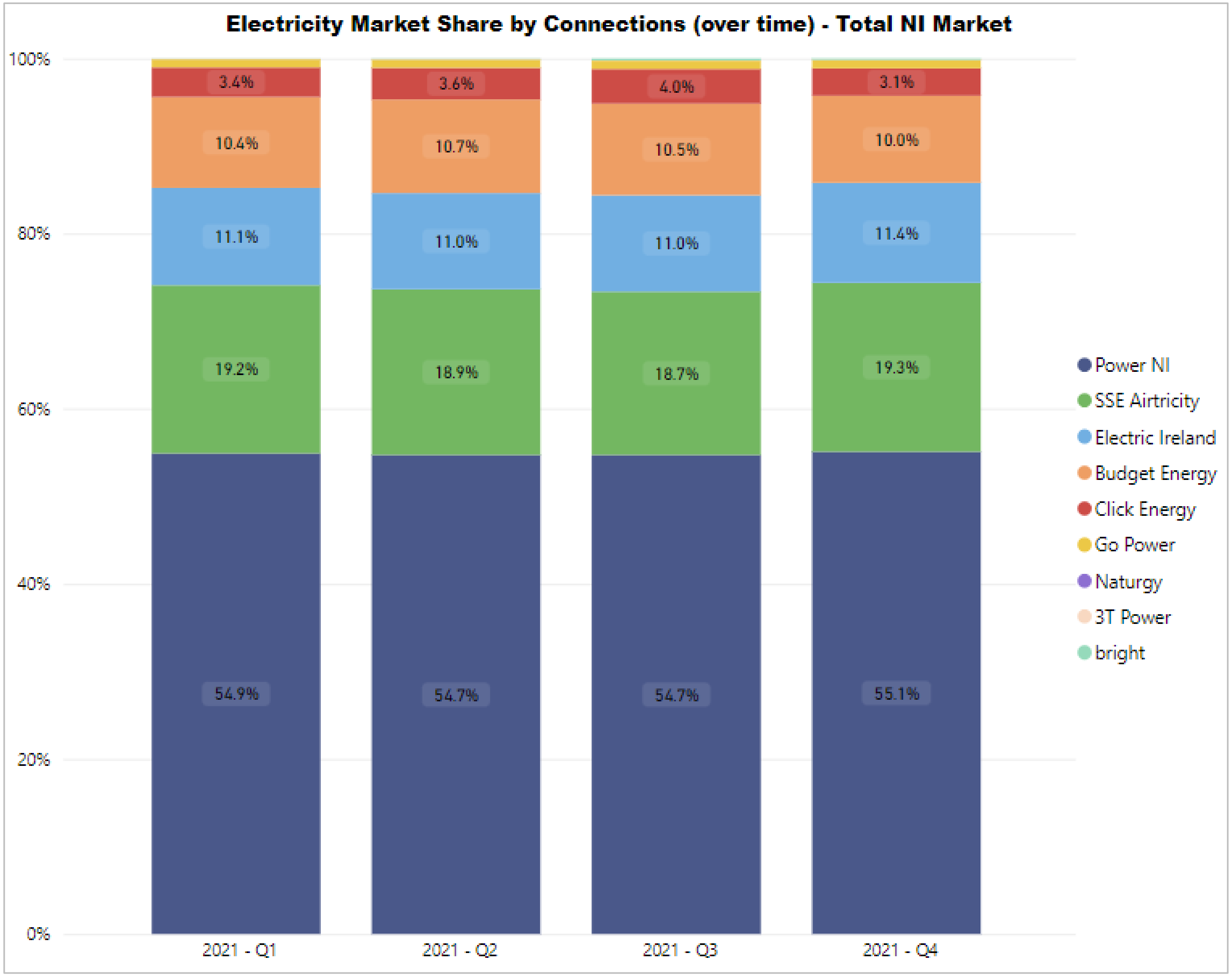


Market Segment	Power NI	SSE Airtricity	Electric Ireland	Budget Energy	Click Energy	Go Power	Naturgy	3T Power	bright	Total Customers
Domestic credit	293,088	100,997	42,722	11,682	4,359	677	0	0	399	453,924
Domestic prepayment	168,089	57,652	47,599	77,906	23,306	0	0	0	900	375,452
I&C < 20 MWh	29,235	11,072	7,379	349	481	4,977	19	131	0	53,643
I&C 20 – 49 MWh	4,812	3,053	2,513	106	98	1,510	2	15	0	12,109
I&C 50 – 499 MWh	3,062	1,670	2,848	61	53	1,283	9	131	0	9,117
I&C 500 – 1,999 MWh	198	148	318	0	4	77	7	12	0	764
I&C 2,000 – 19,999 MWh	53	47	110	0	3	24	3	3	0	243
I&C ≥ 20,000 MWh	0	5	10	0	0	3	0	0	0	18
Total	**498,537**	**174,644**	**103,499**	**90,104**	**28,304**	**8,551**	**40**	**292**	**1,299**	**905,270**

Data source: NIEN

[3] Please note the percentages in the chart may not tally to 100% as data for some suppliers are not labelled due to the size of their individual 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 four quarters of 2021.

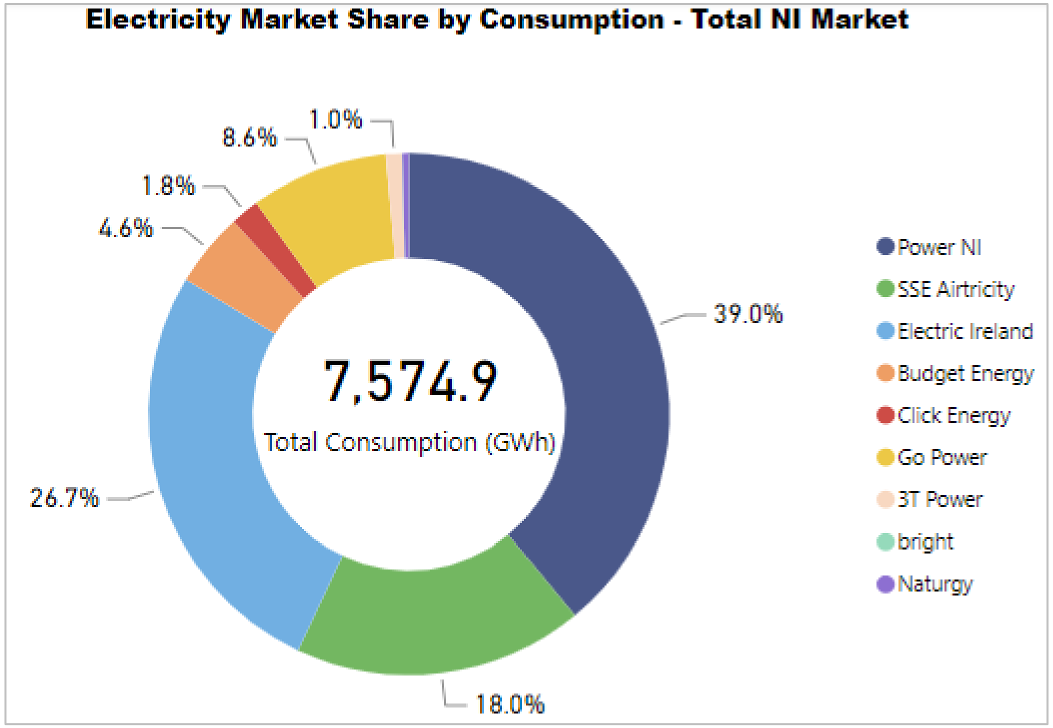


Data source: NIEN

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 **January to December 2021.**

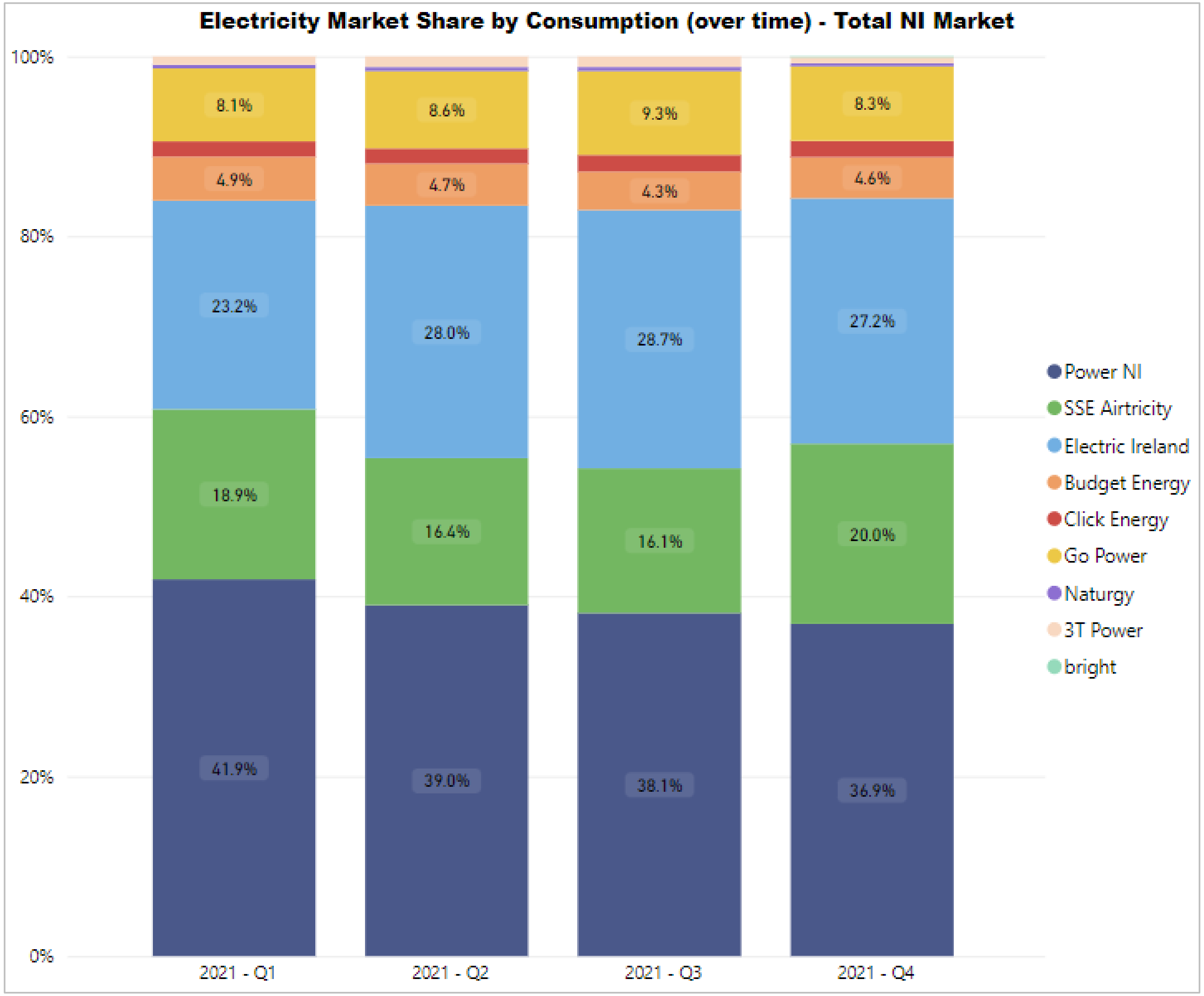
3.5 Electricity consumption in the NI retail market for 2021 was over c7,500 GWh. Per customer type, domestic consumers consumed 2,975.6 GWh in 2021 and non-domestic consumers 4,599.3 GWh.



Market Segment	Power NI	SSE Airtricity	Electric Ireland	Budget Energy	Click Energy	Go Power	3T Power	Naturgy	bright	Total Consumption (GWh)
Domestic credit	1,029.1	408.0	180.1	60.4	14.9	5.9	0.0	0.0	1.0	1,699.9
Domestic prepayment	547.7	202.2	150.8	277.1	96.1	0.0	0.0	0.0	1.0	1,275.7
I&C < 20 MWh	174.8	71.7	47.7	2.8	1.6	34.8	1.5	0.1	0.0	335.1
I&C 20 – 49 MWh	157.1	92.6	81.9	4.0	1.5	46.5	1.0	0.1	0.0	384.7
I&C 50 – 499 MWh	394.1	185.7	384.0	5.4	3.8	156.1	47.8	2.4	0.0	1,179.3
I&C 500 – 1,999 MWh	241.3	99.1	276.1	0.0	3.1	81.6	15.8	13.5	0.0	730.5
I&C 2,000 – 19,999 MWh	353.5	154.7	587.6	0.0	12.4	116.7	8.1	14.5	0.0	1,247.3
I&C ≥ 20,000 MWh	56.5	147.9	311.2	0.0	0.0	206.7	0.0	0.0	0.0	722.4
Total	**2,954.2**	**1,361.9**	**2,019.4**	**349.6**	**133.4**	**648.3**	**74.2**	**30.5**	**2.0**	**7,574.9**

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 four quarters of 2021.

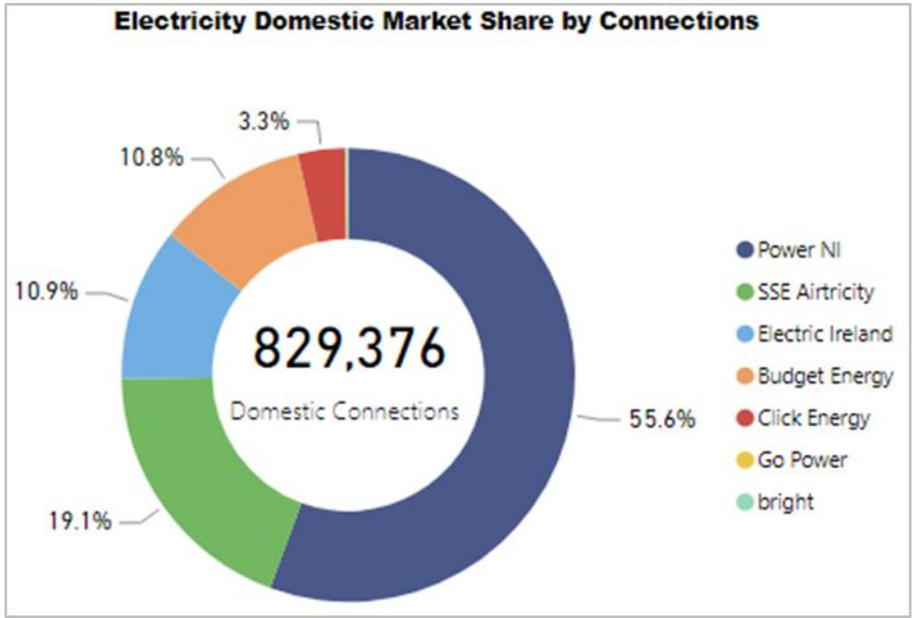


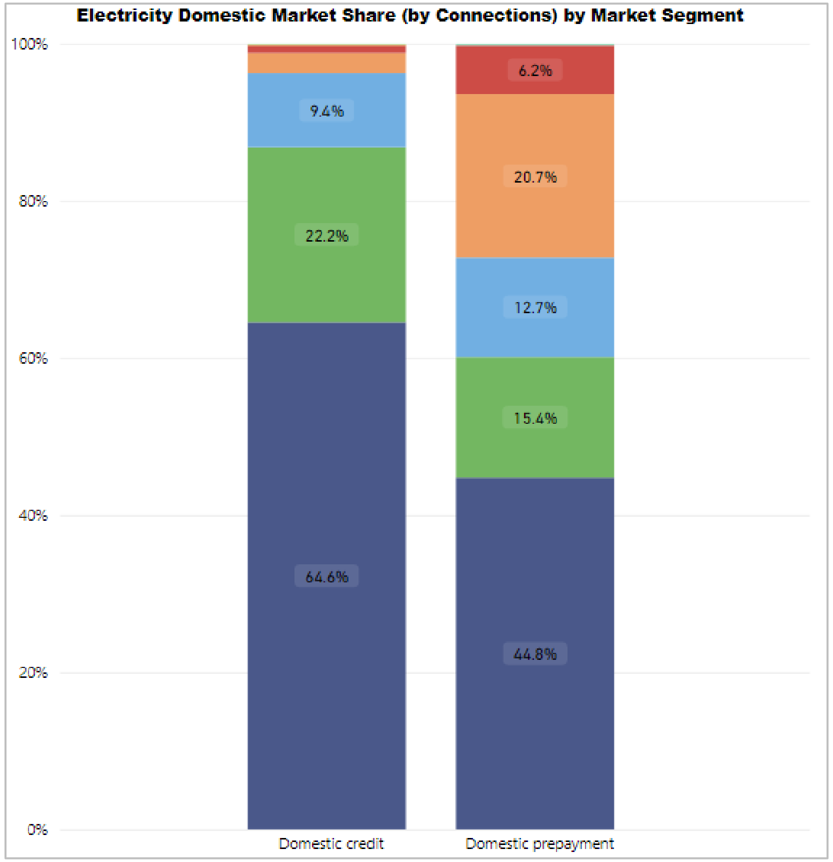
Data source: NIEN

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 At the end of 2021, the non-incumbents represented 44.4% of total domestic connections in NI, which is a similar level when compared to 2020 (45.0%).



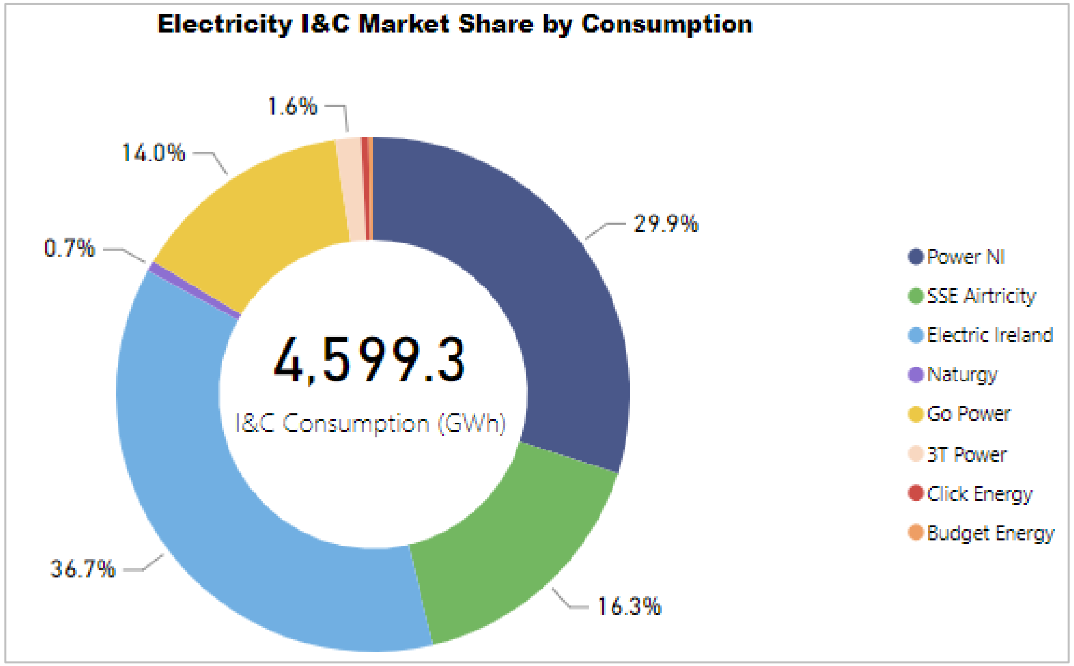


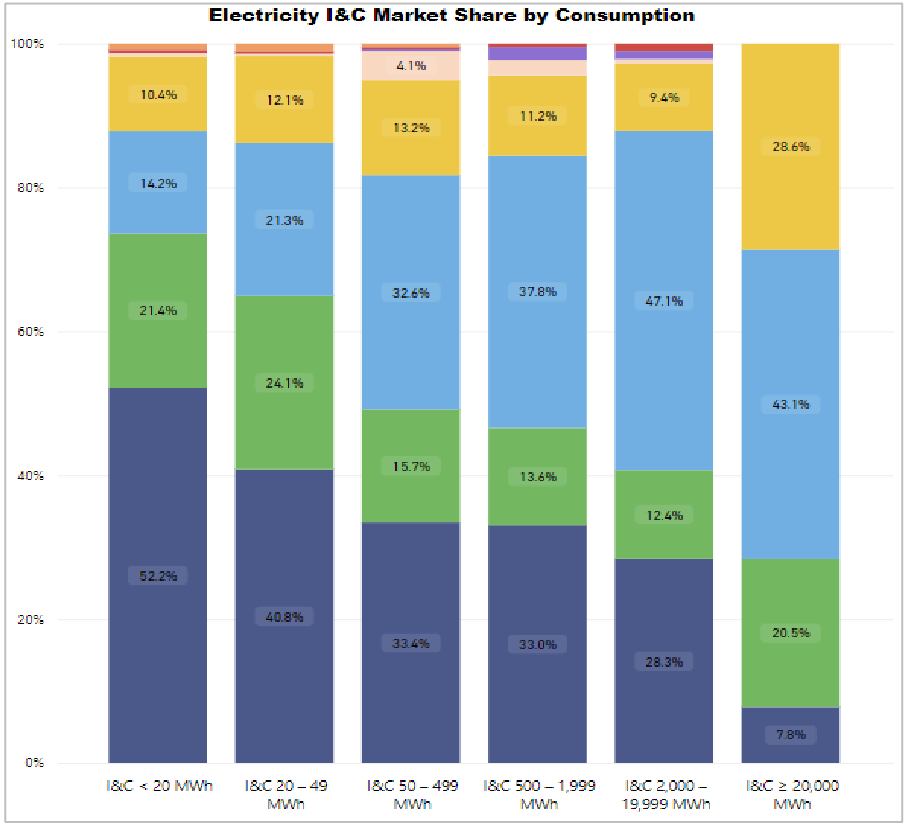
Market Segment	Power NI	Power NI %	SSE Airtricity	SSE Airtricity %	Electric Ireland	Electric Ireland %	Budget Energy	Budget Energy %	Click Energy	Click Energy %	Go Power	Go Power %	bright	bright %	Total Customers	Total Customers %
Domestic prepayment	168,089	36%	57,652	36%	47,599	53%	77,906	87%	23,306	84%	0	0%	900	69%	375,452	45%
Domestic credit	293,088	64%	100,997	64%	42,722	47%	11,682	13%	4,359	16%	677	100%	399	31%	453,924	55%
Total	**461,177**		**158,649**		**90,321**		**89,588**		**27,665**		**677**		**1,299**		**829,376**	

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 January to December 2021 was over c4,600 MWh, a similar level when compared to 2020 (c4,500 MWh).





Market Segment	Power NI	SSE Airtricity	Electric Ireland	Go Power	3T Power	Naturgy	Click Energy	Budget Energy	Total Consumption (GWh)
I&C 2,000 – 19,999 MWh	353.5	154.7	587.6	116.7	8.1	14.5	12.4	0.0	1,247.3
I&C 50 – 499 MWh	394.1	185.7	384.0	156.1	47.8	2.4	3.8	5.4	1,179.3
I&C 500 – 1,999 MWh	241.3	99.1	276.1	81.6	15.8	13.5	3.1	0.0	730.5
I&C ≥ 20,000 MWh	56.5	147.9	311.2	206.7	0.0	0.0	0.0	0.0	722.4
I&C 20 – 49 MWh	157.1	92.6	81.9	46.5	1.0	0.1	1.5	4.0	384.7
I&C < 20 MWh	174.8	71.7	47.7	34.8	1.5	0.1	1.6	2.8	335.1
Total	**1,377.4**	**751.7**	**1,688.6**	**642.4**	**74.2**	**30.5**	**22.5**	**12.1**	**4,599.3**

Data source: NIEN

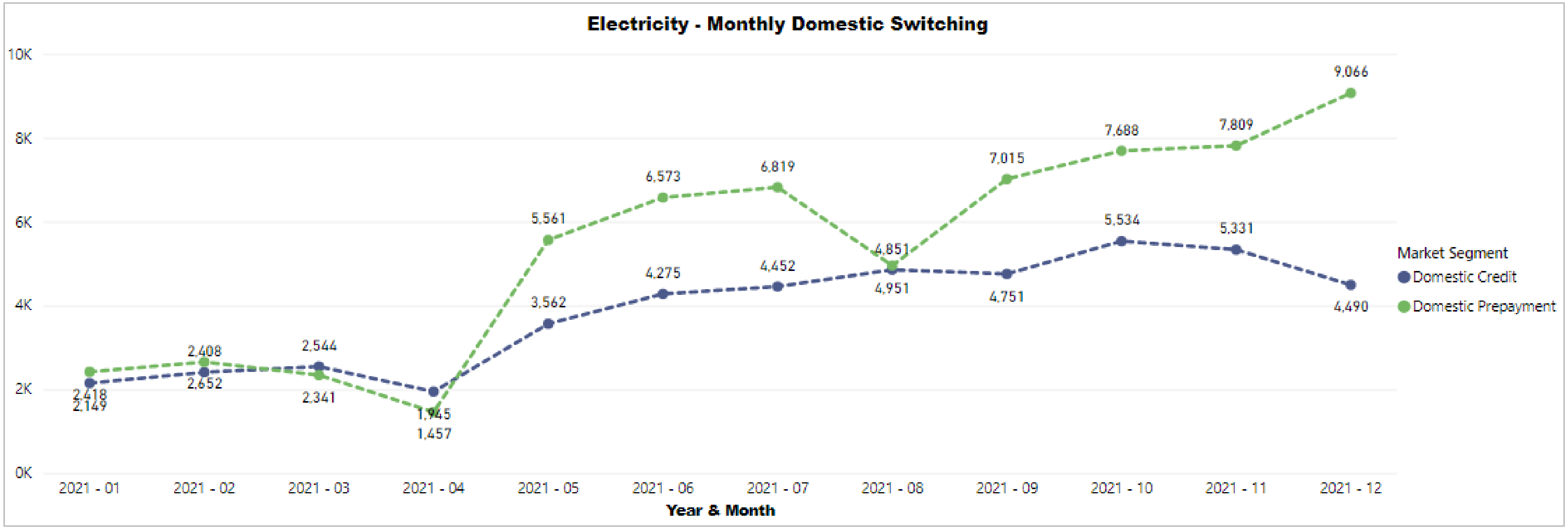
Market activity (Switching)

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] . The total number of switches in 2021 was 117,448, an increase from 91,650 in the prior year.

Switching rate – Total NI Market				
Quarter	2021 – Q1	2021 – Q2	2021 – Q3	2021 – Q4
No. of switches	15,284	24,763	33,998	43,403
Switching rate (%)	1.7%	2.8%	3.8%	4.8%

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.



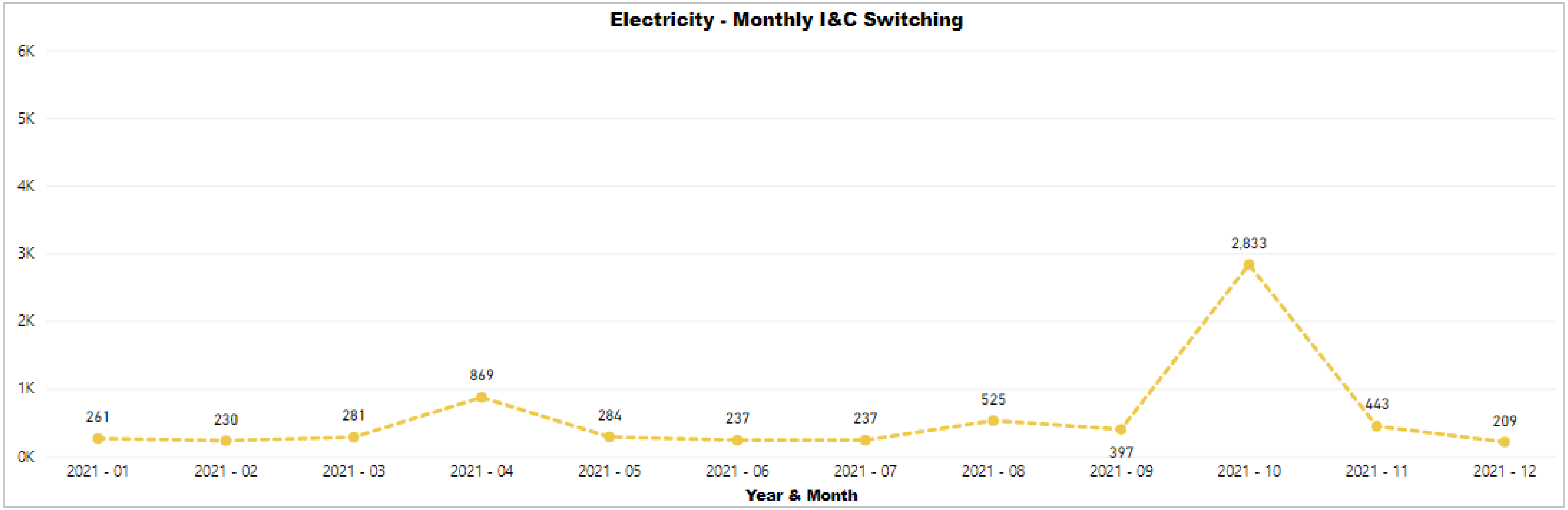
Data source: NIEN

[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.

3.12 The table below shows the total domestic switches and switching rate for each of the four quarters for 2021.

Switching rate – Domestic market				
Quarter	2021 – Q1	2021 – Q2	2021 – Q3	2021 – Q4
No. of switches	14,512	23,373	32,839	39,918
Switching rate (%)	1.8%	2.8%	4.0%	4.8%

3.13 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 each of the four quarters for 2021.



3.14 The table below shows the total I&C switches and switching rates for each of the four quarters for 2021.

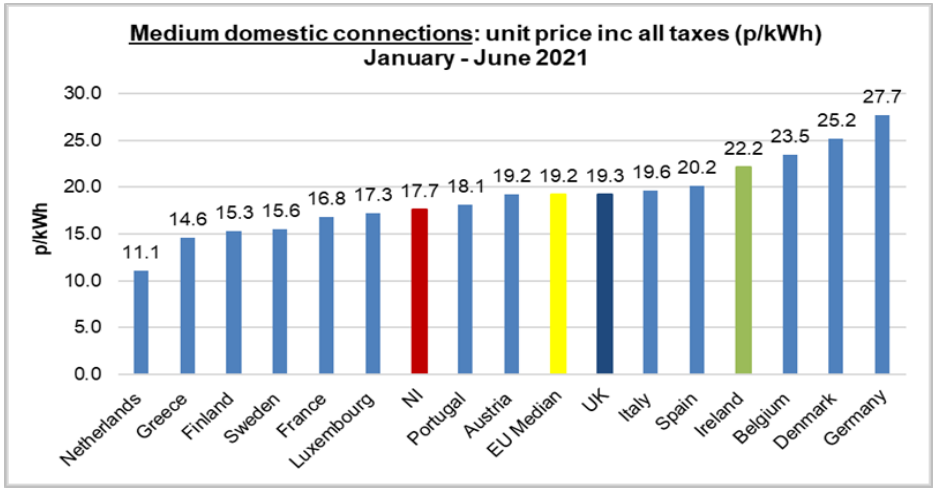
Switching rate – I&C market				
Quarter	2021 – Q1	2021 – Q2	2021 – Q3	2021 – Q4
No. of switches	772	1,390	1,159	3,485
Switching rate (%)	1.0%	1.9%	1.5%	4.6%

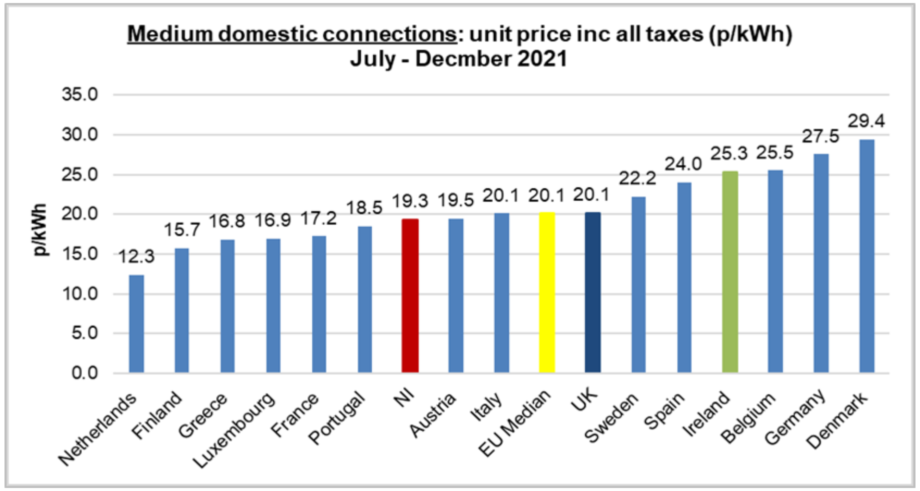
Data source: NIEN

4. Electricity Pricing – 2021

Domestic Electricity Pricing

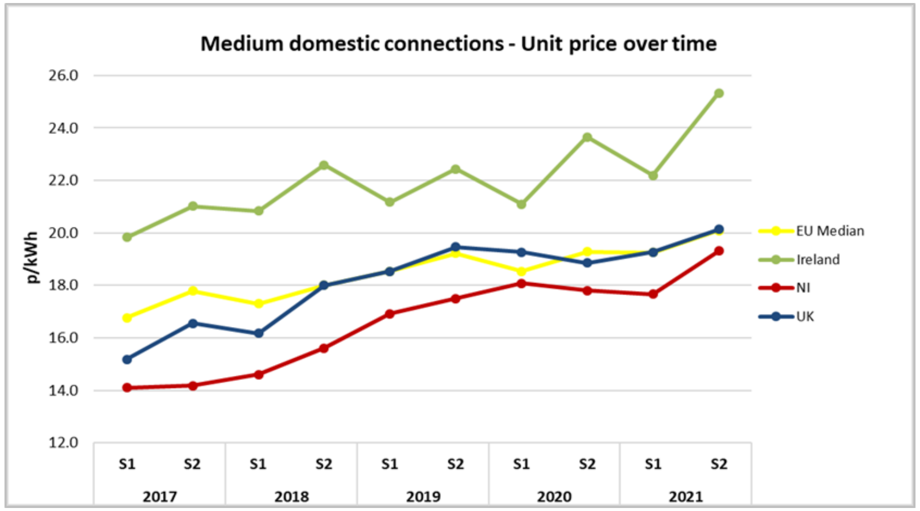
4.1 **<u>Domestic price</u> comparison with EU:** In the domestic graph shown below, we use unit prices which include Climate Change Levy (CCL) and include VAT as this reflects the final prices paid by domestic Customers. The medium sized domestic customers (annual consumption of between 2,500 and 4,999 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 1 and semester 2 2021 the NI price was below the UK, EU median and considerably less than RoI.

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



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

I&C Electricity Pricing

4.4 **<u>I&C price</u> comparison with EU**: These graphs show I&C electricity prices in the 15 EU[6] 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 In S1 2021, the NI prices in the Very Small I&C Category were significantly lower than RoI but above EU median and UK (c72% of I&C connections in NI are in this size category). During the same period, for the large and very large I&C customers (c0.03% of connections), NI prices were above RoI but were below the UK.

4.6 In S2 2021, the NI prices in the Very Small I&C Category were higher than the EU Median, UK and just above RoI (c71% of I&C connections in NI are in this size category). During the same period, for the large and very large I&C customers (c0.02% of connections), NI prices were above RoI and the UK.

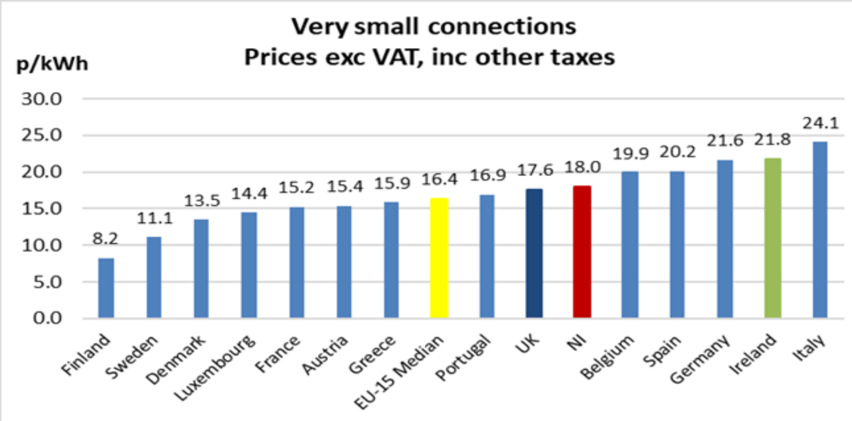
End of Q2 2021 (Semester 1 2021)	Size of Customer	Annual Consumption bands (MWh)	% of I&C connections	% of I&C consumption	I&C connection numbers
	Very small	< 20	71.6%	6.4%	53,326
	Small	20 – 499	27.1%	32.1%	20,185
	Small / Medium	500 – 1,999	1.0%	16.4%	730
	Medium	2,000 – 19,999	0.3%	28.5%	235
	Large & Very Large	>20,000	0.03%	16.6%	19

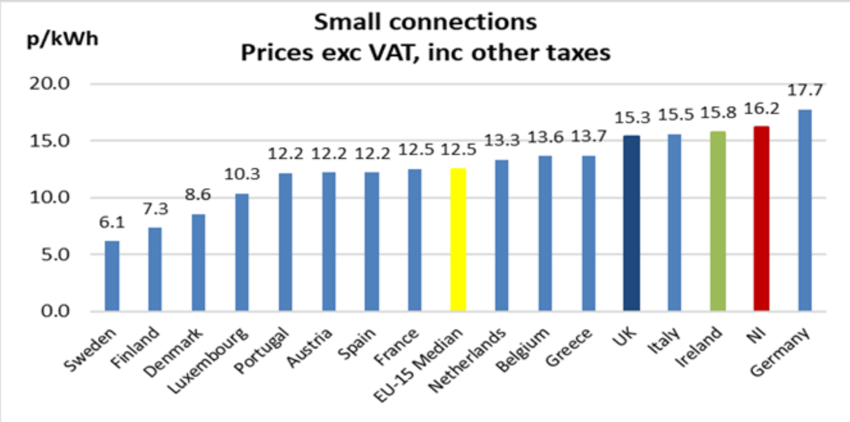
End of Q4 2021 (Semester 2 2021)	Size of Customer	Annual Consumption bands (MWh)	% of I&C connections	% of I&C consumption	I&C connection numbers
	Very small	< 20	70.7%	7.7%	53,643
	Small	20 – 499	28.0%	36.4%	21,226
	Small / Medium	500 – 1,999	1.0%	15.4%	764
	Medium	2,000 – 19,999	0.3%	25.6%	243
	Large & Very Large	>20,000	0.02%	15.1%	18

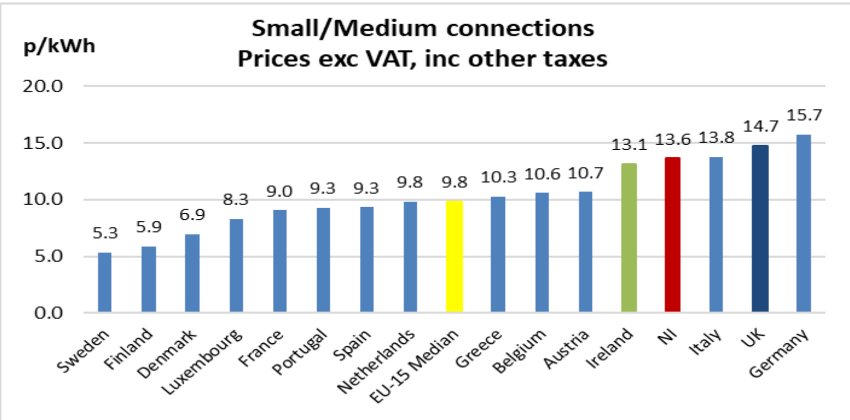
Source: NIEN

[6] Some graphs do not include all 15 EU countries due to availability of data from Eurostat or BEIS.

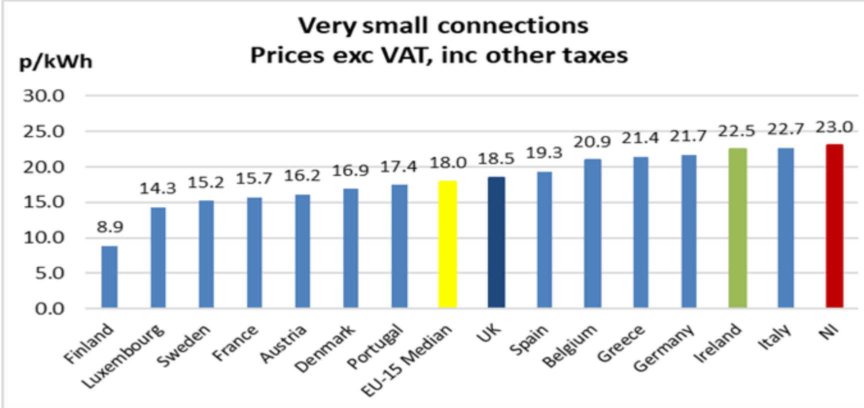
Semester 1 (January – June 2021)

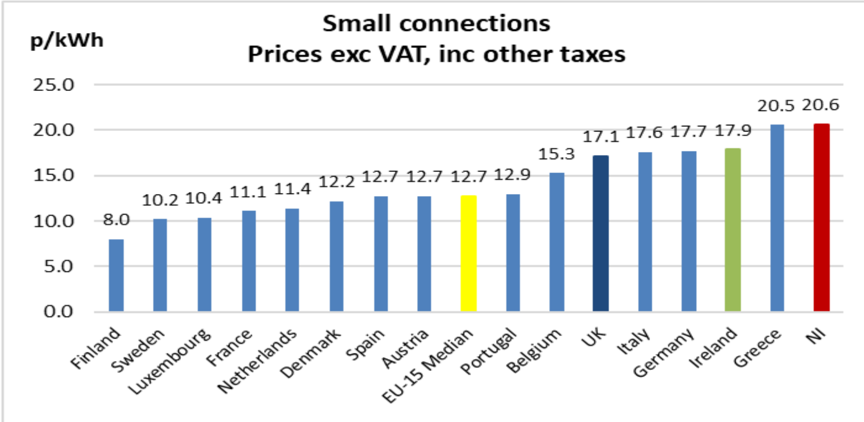


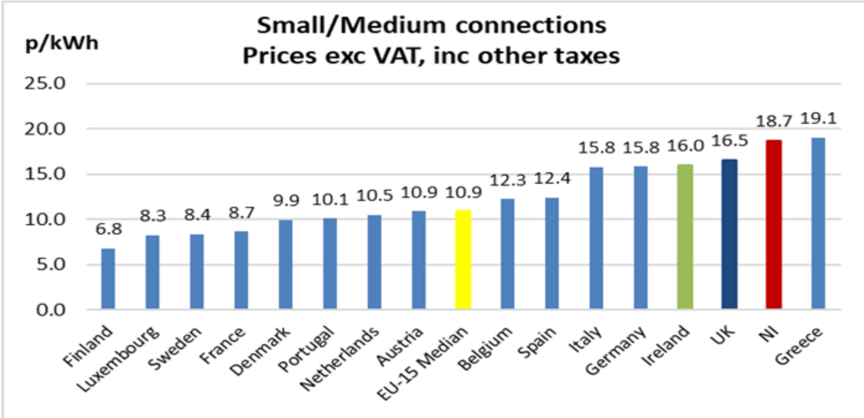


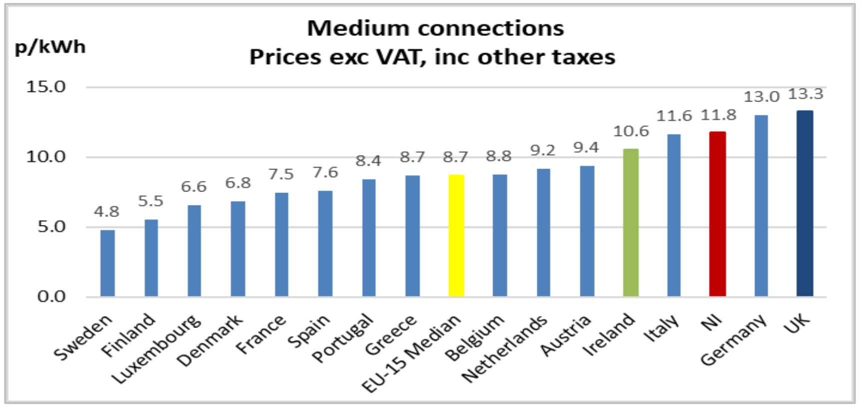


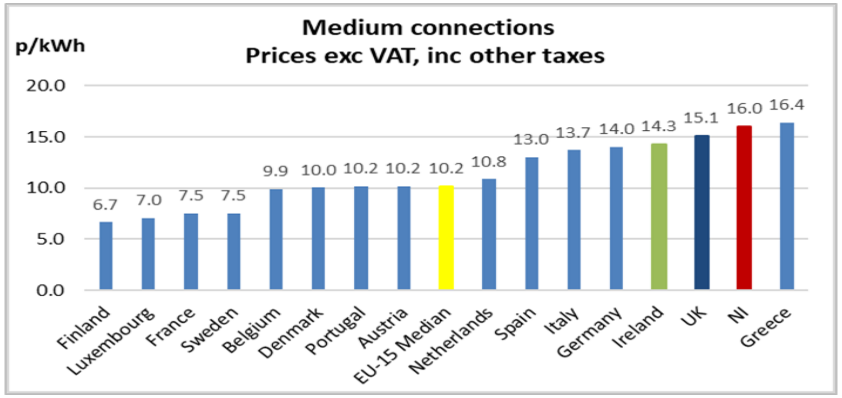
Semester 2 (July - December 2021)

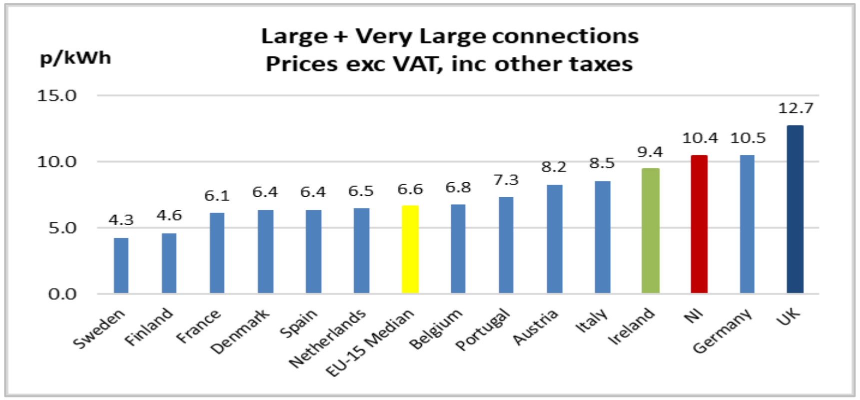


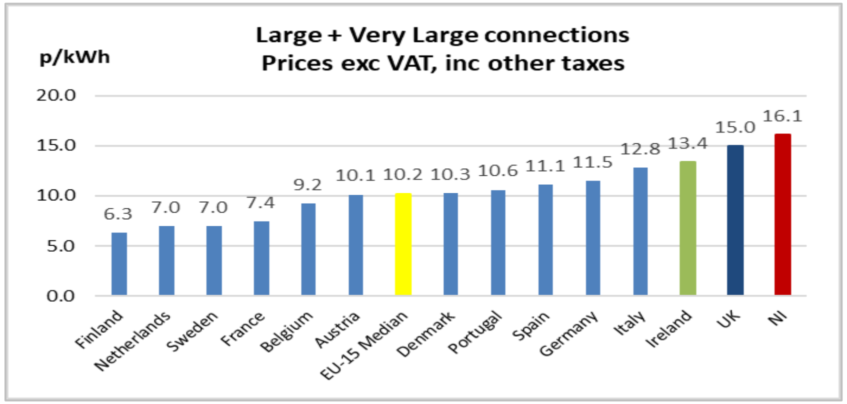




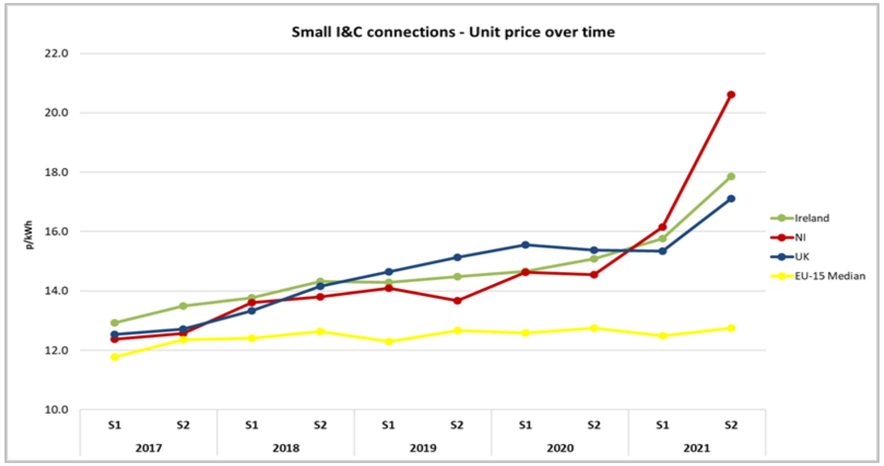


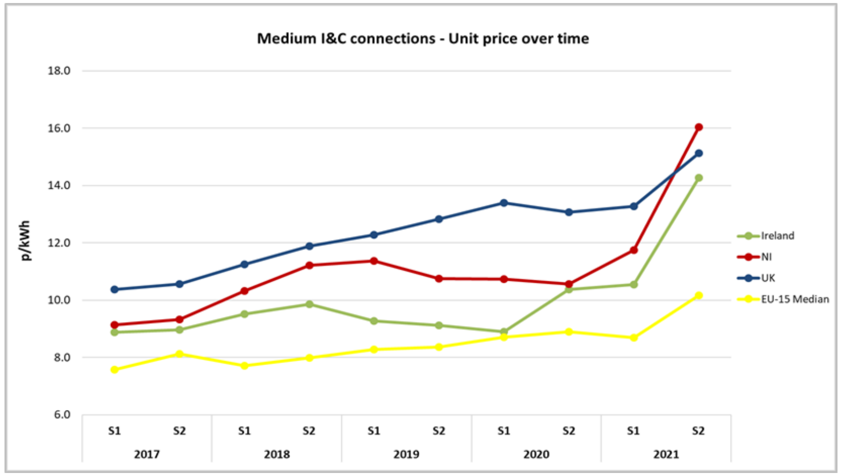






4.7 The graphs below show the unit price over time for the Small and Medium I&C groups which have the majority percentage share of I&C sector, by consumption.





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

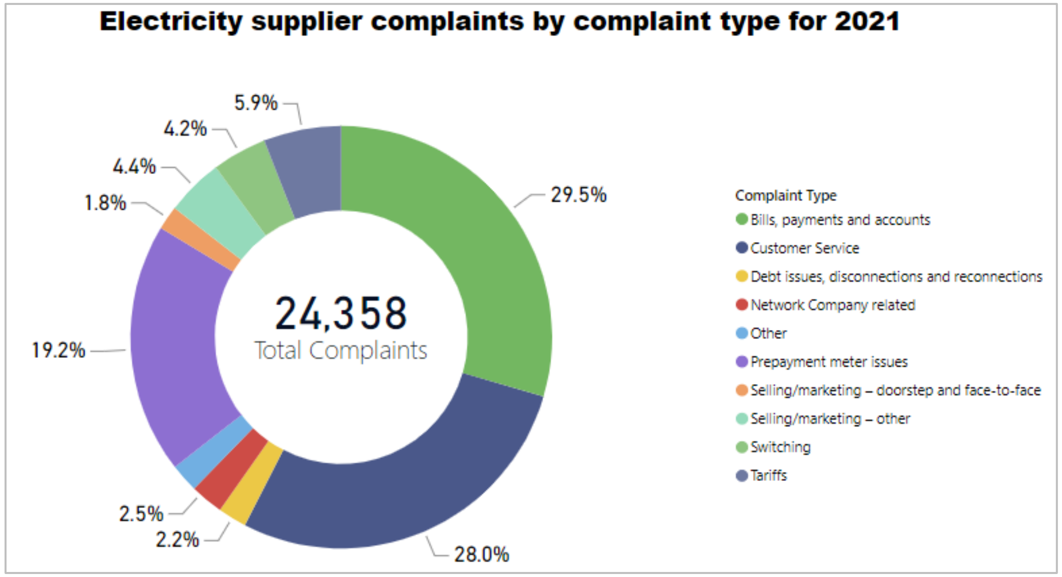
5. Electricity Supplier Complaints

5.1 This section of the report provides readers with information in relation to electricity supplier complaints collated in 2021. The definition of a complaint is outlined in our Code of Practice minimum standards on Complaints Handling[7]. The complaints data is provided by electricity suppliers as per the REMM framework[8] [9].

Total Supplier Complaints

5.2 The table below shows the total number of complaints received by suppliers during 2021, per complaint type, for domestic and I&C customers. The corresponding graph to the right shows the percentage breakdown of the type of complaints made to suppliers during 2021 for all customers. The total number of electricity complaints has increased from 8,947 in 2020 to 24,358 in 2021.

Complaint Type	No. of domestic complaints	No. of I&C complaints	No. of Total complaints
Bills, payments and accounts	6,620	575	7,195
Customer Service	6,723	105	6,828
Debt issues, disconnections and reconnections	344	190	534
Network Company related	554	64	618
Other	482	48	530
Prepayment meter issues	4,669	0	4,669
Selling/marketing – doorstep and face-to-face	431	15	446
Selling/marketing – other	1,056	9	1,065
Switching	985	39	1,024
Tariffs	1,332	117	1,449
Total	**23,196**	**1,162**	**24,358**

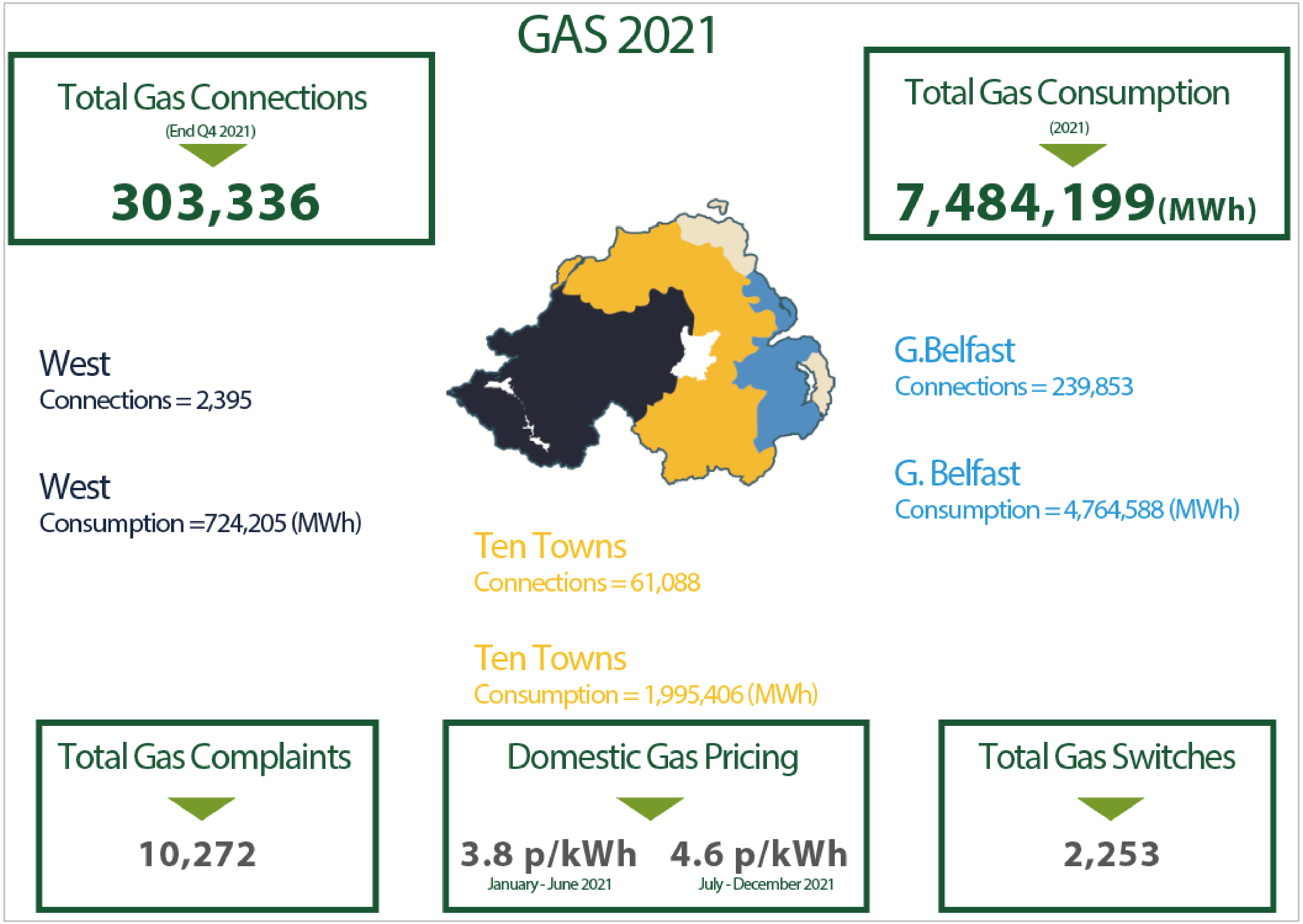


Source: Suppliers

5.3 The three most common electricity supplier complaints made during 2021 related to: bills, payments and accounts (29.5%), customer service (28.0%) and prepayment meter issues (19.2%) which is a similar profile to the complaints in 2020 although the percentages vary.

[7] A complaint is: "*The expression (through various possible channels: letter, email, phone call or physical claim) of a person's dissatisfaction*" as defined in the Code of Practice minimum standards on complaint handling (June 2015)
[8] REMM final decisions paper (June 2015)
[9] CCNI have a statutory duty to deal with customer complaints which they publish each year: CCNI Enquires and Complaints annual report 2020/21

6. Gas[10]

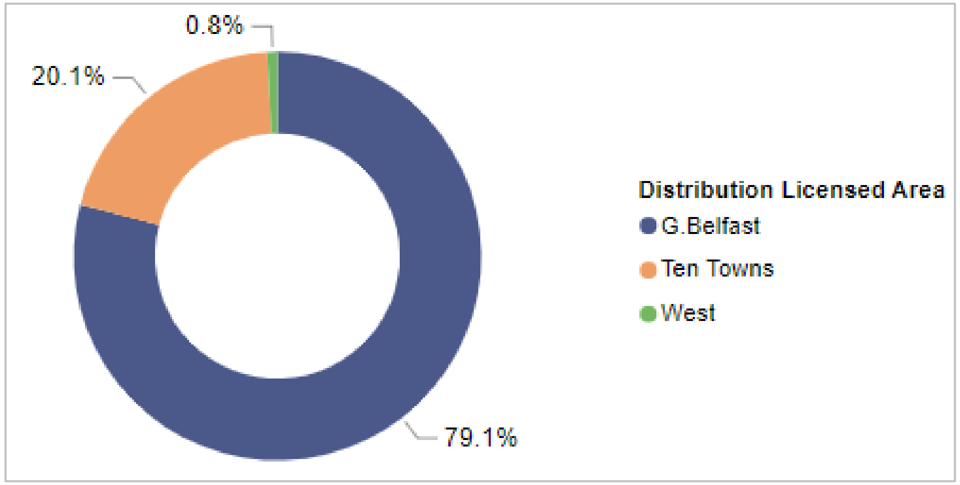


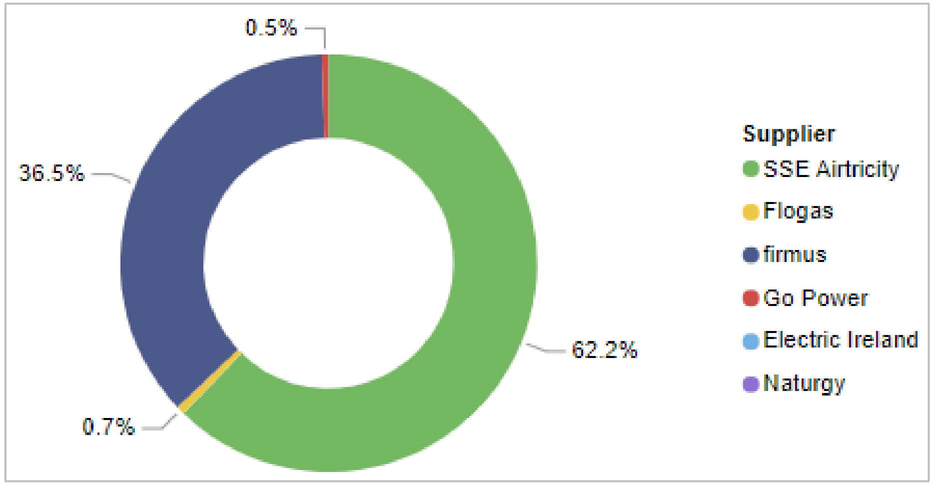
[10] Section 5 consolidates the gas connection, consumption and switching data from the three gas distribution areas (where applicable).

Total NI market share (by connections)

6.1 This section provides information on the connection numbers, by supplier, in all three-distribution areas. The market shares in terms of connections[11] are as at the **end of Q4 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	180,259	47,989	0	7	0	0	228,255
G.Belfast	I&C Only	6,095	2,720	1,455	1,305	16	7	11,598
Ten Towns	Domestic Only	0	58,132	0	0	0	0	58,132
Ten Towns	I&C Only	130	1,992	529	299	0	6	2,956
West	Domestic Only	2,328	0	0	0	0	0	2,328
West	I&C Only	13	30	17	5	0	2	67
Total		**188,825**	**110,863**	**2,001**	**1,616**	**16**	**15**	**303,336**

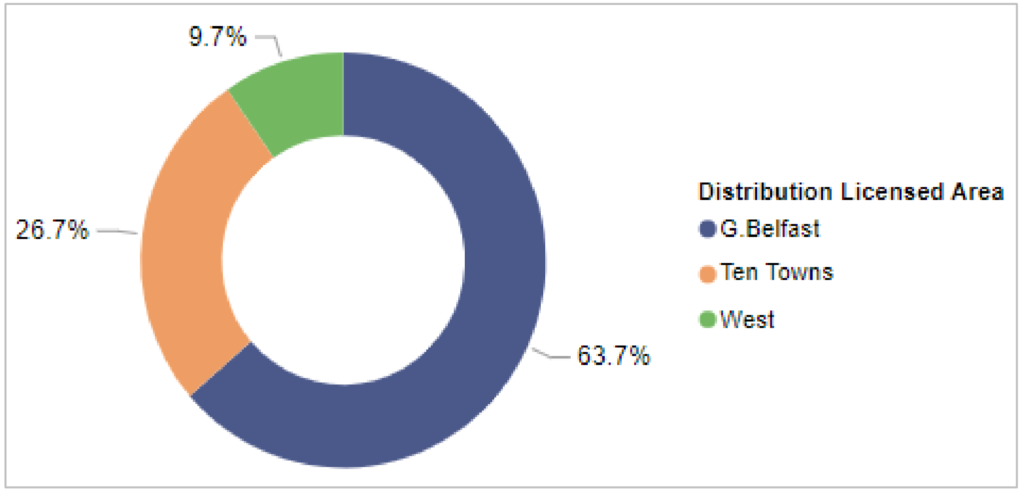
Data source: PNGL / FeDL / SGN NG

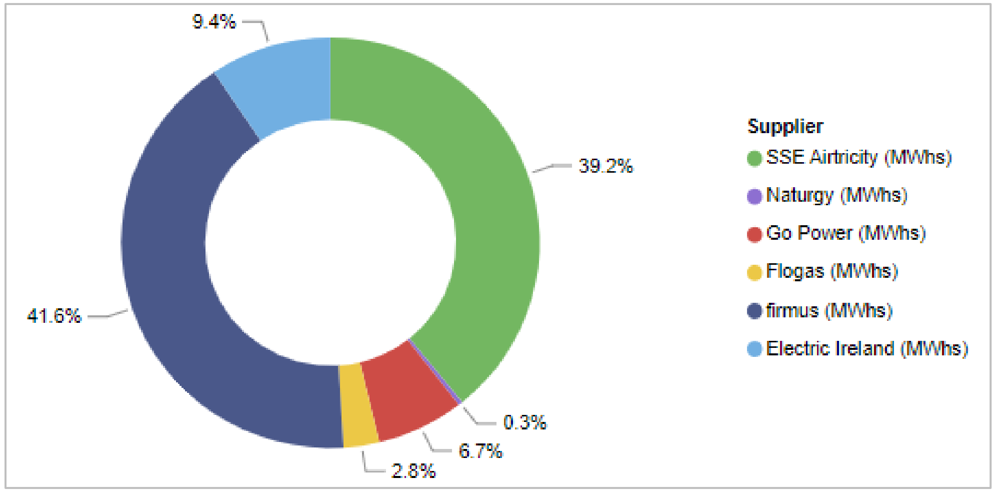
[11] Please note the percentages in the chart may not tally to 100% as the data for some suppliers are not reflected due to the size of their individual market share.

Total NI market share (by consumption)

6.2 The pie chart below shows the total gas consumption[12] in NI for the period **January to December 2021**, with a breakdown by distribution area. Total consumption of the period was 7,484,199 MWh.

Gas Market Share by Consumption - Total NI Market



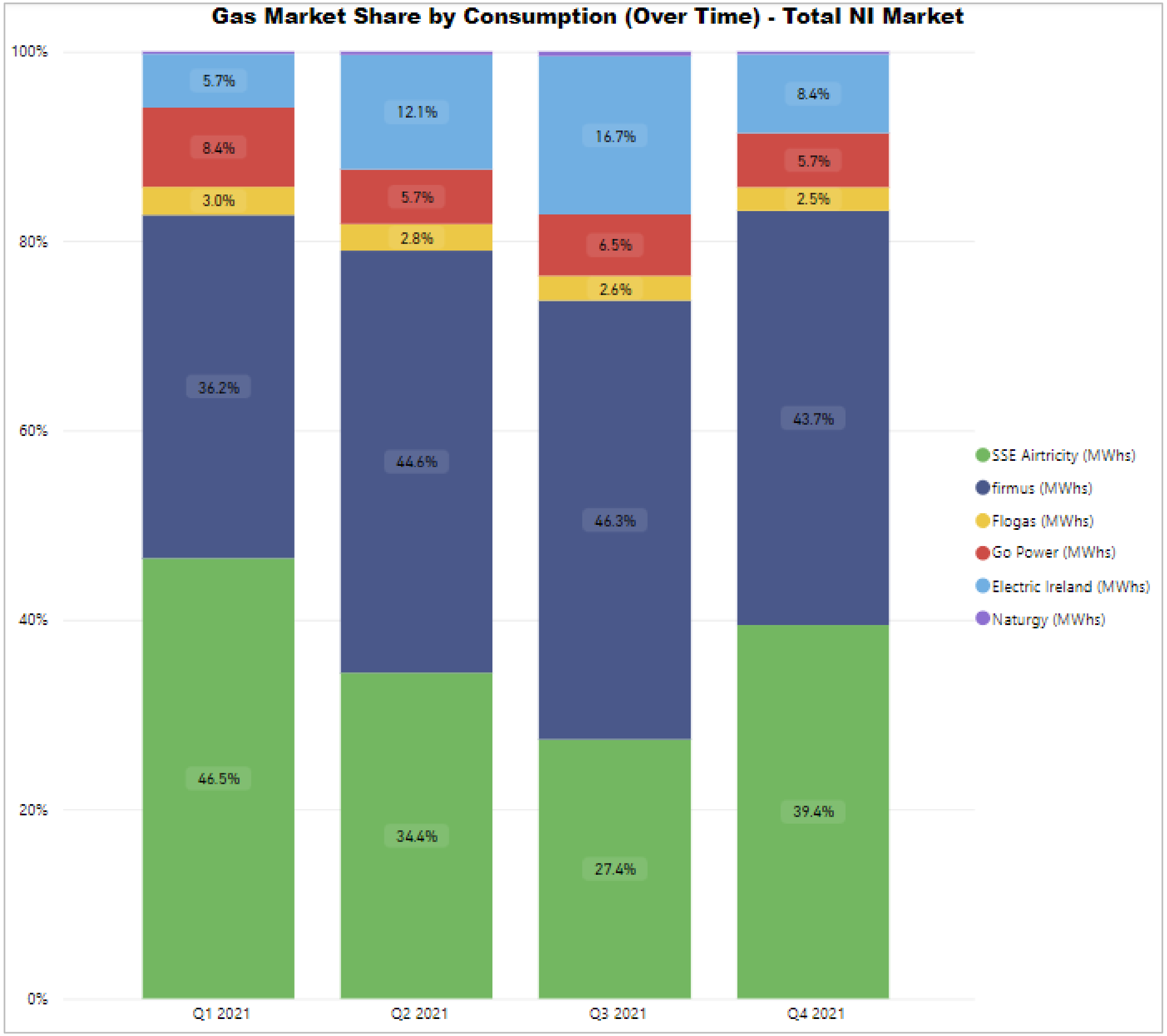


Distribution Licensed Area	SSE Airtricity (MWhs)	firmus (MWhs)	Electric Ireland (MWhs)	Naturgy (MWhs)	Go Power (MWhs)	Flogas (MWhs)	Total Consumption (MWhs)
G.Belfast	2,637,058	1,455,116	133,873	23,382	375,608	139,551	4,764,588
Ten Towns	209,608	1,482,531	134,178	316	109,014	59,759	1,995,406
West	85,032	177,067	434,184	0	20,491	7,431	724,205
Total	**2,931,698**	**3,114,714**	**702,235**	**23,698**	**505,113**	**206,741**	**7,484,199**

Data source: PNGL / FeDL / SGN NG

[12] Gas consumption presented in this QREMM is in MWh.

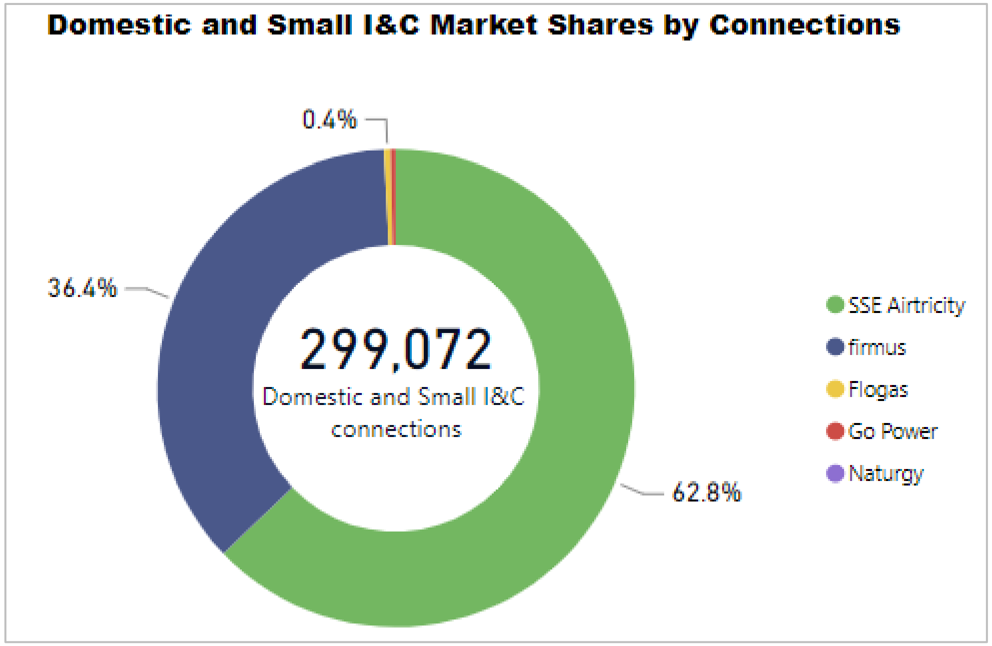
6.3 The bar chart below shows the trends in the market shares (by consumption) for each active domestic and I&C supplier in NI for the four quarters of 2021.



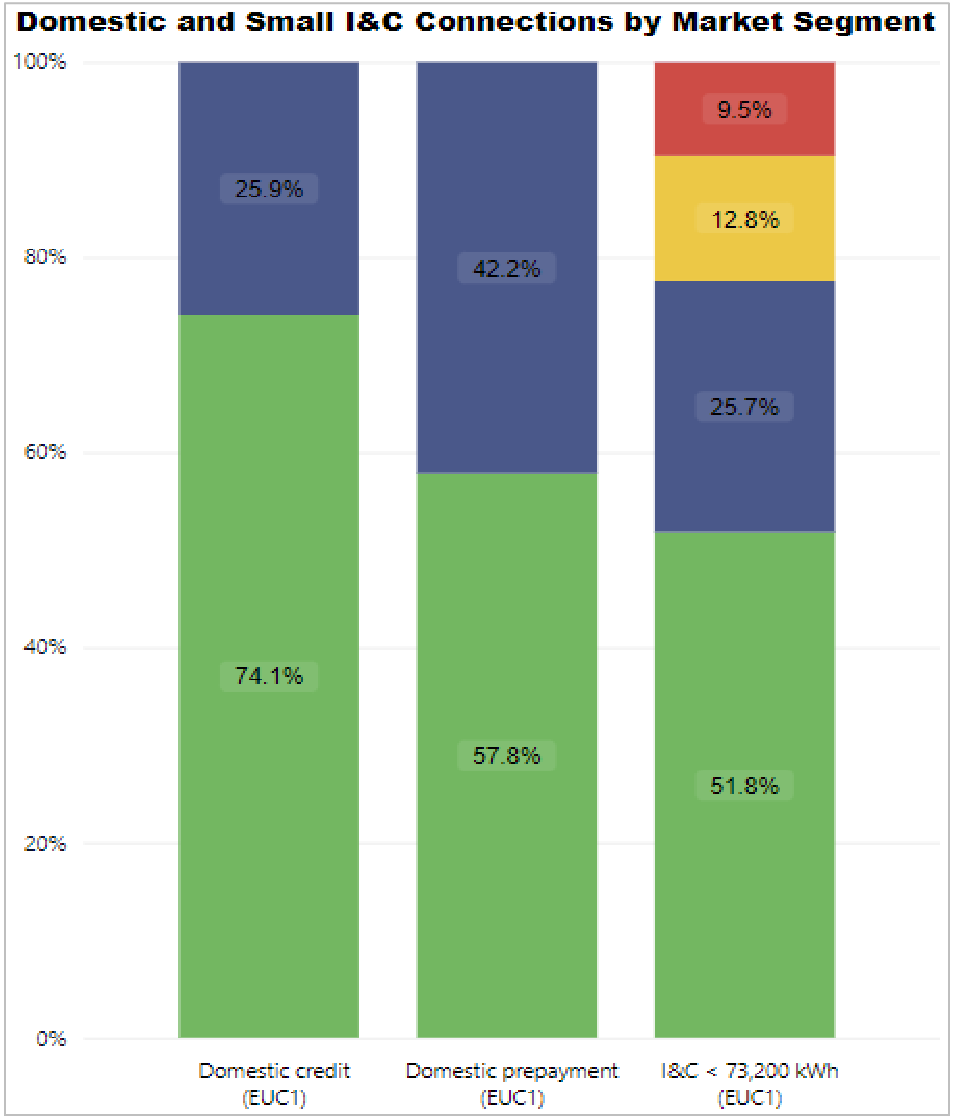
Data source: PNGL / FeDL / SGN NG

Domestic and Small I&C analysis (by connections)

6.4 This section of the report provides a more detailed analysis of the gas **domestic and small I&C sector**[13], by connections (at the end of Q4 2021).



Distribution Licensed Area	Market segment	SSE Airtricity	firmus	Flogas	Go Power	Naturgy	Total Connections
G.Belfast	Domestic credit (EUC1)	70,228	13,029	0	7	0	83,264
G.Belfast	Domestic prepayment (EUC1)	110,031	34,960	0	0	0	144,991
G.Belfast	I&C < 73,200 kWh (EUC1)	5,326	1,468	973	823	3	8,593
Ten Towns	Domestic credit (EUC1)	0	11,810	0	0	0	11,810
Ten Towns	Domestic prepayment (EUC1)	0	46,322	0	0	0	46,322
Ten Towns	I&C < 73,200 kWh (EUC1)	39	1,189	345	166	0	1,739
West	Domestic credit (EUC1)	835	0	0	0	0	835
West	Domestic prepayment (EUC1)	1,493	0	0	0	0	1,493
West	I&C < 73,200 kWh (EUC1)	5	9	11	0	0	25
Total		**187,957**	**108,787**	**1,329**	**996**	**3**	**299,072**

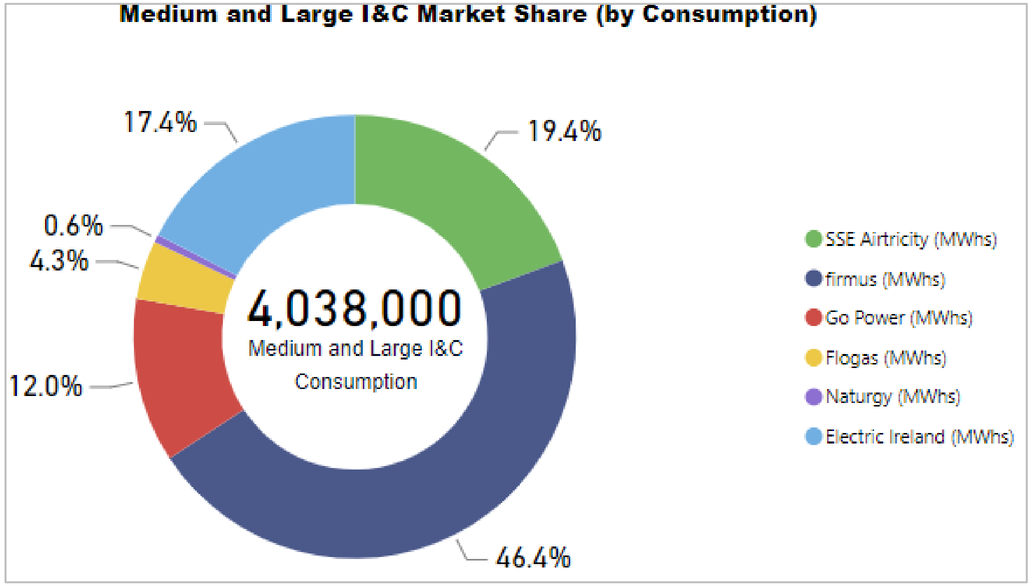


Data sources: PNGL / FeDL / SGN NG

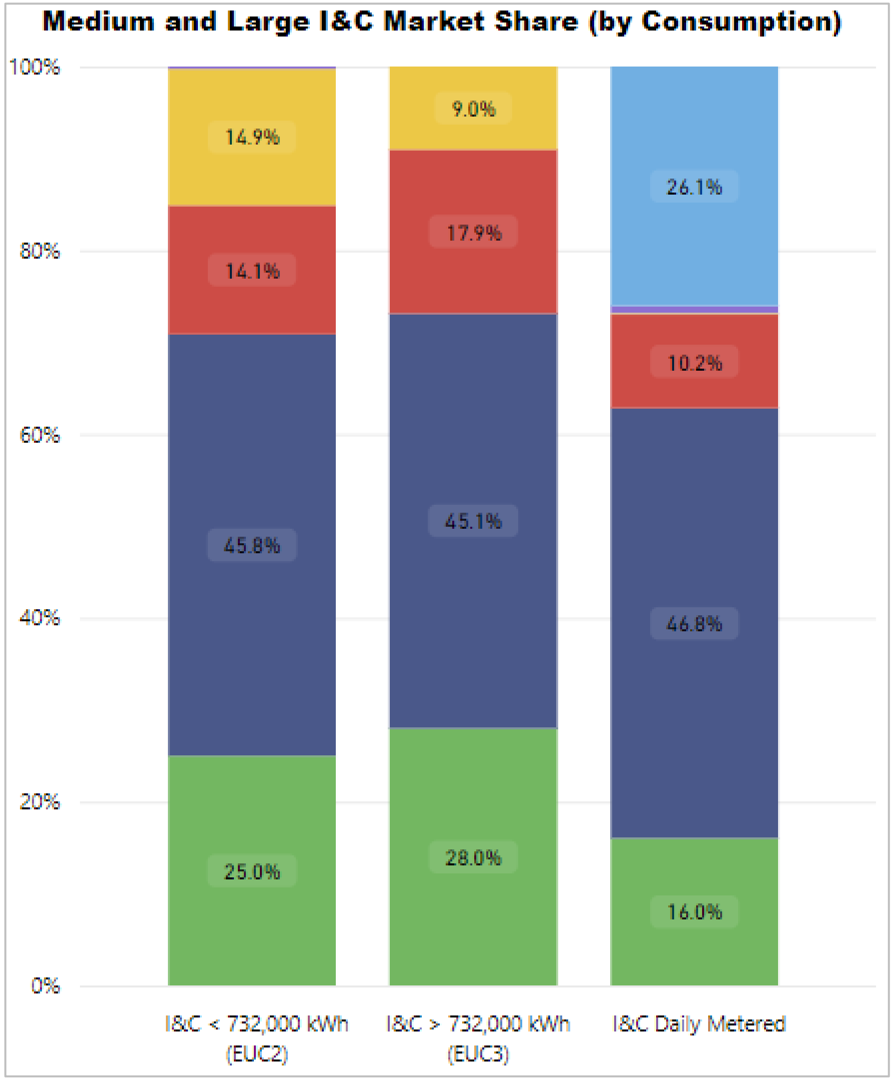
[13] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum.

Medium and Large I&C analysis (by consumption)

6.5 This section of the report provides a more detailed analysis of the gas **medium and large I&C sector**[14], by consumption, for the period January to December 2021.



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)	176,583	233,663	85,168	86,202	2,125	0	583,741
G.Belfast	I&C > 732,000 kWh (EUC3)	99,632	122,545	29,891	66,452	0	0	318,520
G.Belfast	I&C Daily Metered	233,379	460,280	0	205,231	21,179	133,873	1,053,943
Ten Towns	I&C < 732,000 kWh (EUC2)	29,004	143,431	36,591	29,509	0	17	238,553
Ten Towns	I&C > 732,000 kWh (EUC3)	42,838	109,552	14,264	25,708	0	0	192,363
Ten Towns	I&C Daily Metered	135,735	625,879	56	49,881	316	134,161	946,027
West	I&C < 732,000 kWh (EUC2)	772	1,321	826	270	0	0	3,189
West	I&C > 732,000 kWh (EUC3)	2,467	1,556	2,560	448	0	0	7,030
West	I&C Daily Metered	62,787	174,087	3,804	19,773	0	434,184	694,635
Total		**783,197**	**1,872,314**	**173,160**	**483,474**	**23,620**	**702,235**	**4,038,000**

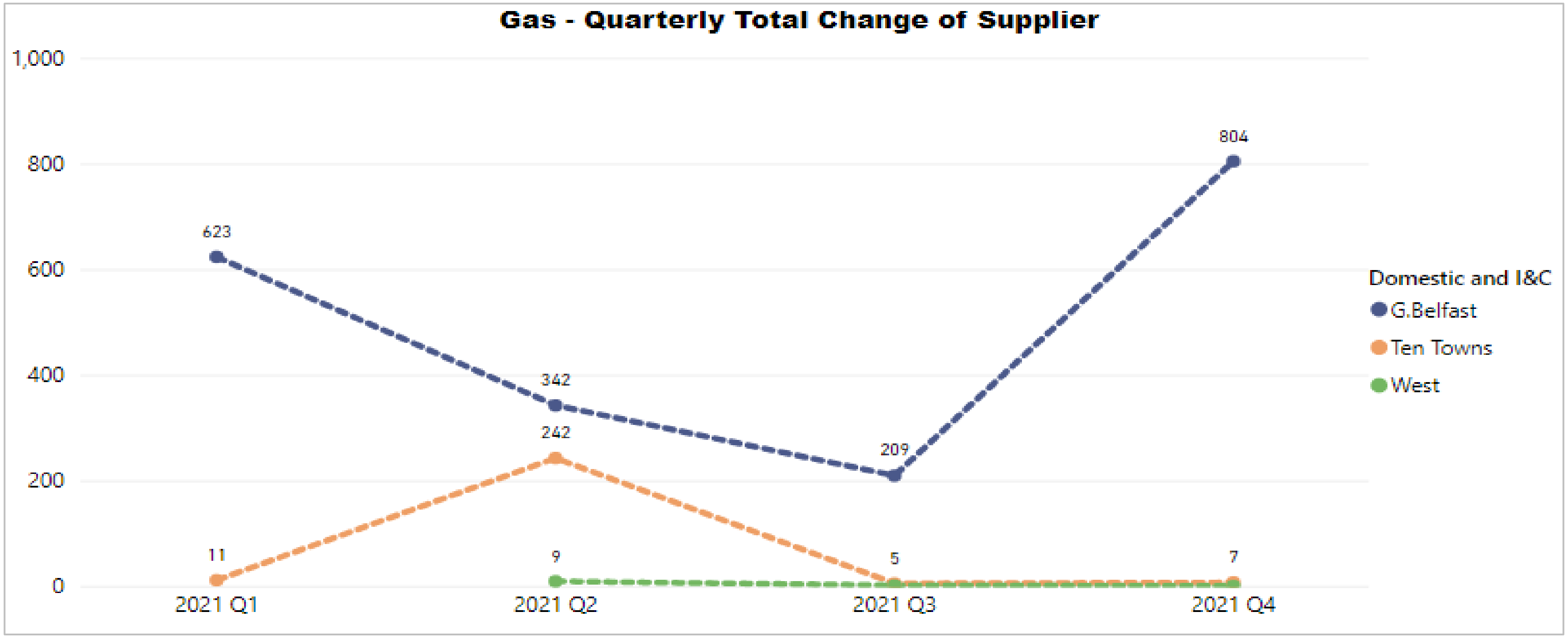


Data sources: PNGL / FeDL / SGN NG

[14] 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)

6.6 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[15] for each quarter of 2021. There were a total of 2,253 gas switches in 2021 which was an increase from 1,686 in the previous year.

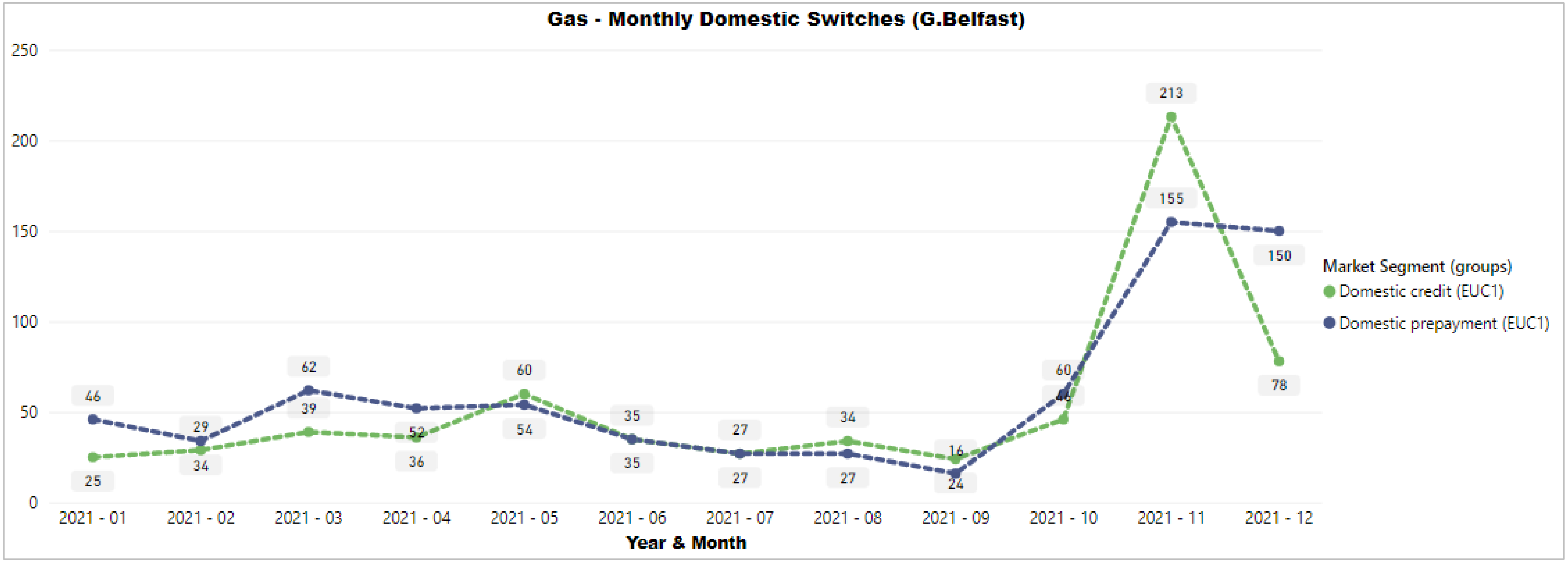


Switching rate – Total NI market				
Quarter	2021 - Q1	2021 - Q2	2021 – Q3	2021 – Q4
No. of switches	634	593	215	811
Switching rate (%)	0.2%	0.2%	0.1%	0.3%

Data source: PNGL / FeDL / SGN NG

[15] 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.

6.7 Greater Belfast is the only distribution area in which there is competition within the domestic credit and prepayment[16] 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 for each quarter of 2021. The total number of gas domestic switches in 2021 was 1,364 which was an increase from 858 in the previous year.

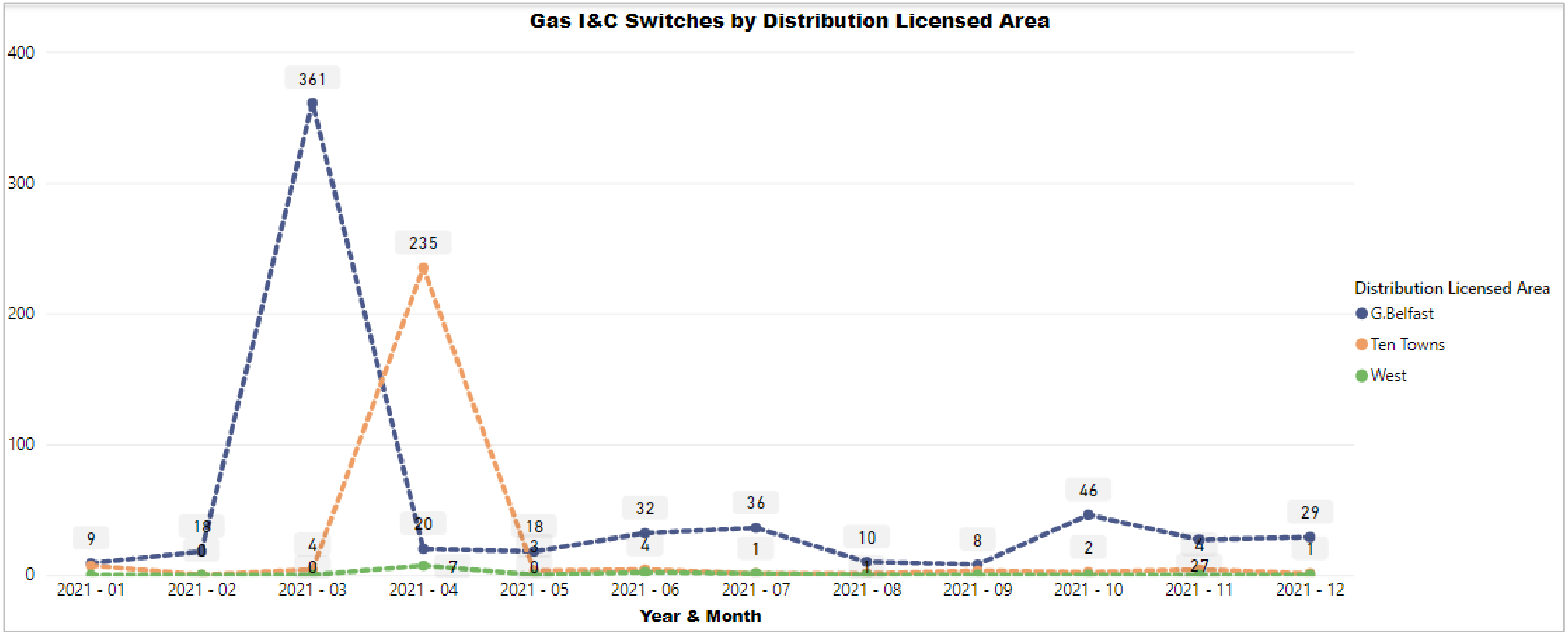


Switching rate – Domestic market (G. Belfast only)				
Quarter	2021 – Q1	2021 – Q2	2021 – Q3	2021 – Q4
No. of switches	235	272	155	702
Switching rate (%)	0.1%	0.1%	0.1%	0.3%

Data source: PNGL

[16] 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.

6.8 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 for each quarter of 2021. The total number of gas I&C switches in 2021 was 889 as increase from 825 in the previous year.



Switching rate – I&C Market				
Quarter	2021 – Q1	2021 – Q2	2021 – Q3	2021 – Q4
No. of switches	399	321	60	109
Switching rate (%)	2.8%	2.2%	0.4%	0.8%

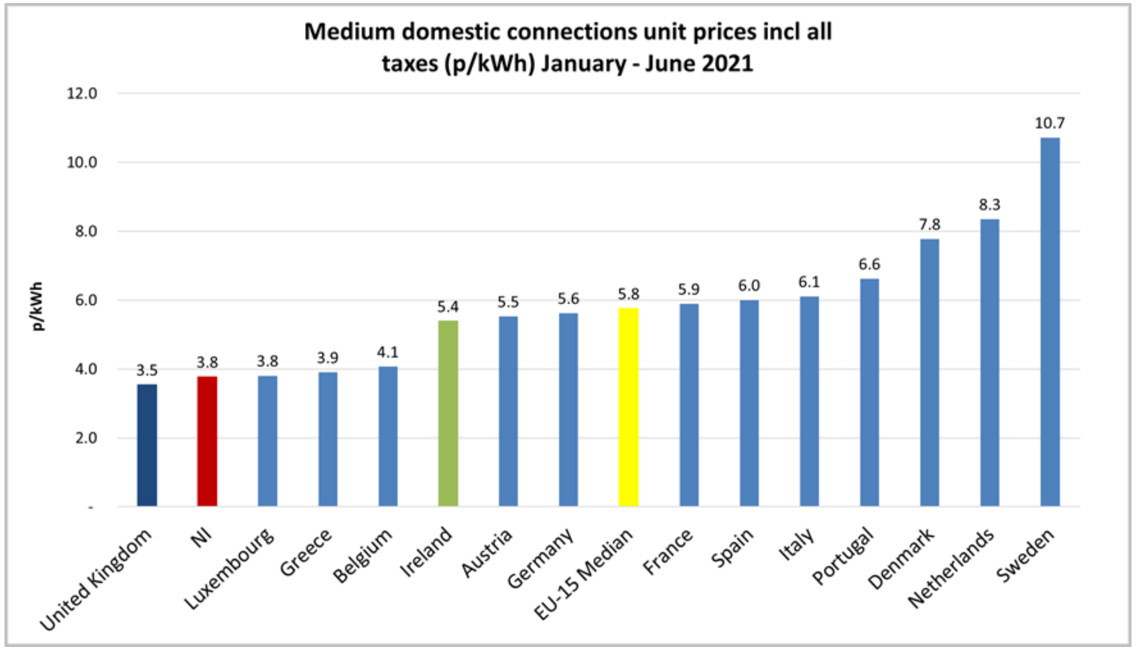
Data source: PNGL / FeDL / SGN NG

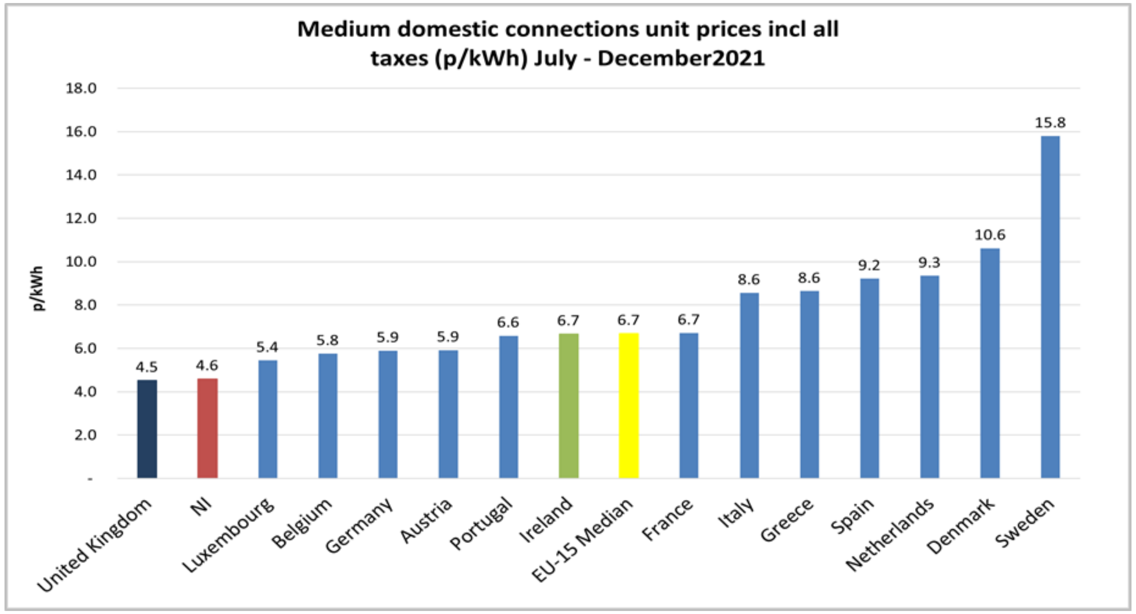
7. Gas Pricing – 2021

Gas Domestic Pricing

7.1 The pricing data detailed in this AREMM report provides a comparison for the period January – June 2021 (semester 1) and July – December 2021 (semester 2). 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.

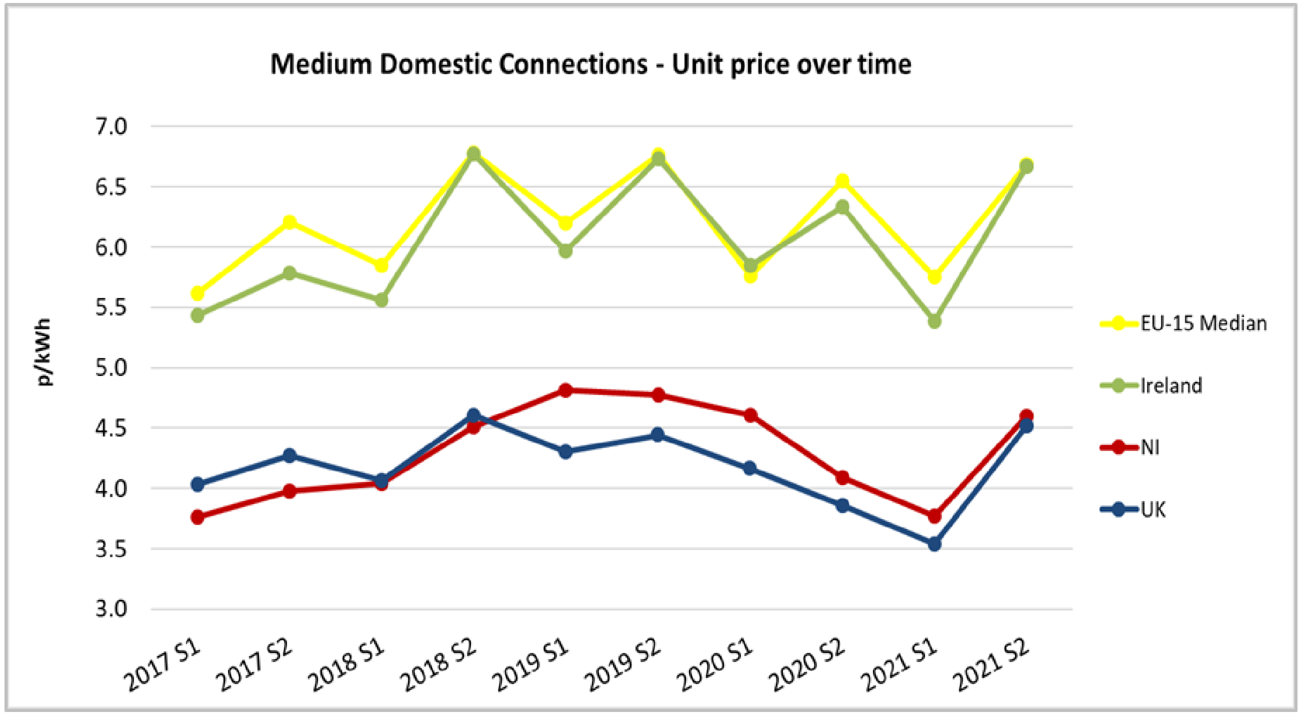
7.2 The NI unit price is the average pence per kWh for medium customers for the Greater Belfast, Ten Towns and West network areas. The NI domestic gas prices still rank among the lowest in the EU. In semester 1 and semester 2 2021, the NI gas prices is less than RoI and the EU median. It should be noted that the vast majority of NI domestic gas connections are customers of the relevant network incumbent suppliers and are therefore subject to their regulated tariffs.





Data source: Eurostat and NI gas suppliers collated by UR

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



Data source: Eurostat and NI gas suppliers collated by UR

7.4 During the period, there has been a number of increases to the regulated tariff within the Ten Towns and Greater Belfast & West areas. Further details on these regulated tariffs are available in the UR tariff review briefing notes[17]. The tables on the next page illustrates the regulated tariffs during 2021.

[17] [UR gas regulated tariff briefing notes]()

firmus energy Ten Towns area	Rates from 1st April 2021			Rates from 1st October 2021			Rates from 3rd December 2021		
	Domestic (inc 5% VAT)	PAYG (inc 5% VAT)	IC1 (inc 20% VAT)	Domestic (inc 5% VAT)	PAYG (inc 5% VAT)	IC1 (inc 20% VAT)	Domestic (inc 5% VAT)	PAYG (inc 5% VAT)	IC1 (inc 20% VAT)
Up to 2,000 kWh	5.933	4.112	7.28	8.018	5.557	9.84	11.079	7.678	9.84
Over 2,000 kWh	3.998	-	4.83	5.403	-	6.53	7.468	-	6.53
Over 73,200 kWh	-	-	-	-	-	-	-	-	-
Direct debit discount	£22.00	-	-	£22.00	-	-	£22.00	-	-

SSE Airtricity G. Belfast and West area	Rates from 1st April 2021			Rates from 1st October 2021		
	Domestic (inc 5% VAT)	PAYG (inc 5% VAT)	IC1 (inc 20% VAT)	Domestic (inc 5% VAT)	PAYG (inc 5% VAT)	IC1 (inc 20% VAT)
Up to 2,000 kWh	5.811	4.227	6.641	7.076	5.148	8.087
Over 2,000 kWh	3.982	4.227	4.55	4.849	5.148	5.542
Over 73,200 kWh	-	-	-	-	-	-
Direct debit discount	£22.05	-	£22.05	£22.05	-	£22.05

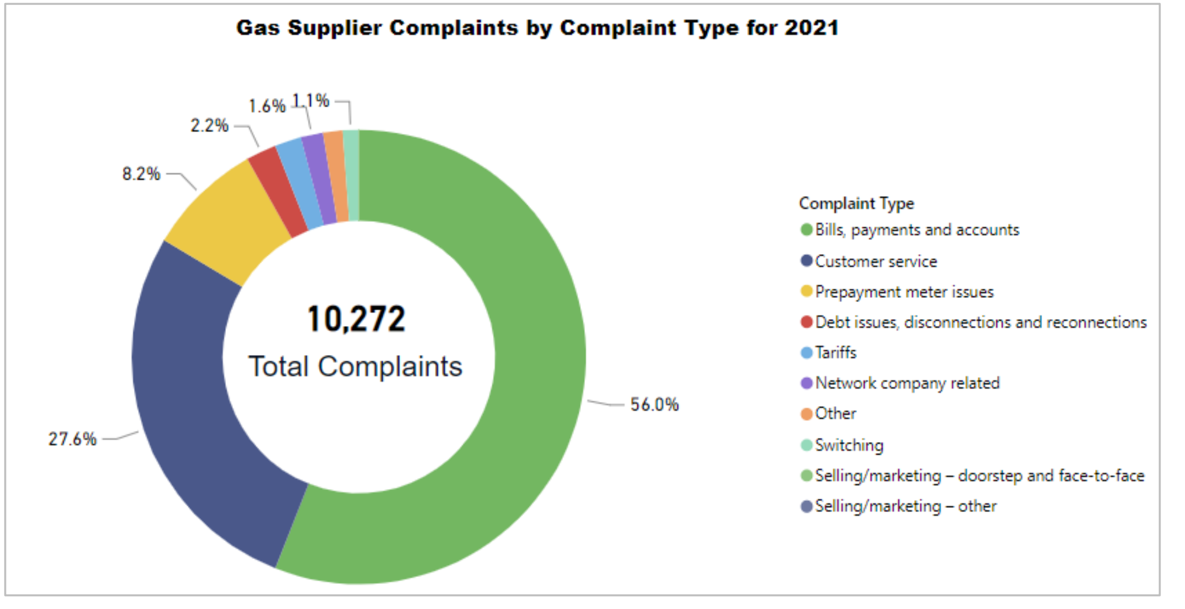
8. Gas Supplier Complaints

8.1 This section of the report provides readers with information in relation to gas supplier complaints collated in 2021. The definition of a complaint is outlined in our Code of Practice minimum standards on complaints handling[18]. The complaints data is provided by gas suppliers as per the REMM framework[19] [20].

Total Supplier Complaints

8.2 The table below shows the total number of complaints received by suppliers during 2021, per complaint type, for domestic and I&C customers. The corresponding graph to the right shows the percentage breakdown of the type of complaints made to suppliers during 2021 for all customers. The total number of gas complaints in 2021 increased from 2,900 in 2020 to 10,272.

Complaint Type	No. of domestic complaints	No. of I&C complaints	No. of Total complaints
Bills, payments and accounts	5,552	201	5,753
Customer service	2,732	103	2,835
Debt issues, disconnections and reconnections	214	8	222
Network company related	161	1	162
Other	140	3	143
Prepayment meter issues	845	0	845
Selling/marketing – doorstep and face-to-face	3	0	3
Selling/marketing – other	0	0	0
Switching	111	3	114
Tariffs	193	2	195
Total	**9,951**	**321**	**10,272**



Source: Suppliers

8.3 During 2021, the three most common gas supplier complaints made by gas customers related to; bills, payments and accounts (56.0%), customer service (27.6%) and prepayment meter issues[21] (8.2%).

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[18] A complaint is: "*The expression (through various possible channels: letter, email, phone call or physical claim) of a person's dissatisfaction*" as defined in the Code of Practice minimum standards on complaint handling (June 2015)
[19] REMM final decisions paper (June 2015)
[20] CCNI have a statutory duty to deal with customer complaints which they publish each year: CCNI Enquires and Complaints annual report 2020/21
[21] Please note that complaints in relation to prepayment meter issues are only applicable to domestic customers (and hence domestic suppliers).

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[22] and Eurostat data base[23]) 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.

[22] https://www.gov.uk/government/collections/quarterly-energy-prices
[23] 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[24] and Eurostat data base[25]) 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[26] 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[27] (DNOs) who operate in separate distribution areas as follows:

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[24] www.gov.uk/government/collections/quarterly-energy-prices
[25] http://ec.europa.eu/eurostat/web/energy/data/database
[26] The latest SEM market monitoring report is here
[27] 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[31] 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[28]	
Domestic	Incumbent supplier since September 1996: SSE Airtricity[29]
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[30]	
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[32]	
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

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

Glossary

AREMM	Annual Retail Energy Market Monitoring	RoI	Republic of Ireland
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.	SGN NG	SGN Natural Gas
CoS	Change of supplier	S1	Semester 1
EU	European Union		
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	S2	Semester 2
feDL	firmus energy (Distribution) Limited	UR	Utility Regulator
firmus energy	firmus energy (Supply) Limited	VAT	Value Added Tax
GB	Great Britain	UK	United Kingdom
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).		
QREMM	Quarterly Retail Energy Market Monitoring		
REMM	Retail Energy Market Monitoring		