Quarterly Retail Energy Market Monitoring Report

Quarter 2: 01 April to 30 June 2023

Published: 31 August 2023

Abstract

The Quarterly Retail Energy Market Monitoring (QREMM) report 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, DESNZ (Department for Energy Security and Net Zero) 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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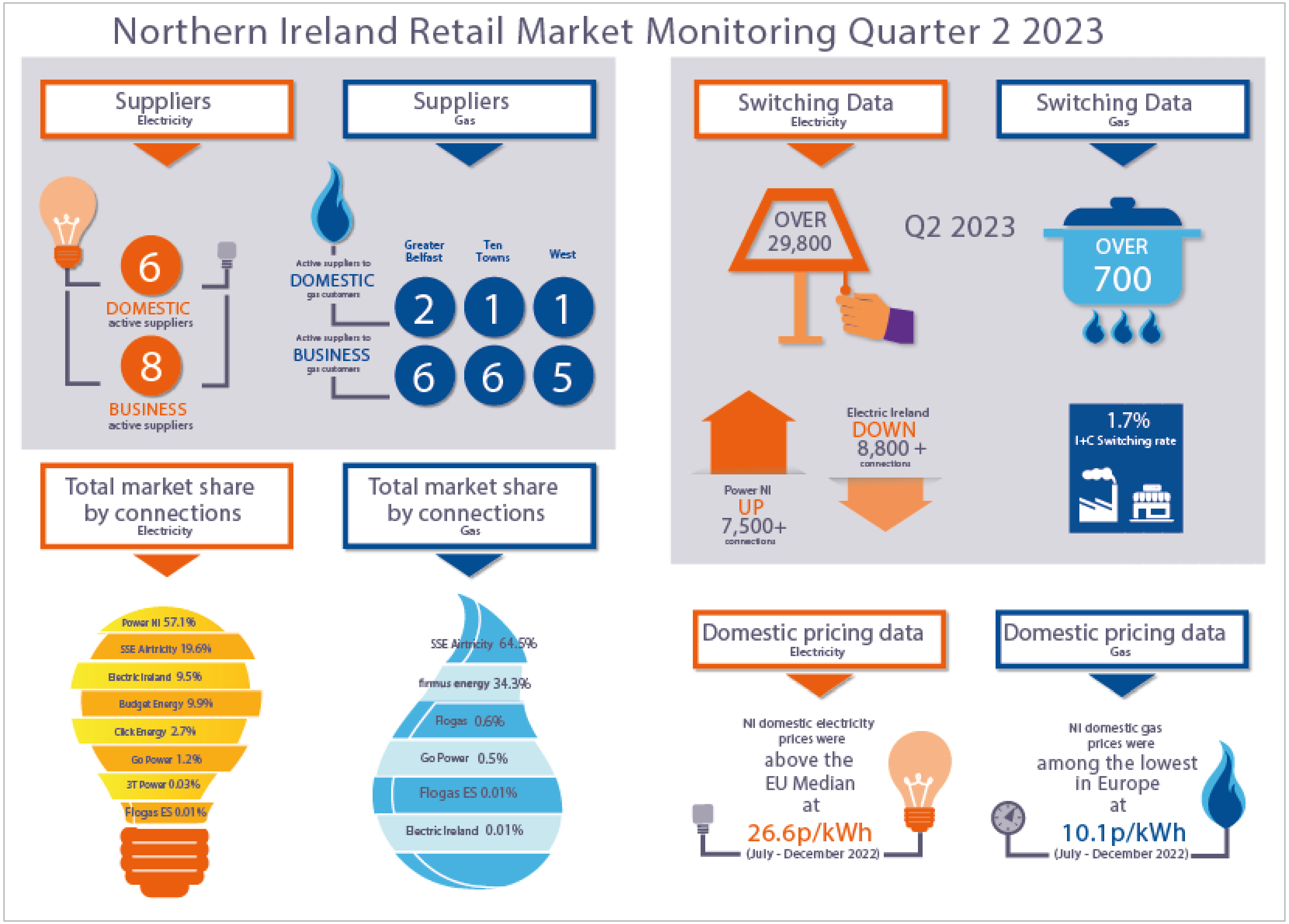
1. Summary of key market indicators



Key developments during Q2 2023

1. **1.** Overall electricity switching activity in Q2 2023 increased from the previous quarter. Domestic customers continue to engage in the market with almost 27,000 domestic switches completed during Q2 2023, a switching rate of 3.2% (an increase from 2.8% in Q1 2023). Similarly, the I&C sector saw an increase in the electricity switching rate from 0.9% in Q1 2023 to 3.8% in Q2 2023.

2. **2.** In the gas sector, domestic switching in the Greater Belfast area saw c500 switches completed during Q2 2023 (a decrease from c2,700 in Q1 2023). I&C switching saw an increase in switching activity from 1.1% in Q1 2023 to 1.7% in Q2 2023.

3. **3.** The semester 2 (July to December) 2022 electricity pricing data is sourced from Eurostat, DESNZ and individual supplier's submissions under the REMM framework. The pricing data for the period illustrates the following:

   - NI domestic electricity prices (26.6 p/kWh) ranked slightly above than the EU median (23.6p/kWh) but lower than RoI (36.2 p/kWh) and significantly lower than the UK (40.4 p/kWh).
   - The NI I&C electricity price for the Very Small connections (which represent c70% of I&C connections) was 35.3 p/kWh, which was higher than the EU median (24.9 p/kWh), higher than the UK (26.6 p/kWh) and above RoI (31.8 p/kWh).
   - For Large and Very Large I&C customers (c0.02% of connections) NI prices (22.4 p/kWh) were higher than the EU median (17.1 p/kWh), RoI (19.6 p/kWh) and the UK (21.6 p/kWh).

4. **4.** The semester 2 (July to December) 2022 domestic gas prices in NI were among the lowest in Europe at 10.1 p/kWh. This was less than the EU median (12.2 p/kWh), UK (12.5 p/kWh) and RoI (13.3 p/kWh).

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	💡	💡	🔥	🔥		🔥	🔥	🔥
Flogas Enterprise Solutions (Flogas ES)[2]		💡		🔥		🔥		
3T Power		💡						
Suppliers	**6**	**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] Flogas Enterprise Solutions, previously known as Naturgy Ltd.

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[3] gas distribution area was a large I&C user during Q1 2017.

2.5 During the second quarter of 2023 there were **eight** 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.

[3] 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 Q2 2023

Total Electricity Connections

915,961

840,445
Domestic connections

Domestic Credit = 458,272
Domestic Prepayment = 382,173

75,516
I&C connections

I&C <20 MWh = 53,362
I&C 20 - 49 MWh = 12,075
I&C 50 - 499 MWh = 9,025
I&C 500 - 1,999 MWh = 797
I&C 2,000 - 19,999 MWh = 241
I&C >20,000 MWh = 16

Total Electricity Consumption

1,712(GWh)

625.5(GWh)
Domestic consumption

Domestic Credit = 350.3 GWh
Domestic Prepayment = 275.2 GWh

1,086.6 (GWh)
I&C consumption

I&C <20 MWh = 68.8 GWh
I&C 20 - 49 MWh = 82.0 GWh
I&C 50 - 499 MWh = 275.6 GWh
I&C 500 - 1,999 MWh = 184.3 GWh
I&C 2,000 - 19,999 MWh = 312.9 GWh
I&C >20,000 MWh = 162.8GWh

Domestic Electricity Pricing

26.6p/kWh

July - December 2022

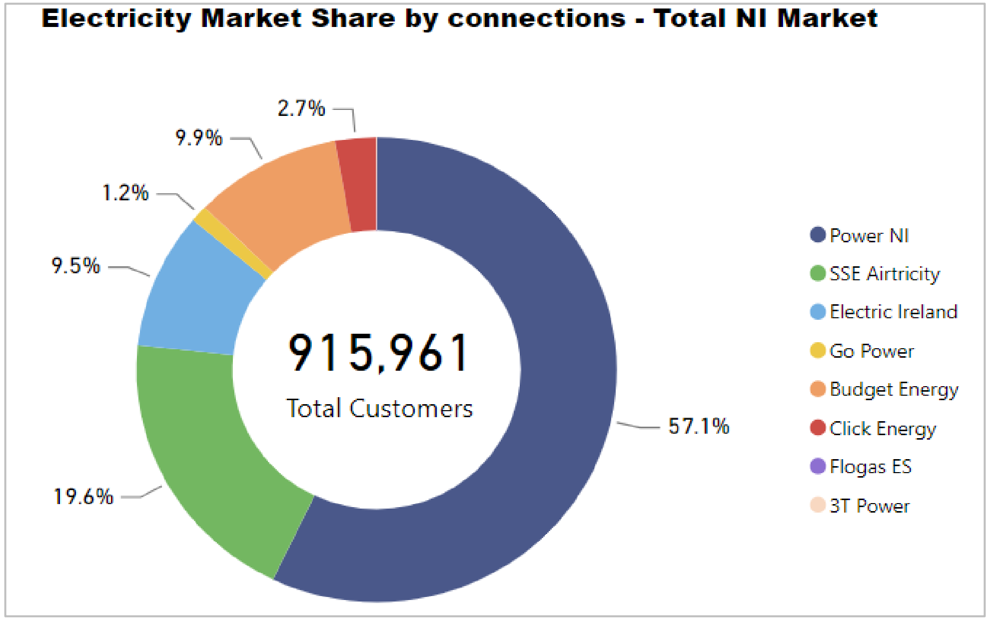
Total Electricity Switches

29,870

Total NI market shares (by connections)

3.1 The chart[4] to the right shows the percentage market share by connections[5] for each electricity supplier at the **end of June 2023**.

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 57.1% share of the market.

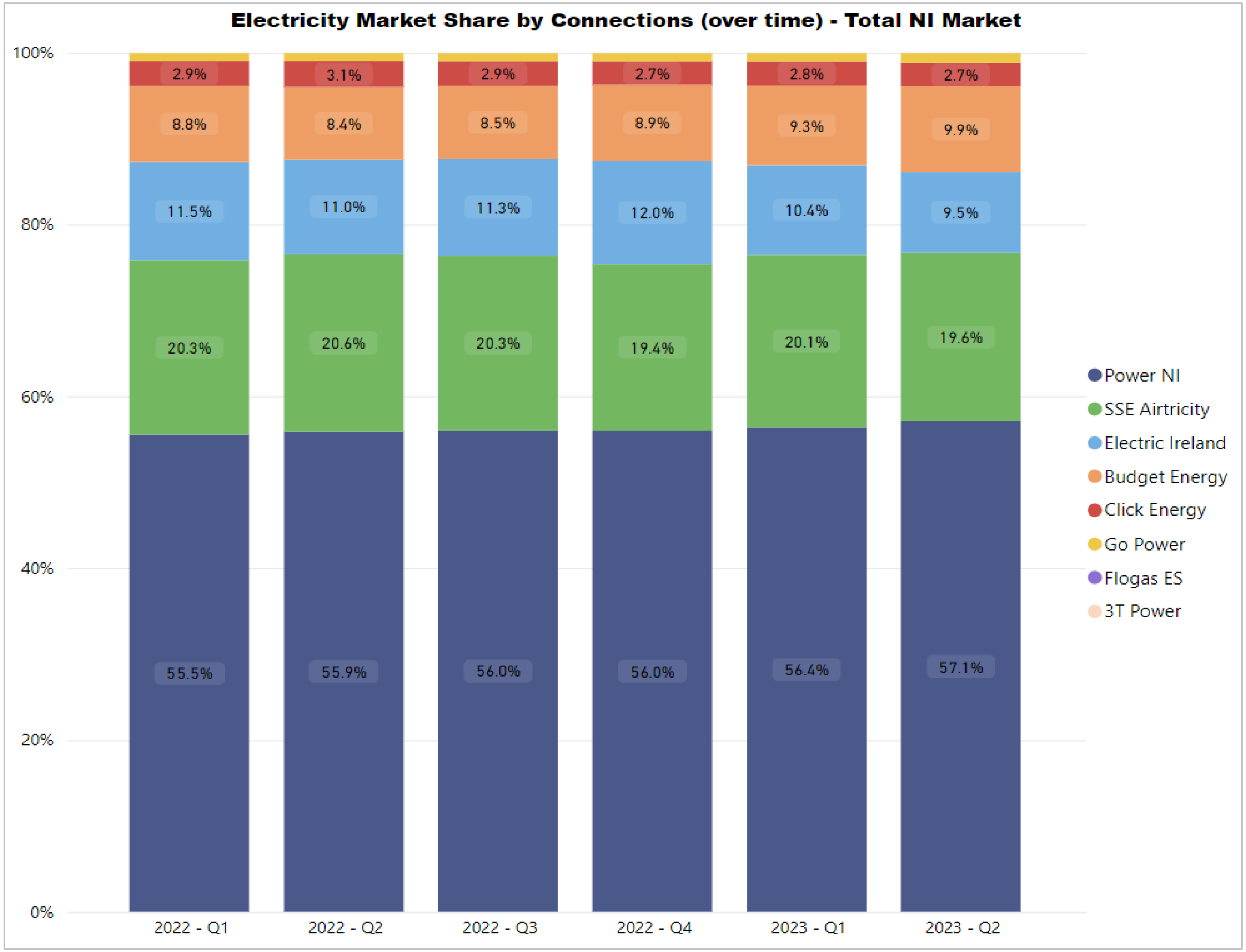


Market Segment	Power NI	SSE Airtricity	Electric Ireland	Budget Energy	Click Energy	Go Power	Flogas ES	3T Power	Total Customers
Domestic credit	298,034	108,913	36,969	9,253	4,257	846	0	0	458,272
Domestic prepayment	188,470	54,816	38,150	81,029	19,708	0	0	0	382,173
I&C < 20 MWh	28,882	10,524	6,237	483	725	6,322	21	168	53,362
I&C 20 – 49 MWh	4,588	2,983	2,292	146	208	1,815	4	39	12,075
I&C 50 – 499 MWh	2,856	1,829	2,561	47	174	1,472	17	69	9,025
I&C 500 – 1,999 MWh	210	178	251	0	8	120	18	12	797
I&C 2,000 – 19,999 MWh	49	42	106	0	5	29	7	3	241
I&C ≥ 20,000 MWh	0	5	9	0	0	2	0	0	16
Total	**523,089**	**179,290**	**86,575**	**90,958**	**25,085**	**10,606**	**67**	**291**	**915,961**

Data source: NIEN

[4] 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.
[5] 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.

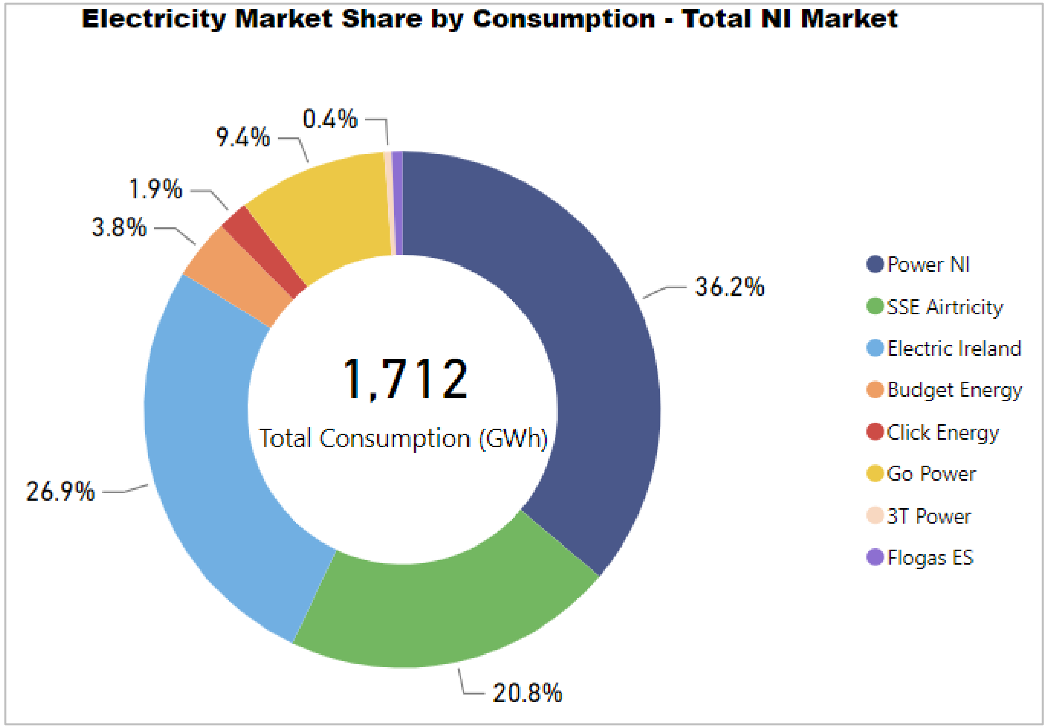


Data source: NIEN

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 2023.**

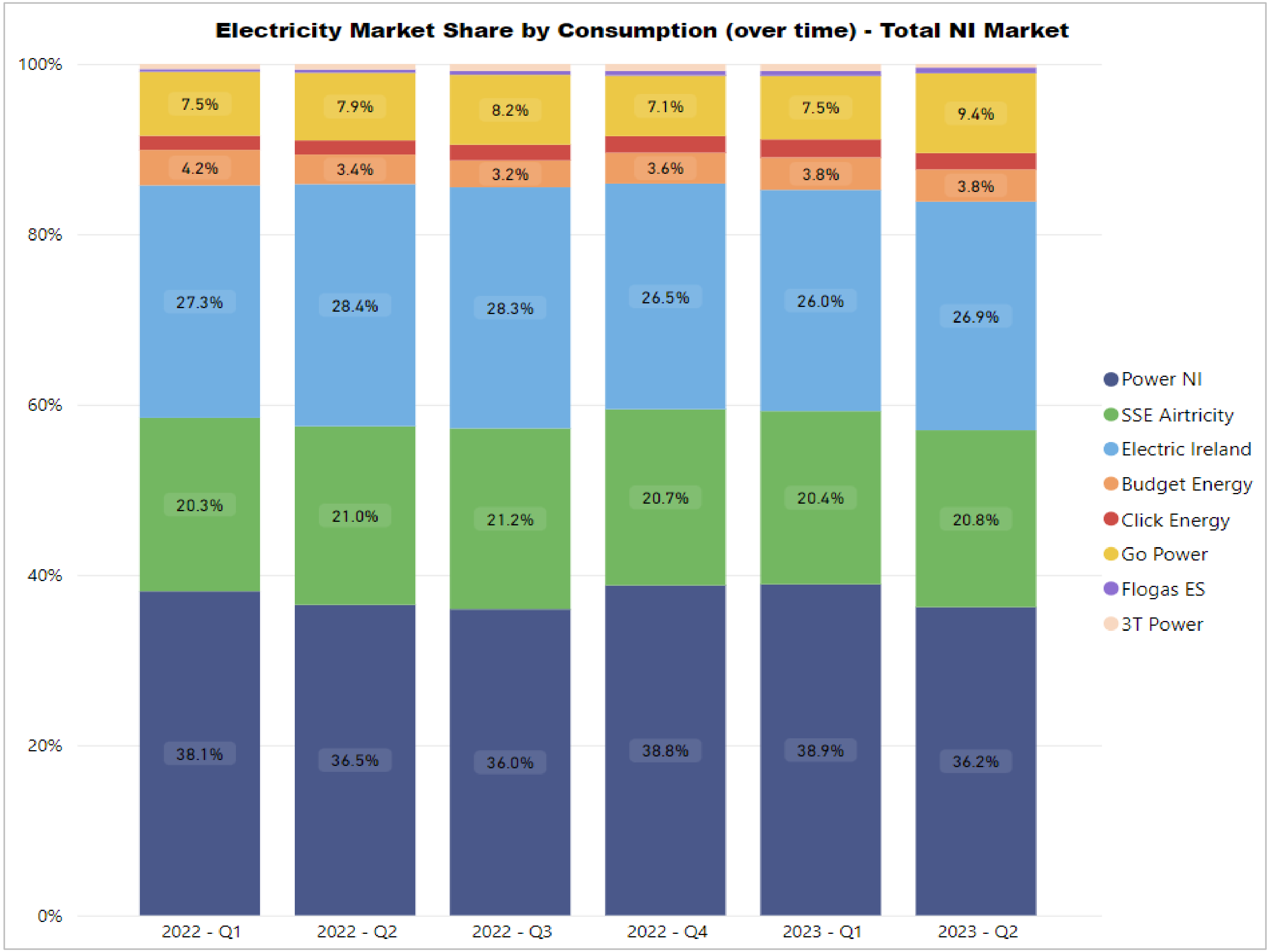
3.5 Electricity consumption in the NI retail market for Q2 2023 was 1,712 GWh.



Market Segment	Power NI	SSE Airtricity	Electric Ireland	Budget Energy	Click Energy	Go Power	3T Power	Flogas ES	Total Consumption (GWh)
Domestic credit	217.9	89.5	29.9	7.9	3.9	1.3	0.0	0.0	350.3
Domestic prepayment	136.9	40.7	28.9	53.9	14.8	0.0	0.0	0.0	275.2
I&C < 20 MWh	34.2	15.2	9.6	0.7	0.9	7.9	0.2	0.0	68.8
I&C 20 – 49 MWh	31.2	20.4	17.1	1.0	1.1	10.9	0.2	0.0	82.0
I&C 50 – 499 MWh	84.1	55.9	87.5	1.0	3.8	40.2	2.2	1.0	275.6
I&C 500 – 1,999 MWh	52.2	38.0	57.0	0.0	2.7	27.4	2.4	4.5	184.3
I&C 2,000 – 19,999 MWh	61.2	50.1	155.0	0.0	5.4	32.6	2.7	5.9	312.9
I&C ≥ 20,000 MWh	1.9	46.2	74.8	0.0	0.0	39.9	0.0	0.0	162.8
Total	**619.7**	**356.2**	**459.7**	**64.4**	**32.7**	**160.3**	**7.7**	**11.4**	**1,712.1**

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.

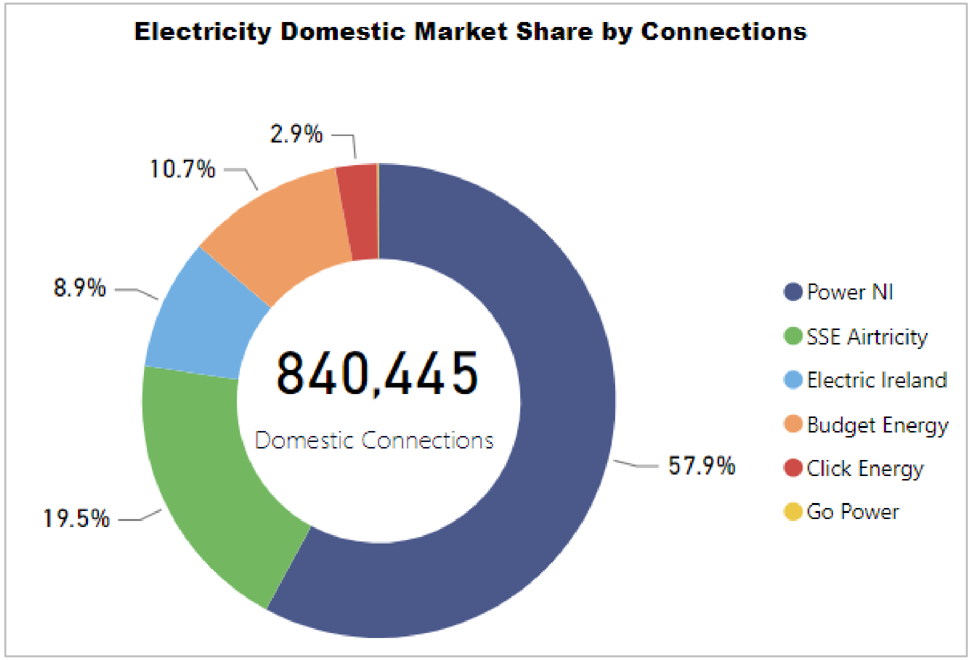


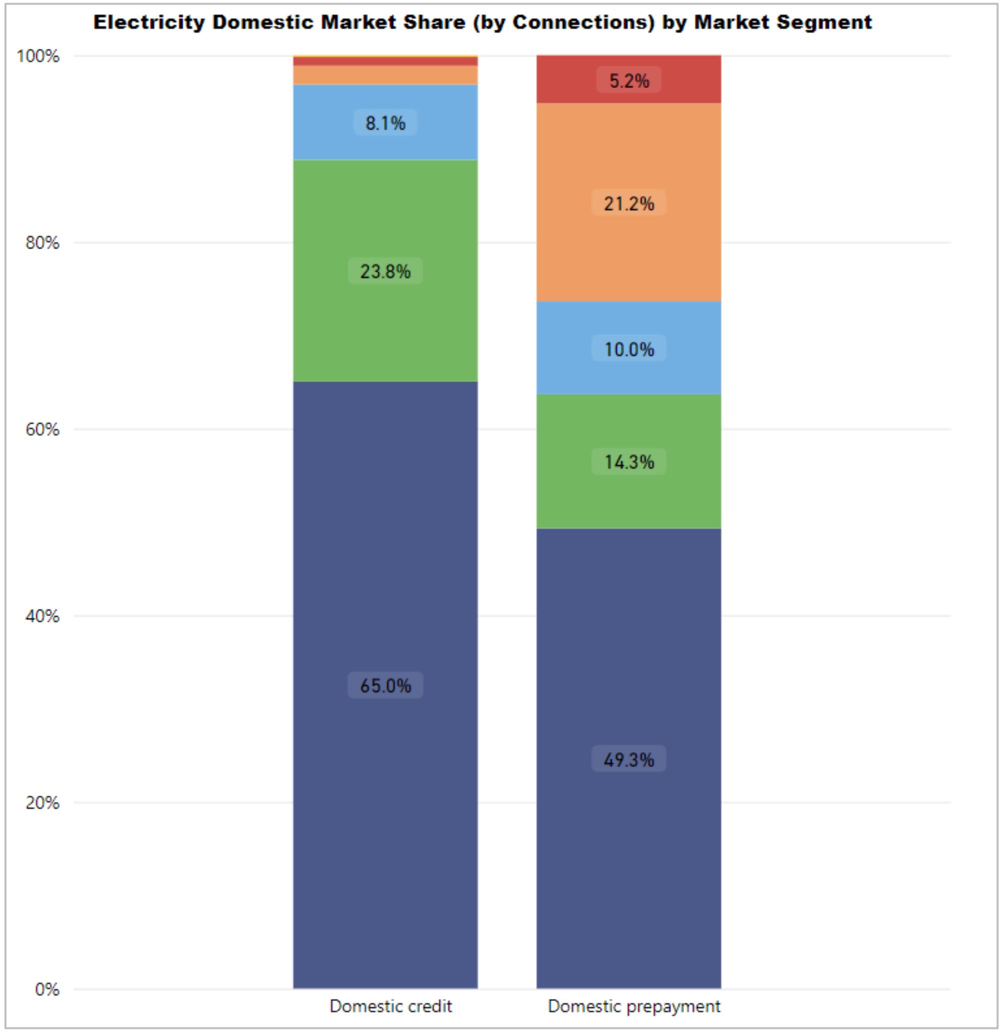
Data source: NIEN

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 42.1% of total domestic connections in NI.



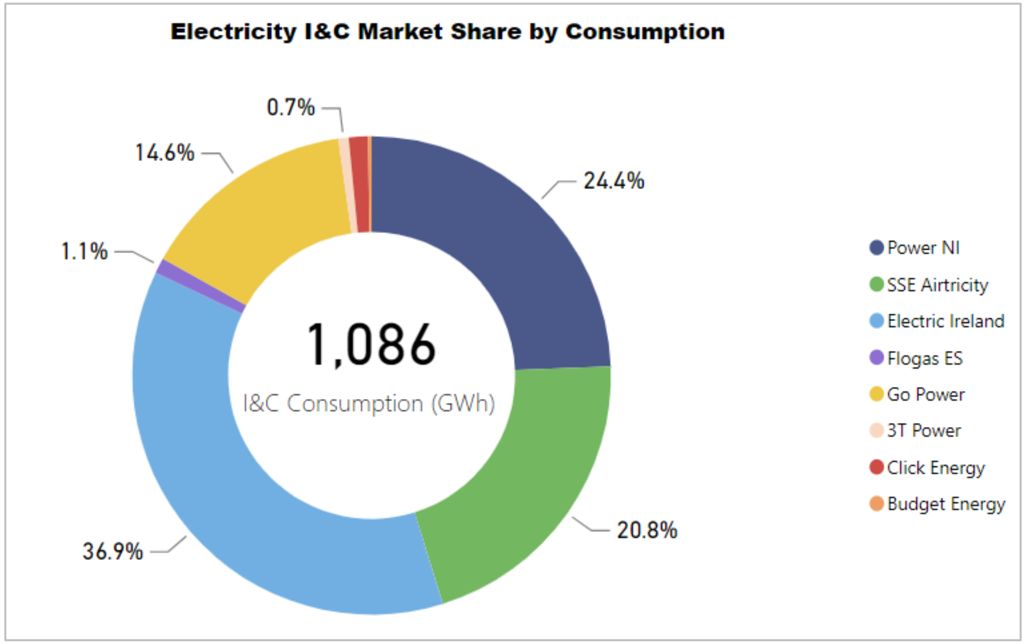


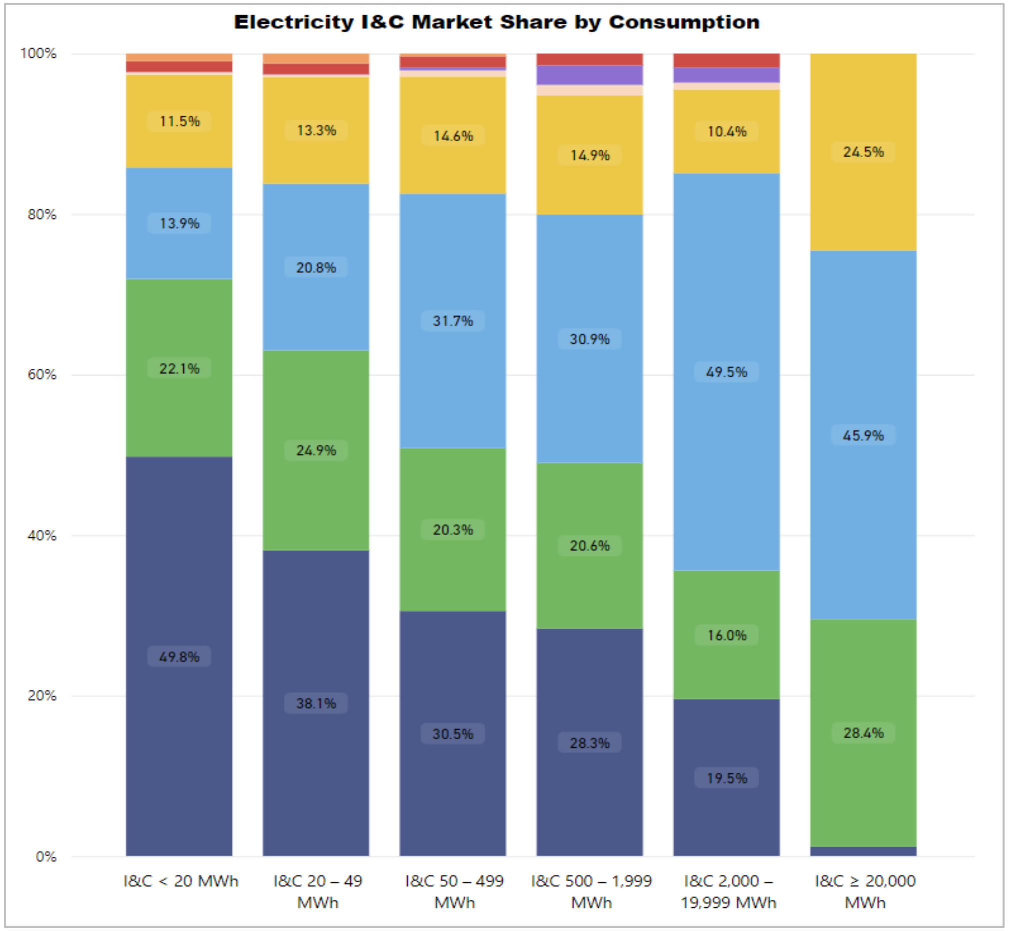
Market Segment	Power NI	Power NI %	SSE Airtricity	SSE Airtricity %	Electric Ireland	Electric Ireland %	Budget Energy	Budget Energy %	Click Energy	Click Energy %	Go Power	Go Power %	Total Customers	Total Customers %
Domestic prepayment	188,470	39%	54,816	33%	38,150	51%	81,029	90%	19,708	82%	0	0%	382,173	45%
Domestic credit	298,034	61%	108,913	67%	36,969	49%	9,253	10%	4,257	18%	846	100%	458,272	55%
Total	**486,504**		**163,729**		**75,119**		**90,282**		**23,965**		**846**		**840,445**	

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 1,086 GWh.





Market Segment	Power NI	SSE Airtricity	Electric Ireland	Go Power	3T Power	Flogas ES	Click Energy	Budget Energy	Total Consumption (GWh)
I&C < 20 MWh	34.2	15.2	9.6	7.9	0.2	0.0	0.9	0.7	68.8
I&C 20 – 49 MWh	31.2	20.4	17.1	10.9	0.2	0.0	1.1	1.0	82.0
I&C 50 – 499 MWh	84.1	55.9	87.5	40.2	2.2	1.0	3.8	1.0	275.6
I&C 500 – 1,999 MWh	52.2	38.0	57.0	27.4	2.4	4.5	2.7	0.0	184.3
I&C 2,000 – 19,999 MWh	61.2	50.1	155.0	32.6	2.7	5.9	5.4	0.0	312.9
I&C ≥ 20,000 MWh	1.9	46.2	74.8	39.9	0.0	0.0	0.0	0.0	162.8
Total	**264.9**	**226.0**	**400.9**	**159.0**	**7.7**	**11.4**	**14.0**	**2.6**	**1,086.5**

Data source: NIEN

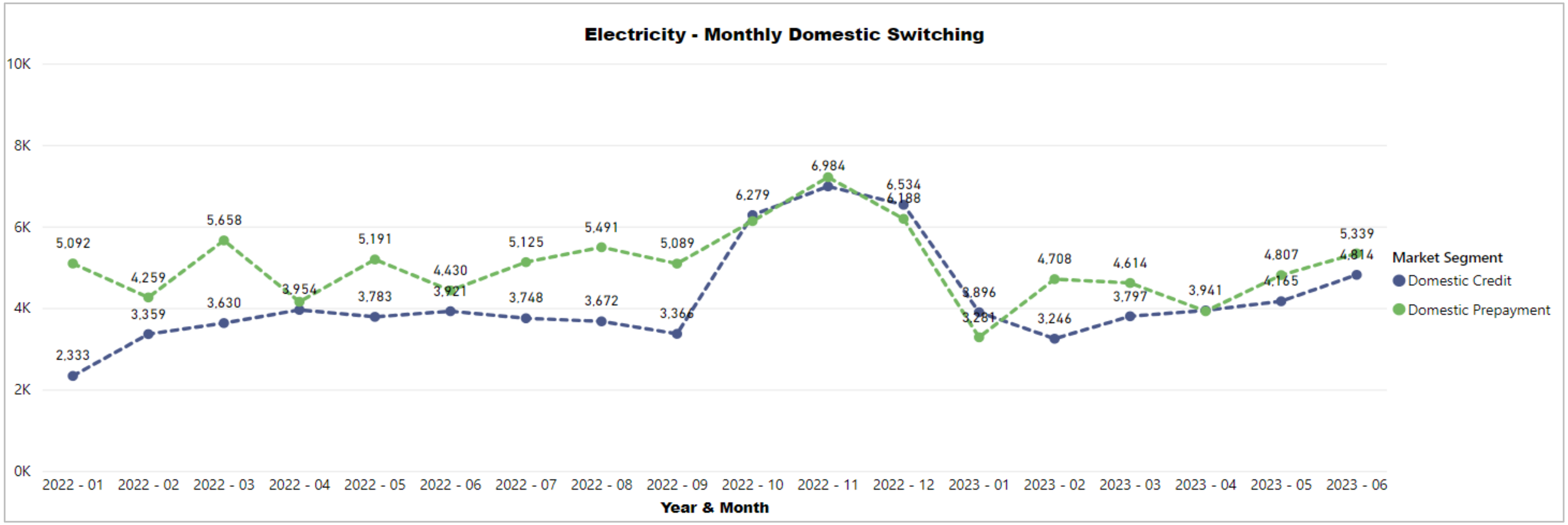
Market activity (Switching)

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[6] .

Switching rate – Total NI market						
Quarter	**2022 – Q1**	**2022 – Q2**	**2022 – Q3**	**2022 – Q4**	**2023 – Q1**	**2023 – Q2**
No. of switches	24,905	26,285	27,343	40,241	24,232	29,870
Switching rate (%)	2.8%	2.9%	3.0%	4.4%	2.6%	3.3%

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.



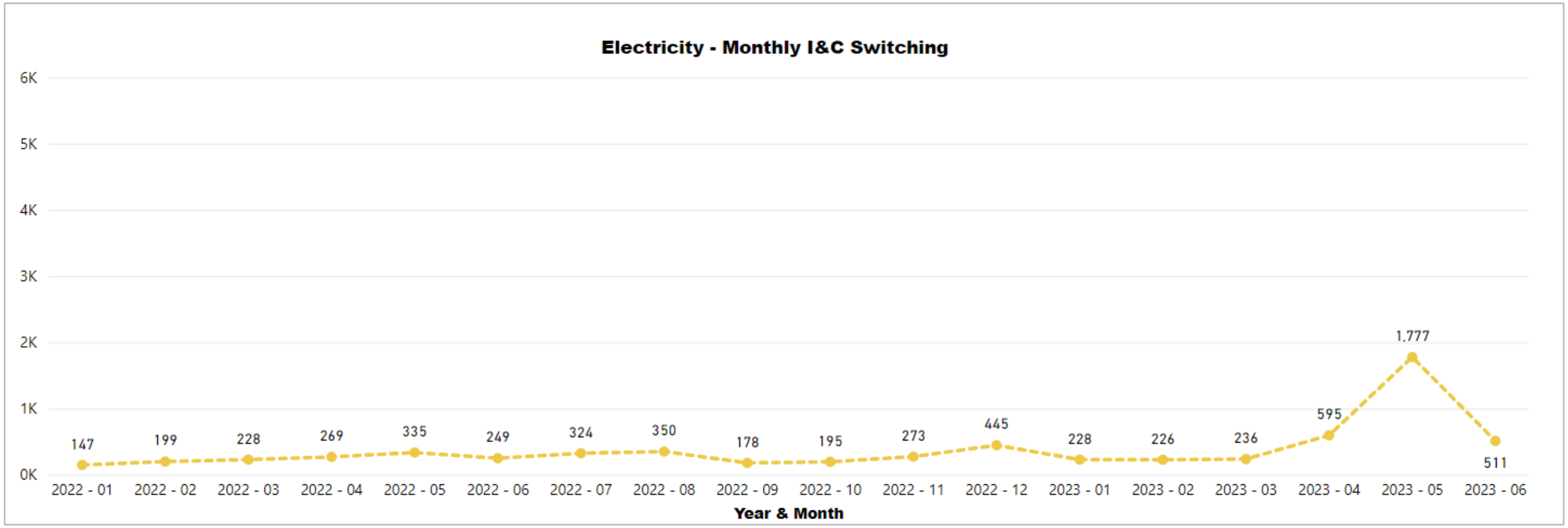
Data source: NIEN

[6] 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	**2022 – Q1**	**2022 – Q2**	**2022 – Q3**	**2022 – Q4**	**2023 – Q1**	**2023 – Q2**
No. of switches	24,331	25,482	26,491	39,328	23,542	26,987
Switching rate (%)	2.9%	3.1%	3.2%	4.7%	2.8%	3.2%

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	**2022 – Q1**	**2022 – Q2**	**2022 – Q3**	**2022 – Q4**	**2023 – Q1**	**2023 – Q2**
No. of switches	574	853	852	913	690	2,883
Switching rate (%)	0.8%	1.1%	1.1%	1.2%	0.9%	3.8%

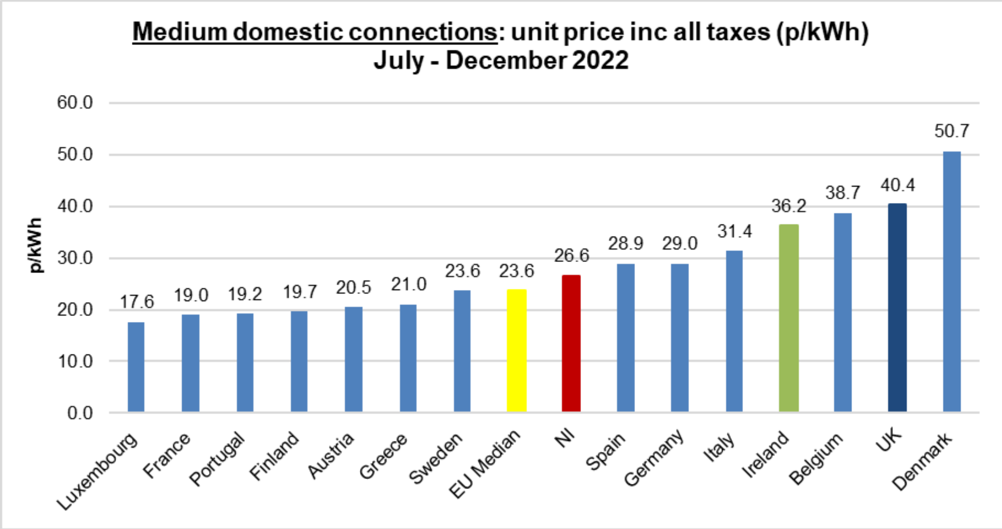
Data source: NIEN

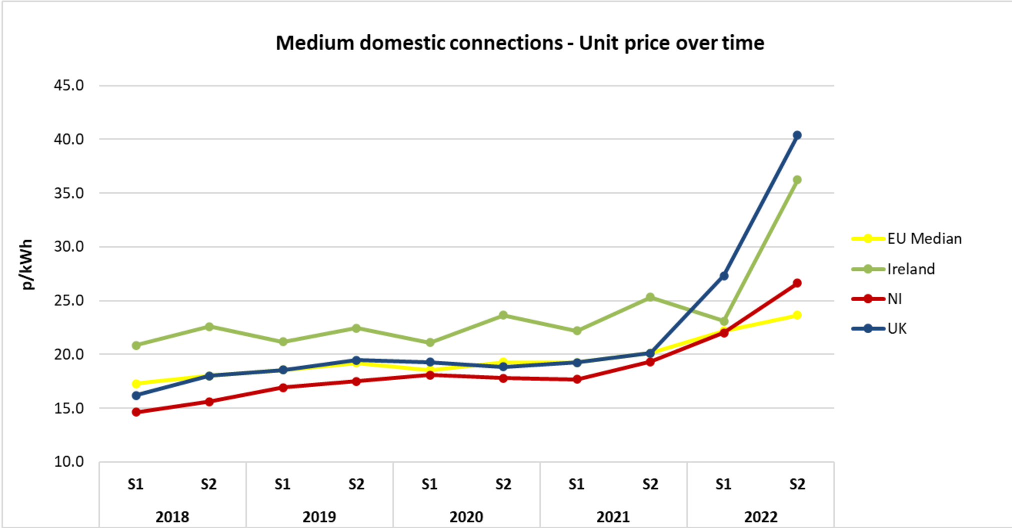
4. Electricity Pricing – Semester 2 2022

4.1 **Domestic price comparison with EU[7]:** 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 2022[8] (July - December) the NI price was slightly higher than the EU median, but lower than RoI and significantly lower than UK.

4.3 The second 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, DESNZ, Eurostat and UR internal calculations

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[7] The NI price includes the discount provided to consumers via the Energy Price Guarantee scheme which was implemented in November 2022 (with a backdated element to cover October 2022). Various governments across the EU have taken different actions to mitigate against rising energy costs. This Eurostat article provides some information on the measures implemented for domestic electricity consumers – link.

[8] The pricing data relates to the period end Q4 2022 (S2 July - December 2022) as opposed to Q2 2023. This is due to the timing of the availability of pricing data from Eurostat, DESNZ and Suppliers

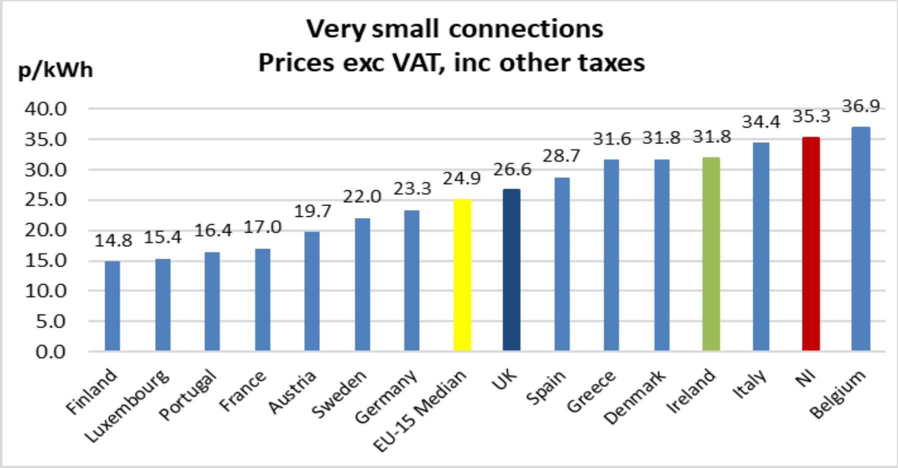
4.4 **I&C price comparison with EU**[9]: The graphs below show I&C electricity prices in the 15 EU[10] countries (converted to GBP) and in NI, per consumption size bands (following standard EU categorisation). The I&C graphs use unit prices which include Climate Change Levy (CCL) but exclude VAT, as 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 During semester 2 2022 (July - December), the NI prices in the Very Small I&C Category were higher than the EU median, UK and RoI (c70% 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 higher than the EU median, RoI and UK[11].

End of Q4 2022

Size of Customer	Annual Consumption bands (MWh)	% of I&C connections	% of I&C consumption	I&C connection numbers
Very small	< 20	70.0%	5.9%	52,817
Small	20 – 499	28.6%	34.4%	21,604
Small / Medium	500 – 1,999	1.1%	16.9%	791
Medium	2,000 – 19,999	0.3%	28.0%	247
Large & Very Large	>20,000	0.02%	14.8%	18

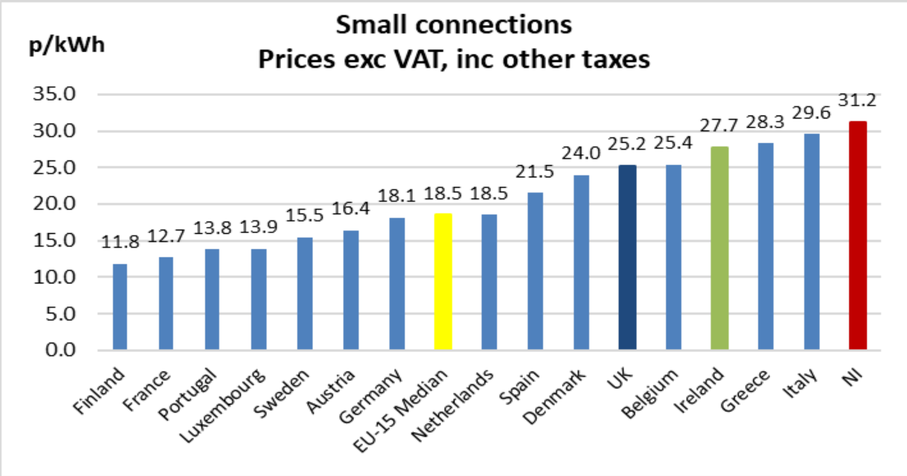
Source: NIEN

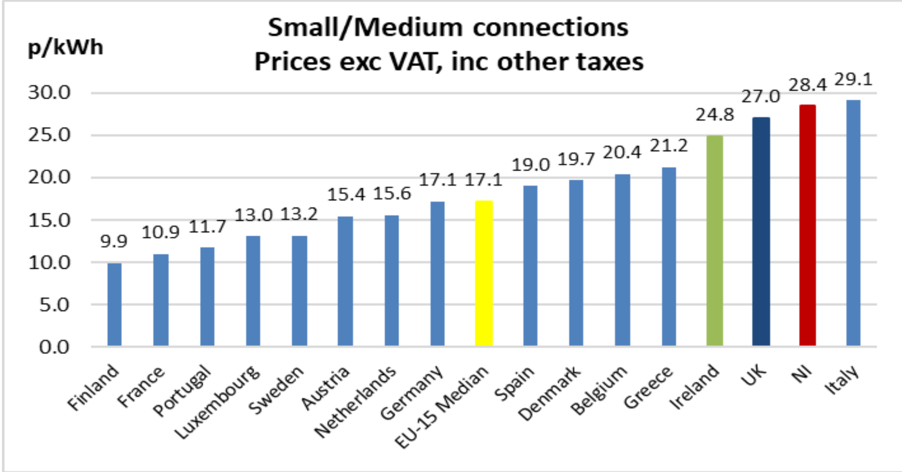


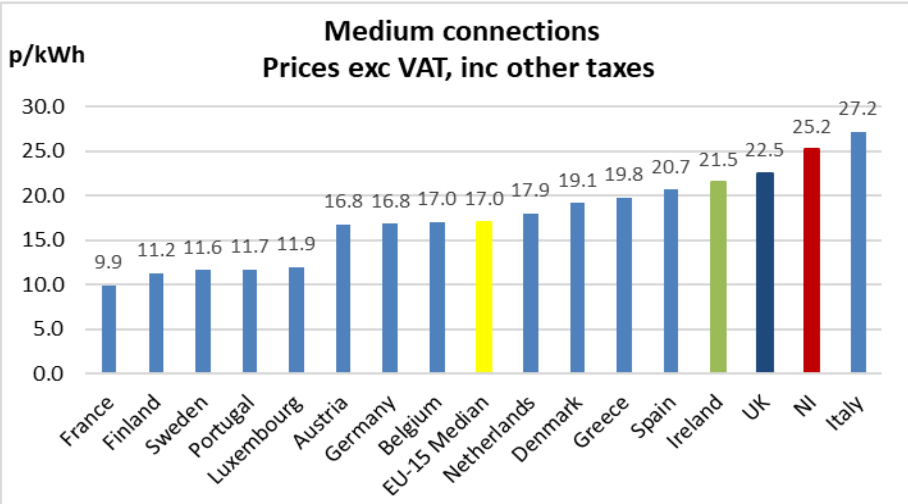
[9] The NI price includes the discount provided to consumers via the Energy Price Guarantee scheme which was implemented in November 2022 (with a backdated element to cover October 2022). Various governments across the EU have taken different actions to mitigate against rising energy costs. This Eurostat article provides some information on the measures implemented for non -domestic electricity consumers – link.

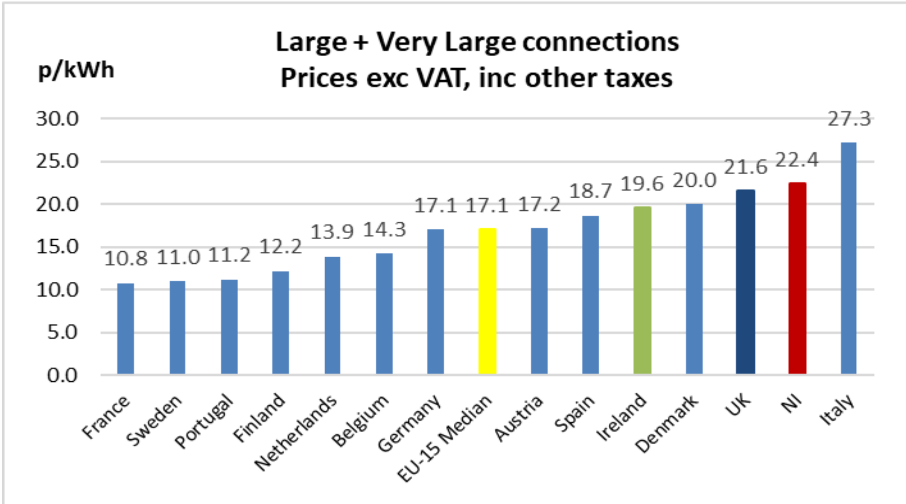
[10] Some graphs do not include all 15 EU countries due to availability of data from Eurostat.

[11] The pricing data relates to the period end Q4 2022 (S2 July - December 2022) as opposed to Q2 2023. This is due to the timing of the availability of pricing data from Eurostat, DESNZ and Suppliers



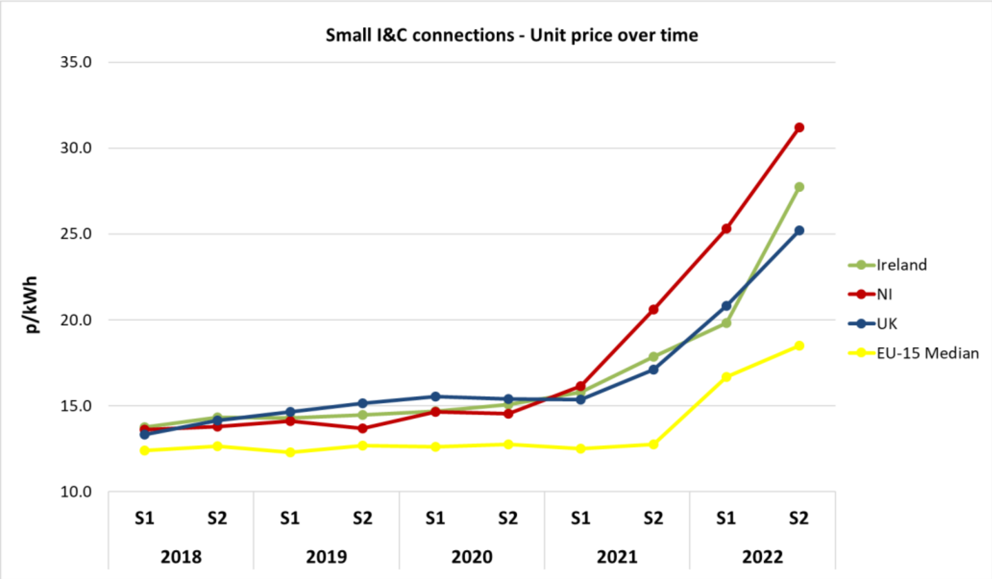


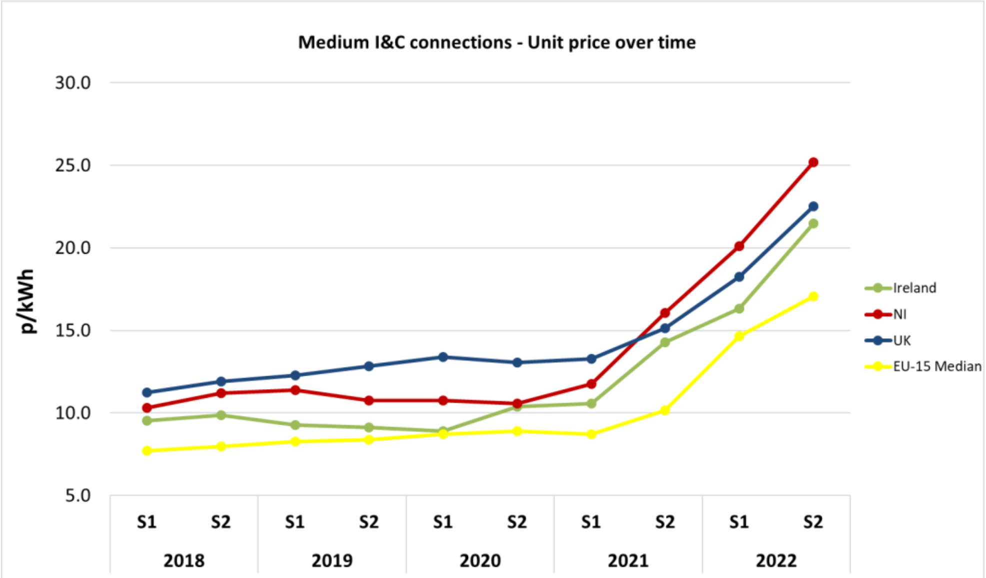




Source: NI electricity suppliers, DESNZ, Eurostat and UR internal calculations

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, DESNZ, Eurostat and UR internal calculations

5. Gas[12]

GAS Q2 2023

Total Gas Connections

319,274

Total Gas Consumption

1,334,437 (MWh)

West
Connections = 3,541

West
Consumption = 203,674 (MWh)

G.Belfast
Connections = 248,774

G. Belfast
Consumption = 735,293 (MWh)

Ten Towns
Connections = 66,959

Ten Towns
Consumption = 395,470 (MWh)

Domestic Gas Pricing

10.1 p/kWh

July - December 2022

Total Gas Switches

775

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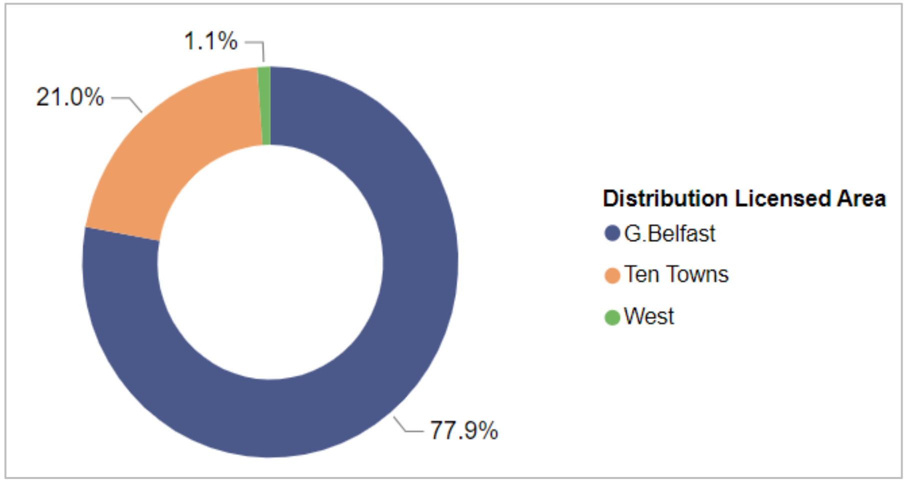
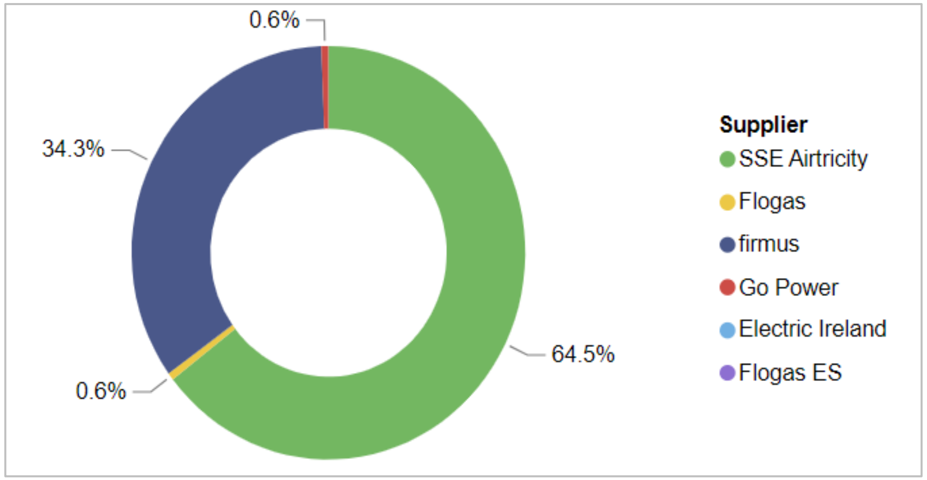
[12] Section 5 consolidates the gas connection, consumption and switching data from the three gas distribution areas (where applicable).

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[13] are as at the **end of June 2023.**

Gas Market Share by Connections - Total NI Market





Distribution Licensed Area	Market segment	SSE Airtricity	firmus	Flogas	Go Power	Flogas ES	Electric Ireland	Total Connections
G.Belfast	Domestic Only	196,319	40,709	0	7	0	0	237,035
G.Belfast	I&C Only	6,077	2,814	1,364	1,459	18	7	11,739
Ten Towns	Domestic Only	0	63,936	0	0	0	0	63,936
Ten Towns	I&C Only	69	2,083	508	356	0	7	3,023
West	Domestic Only	3,455	0	0	0	0	0	3,455
West	I&C Only	16	45	17	6	0	2	86
Total		**205,936**	**109,587**	**1,889**	**1,828**	**18**	**16**	**319,274**

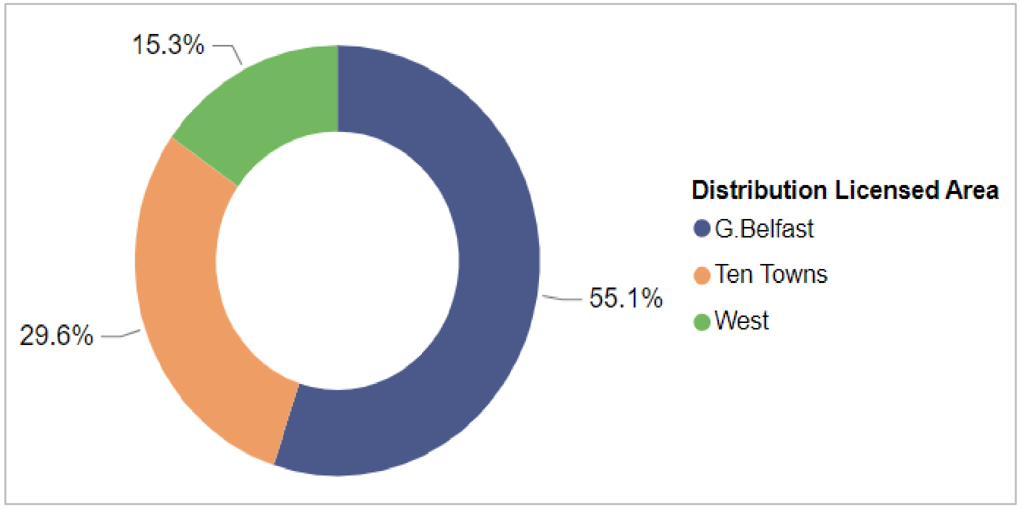
Data source: PNGL / FeDL / SGN NG

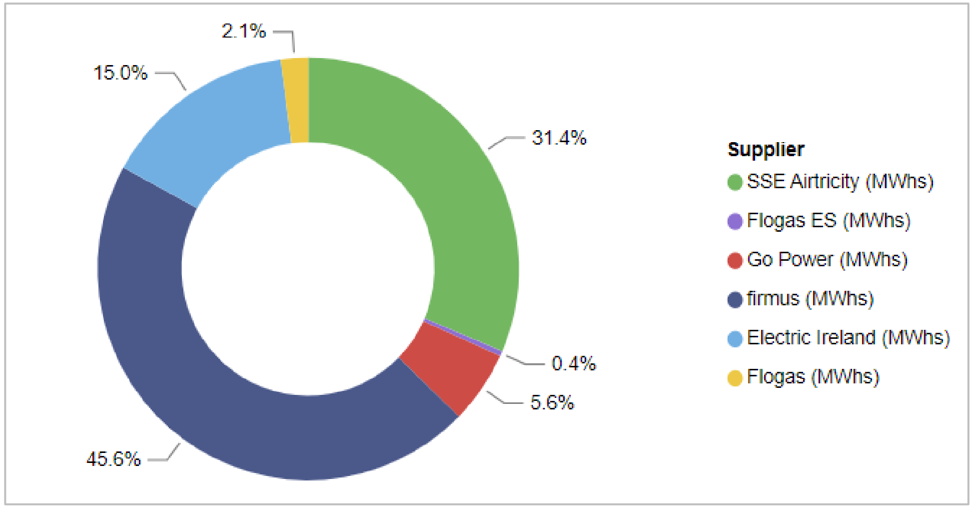
[13] Please note the percentages in the chart may not tally to 100% as the data labels for some suppliers are not reflected due to the size of their market share.

Total NI market share (by consumption)

5.2 The pie chart below shows the total gas consumption[14] in NI for the period **April to June 2023**, with a breakdown by distribution area.

Gas Market Share by Consumption - Total NI Market



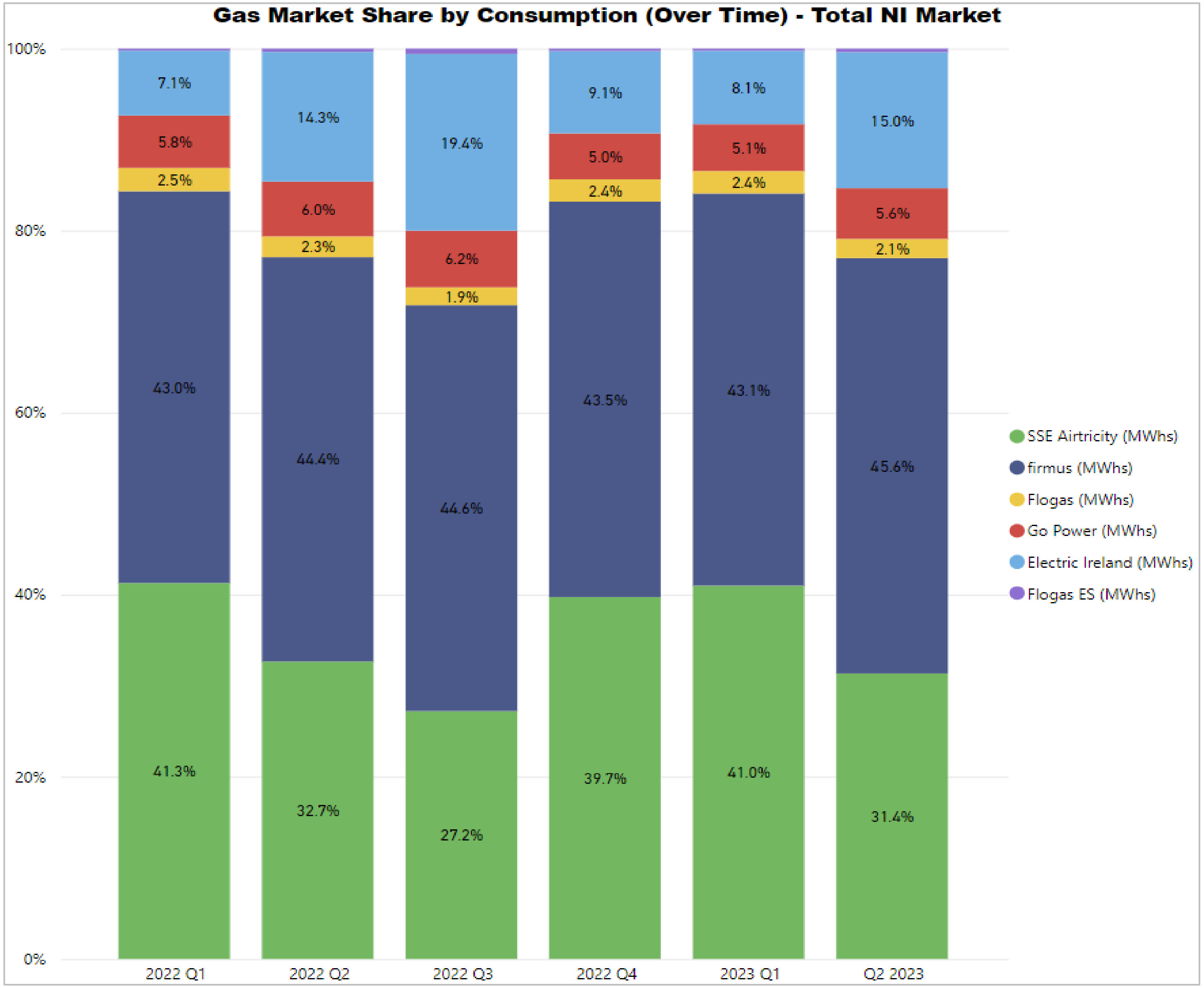


Distribution Licensed Area	SSE Airtricity (MWhs)	firmus (MWhs)	Electric Ireland (MWhs)	Flogas ES (MWhs)	Go Power (MWhs)	Flogas (MWhs)	Total Consumption (MWhs)
G.Belfast	368,050.6	245,940.1	41,075.5	5,170.2	56,797.6	18,259.4	735,293.3
Ten Towns	28,686.2	311,981.2	30,379.9	0.0	16,520.1	7,902.6	395,470.0
West	21,805.0	51,131.9	128,059.8	0.0	908.4	1,768.7	203,673.8
Total	**418,541.7**	**609,053.2**	**199,515.2**	**5,170.2**	**74,226.2**	**27,930.6**	**1,334,437.1**

Data source: PNGL / FeDL / SGN NG

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

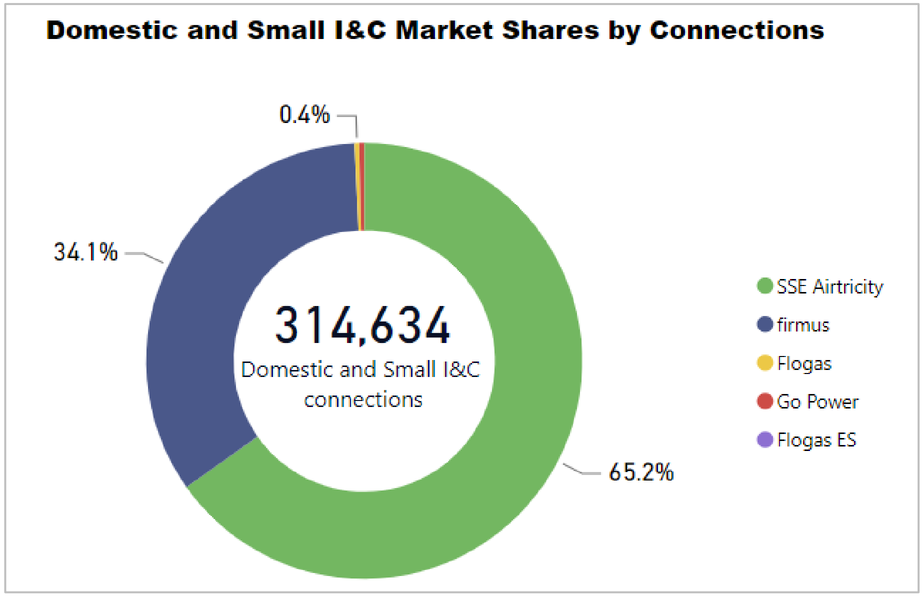
5.3 The bar chart below shows the trends in the market shares (by consumption) for each active domestic and I&C supplier in NI for the previous six quarters.



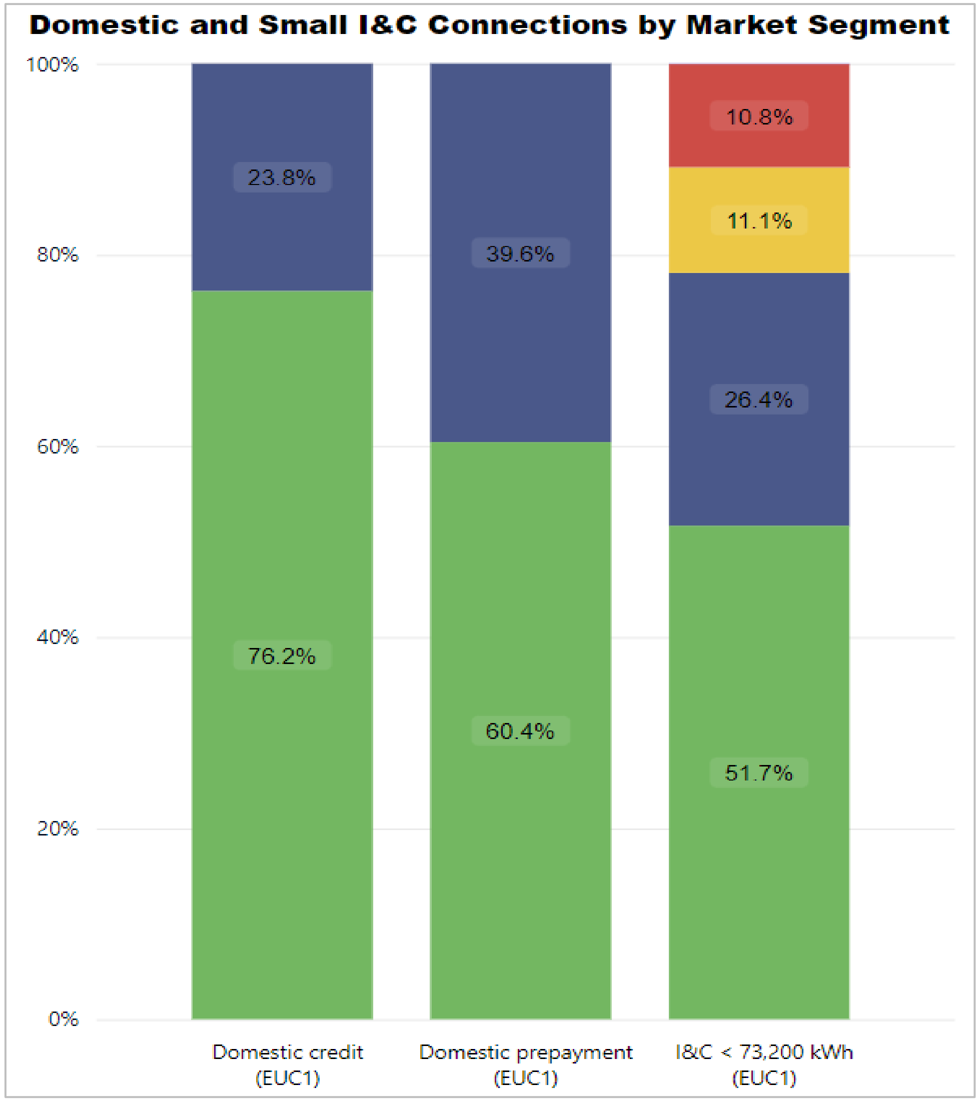
Data source: PNGL / FeDL / SGN NG

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**[15], by connections (at the end of June 2023).



Distribution Licensed Area	Market segment	SSE Airtricity	firmus	Flogas	Go Power	Flogas ES	Total Connections
G.Belfast	Domestic credit (EUC1)	75,335	10,640	0	7	0	85,982
G.Belfast	Domestic prepayment (EUC1)	120,984	30,069	0	0	0	151,053
G.Belfast	I&C < 73,200 kWh (EUC1)	5,259	1,457	810	907	6	8,439
Ten Towns	Domestic credit (EUC1)	0	13,219	0	0	0	13,219
Ten Towns	Domestic prepayment (EUC1)	0	50,717	0	0	0	50,717
Ten Towns	I&C < 73,200 kWh (EUC1)	5	1,228	312	192	0	1,737
West	Domestic credit (EUC1)	1,161	0	0	0	0	1,161
West	Domestic prepayment (EUC1)	2,294	0	0	0	0	2,294
West	I&C < 73,200 kWh (EUC1)	9	13	9	1	0	32
Total		**205,047**	**107,343**	**1,131**	**1,107**	**6**	**314,634**

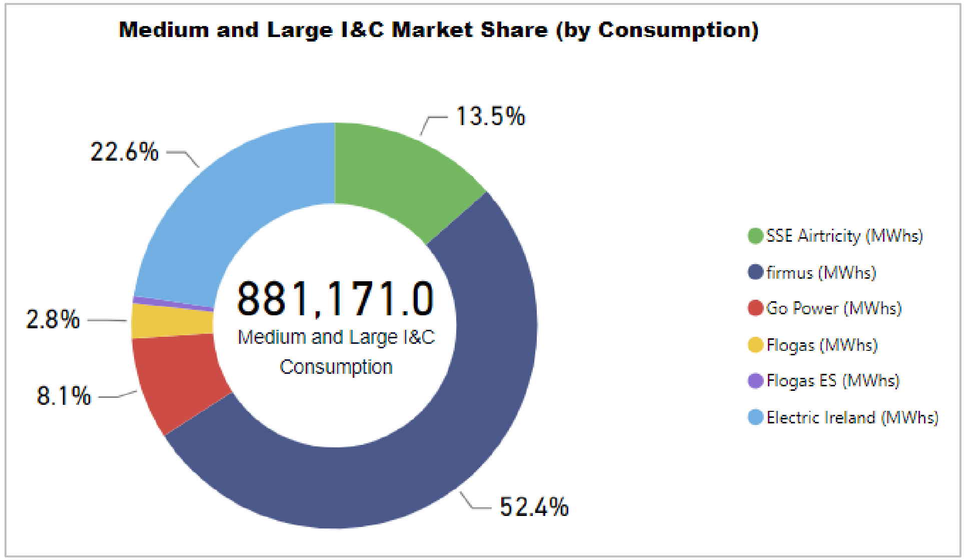


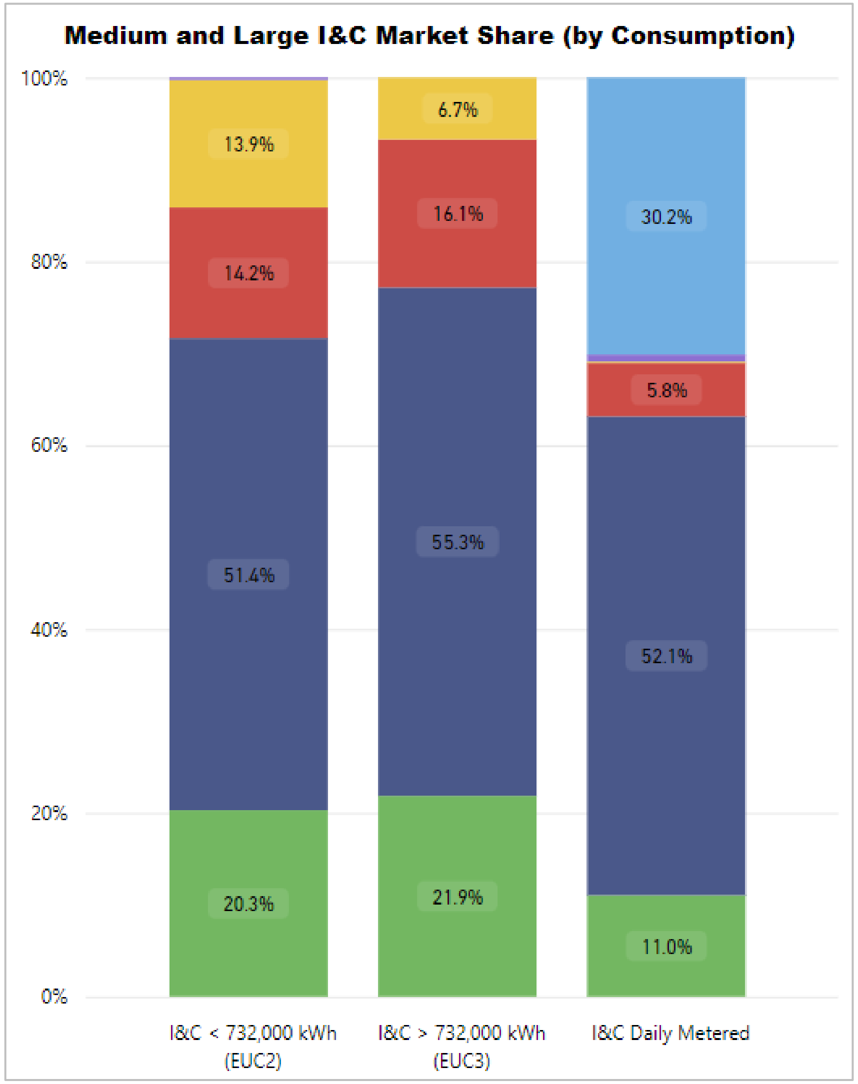
Data sources: PNGL / FeDL / SGN

[15] 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**[16], by consumption.





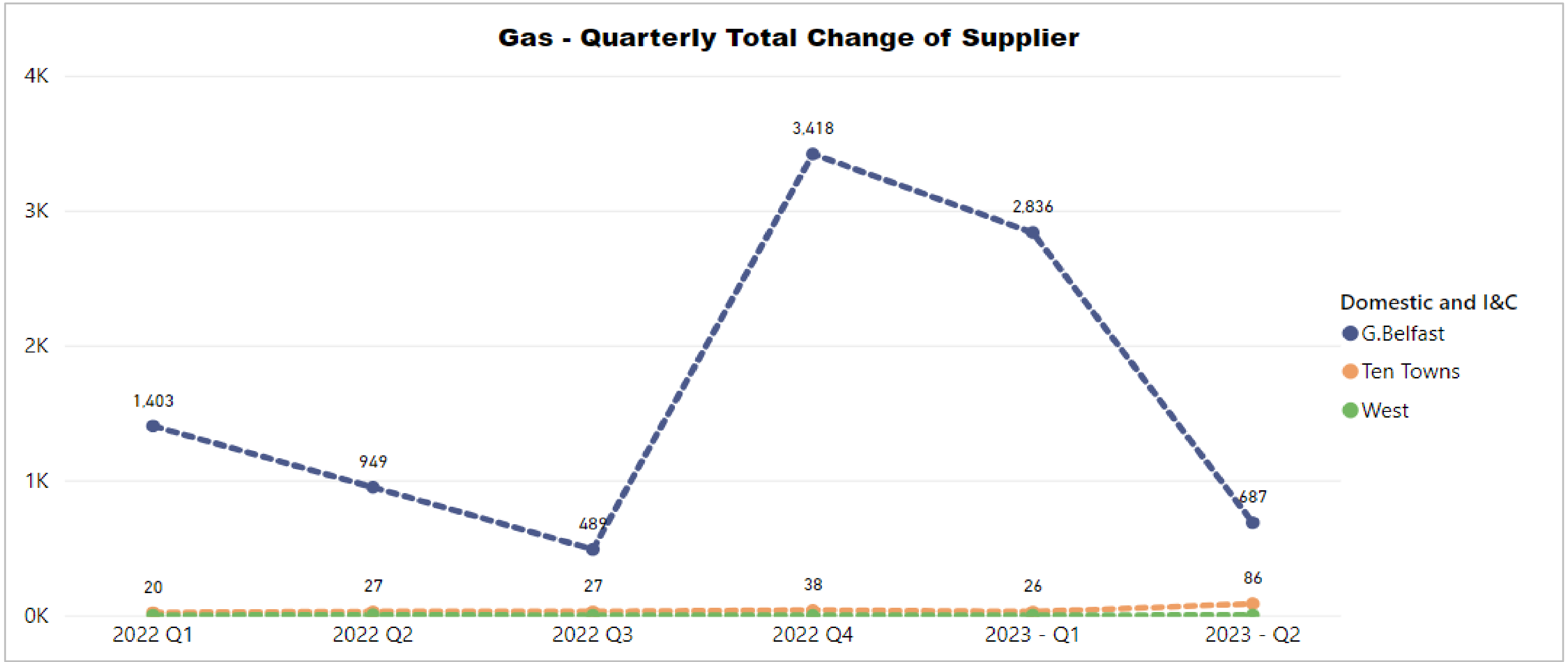
Distribution Licensed Area	Market segment	SSE Airtricity (MWhs)	firmus (MWhs)	Flogas (MWhs)	Go Power (MWhs)	Flogas ES (MWhs)	Electric Ireland (MWhs)	Total Consumption (MWhs)
G.Belfast	I&C < 732,000 kWh (EUC2)	22,295.0	36,376.9	11,693.8	12,806.1	305.1	0.0	83,477.0
G.Belfast	I&C > 732,000 kWh (EUC3)	14,968.7	31,895.6	4,194.1	11,306.5	0.0	0.0	62,364.9
G.Belfast	I&C Daily Metered	36,740.4	117,059.0	0.0	30,364.5	4,840.0	41,075.5	230,079.3
Ten Towns	I&C < 732,000 kWh (EUC2)	2,054.3	24,952.1	4,857.2	4,120.1	0.0	0.0	35,983.6
Ten Towns	I&C > 732,000 kWh (EUC3)	6,379.6	20,961.3	2,064.4	4,484.1	0.0	0.0	33,889.4
Ten Towns	I&C Daily Metered	20,163.6	179,230.4	0.0	7,395.0	0.0	30,379.9	237,169.0
West	I&C < 732,000 kWh (EUC2)	78.2	603.6	209.9	206.7	0.0	0.0	1,098.4
West	I&C > 732,000 kWh (EUC3)	302.2	1,922.0	387.0	181.4	0.0	0.0	2,792.6
West	I&C Daily Metered	16,049.2	48,531.5	1,157.8	518.5	0.0	128,059.8	194,316.8
Total		**119,031.3**	**461,532.4**	**24,564.1**	**71,383.0**	**5,145.1**	**199,515.2**	**881,171.0**

Data sources: PNGL / FeDL / SGN NG

[16] 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[17] per quarter.

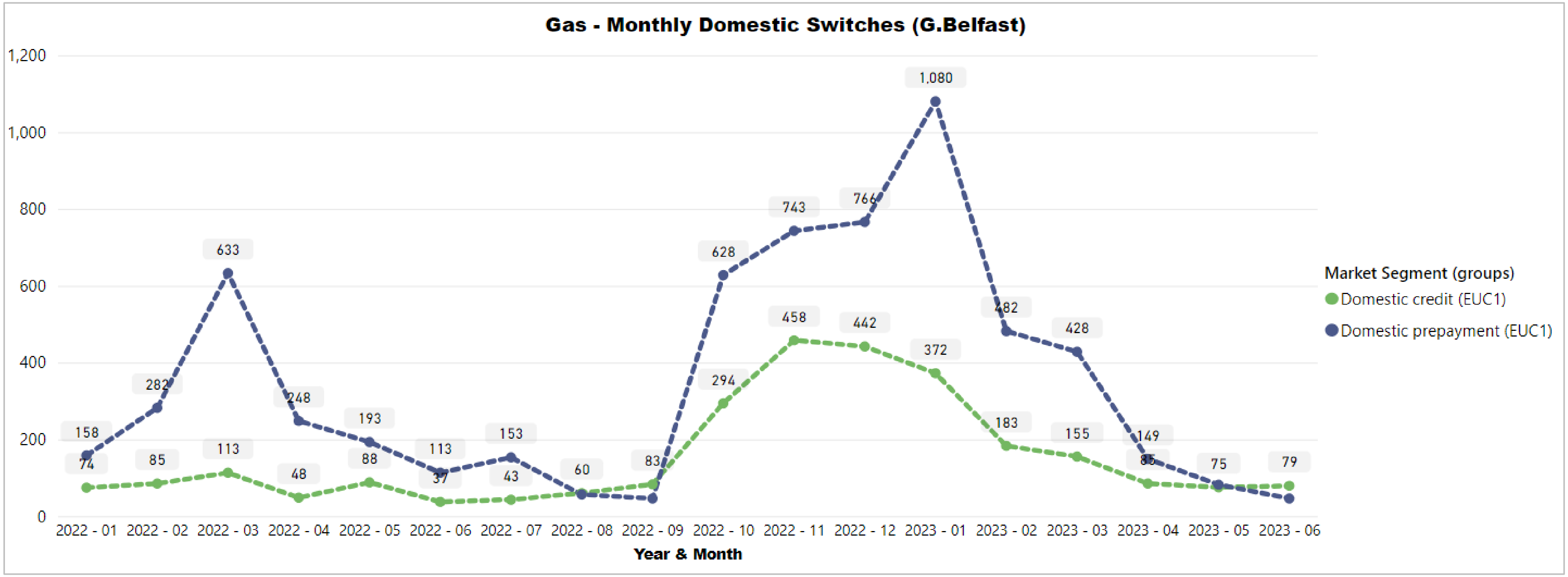


Switching rate – Total NI market						
Quarter	**2022 – Q1**	**2022 – Q2**	**2022 – Q3**	**2022 – Q4**	**2023 – Q1**	**2023 – Q2**
No. of switches	1,423	980	516	3,456	2,863	775
Switching rate (%)	0.5%	0.3%	0.2%	1.1%	0.9%	0.2%

Data source: PNGL / FeDL / SGN NG

[17] 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[18] 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.

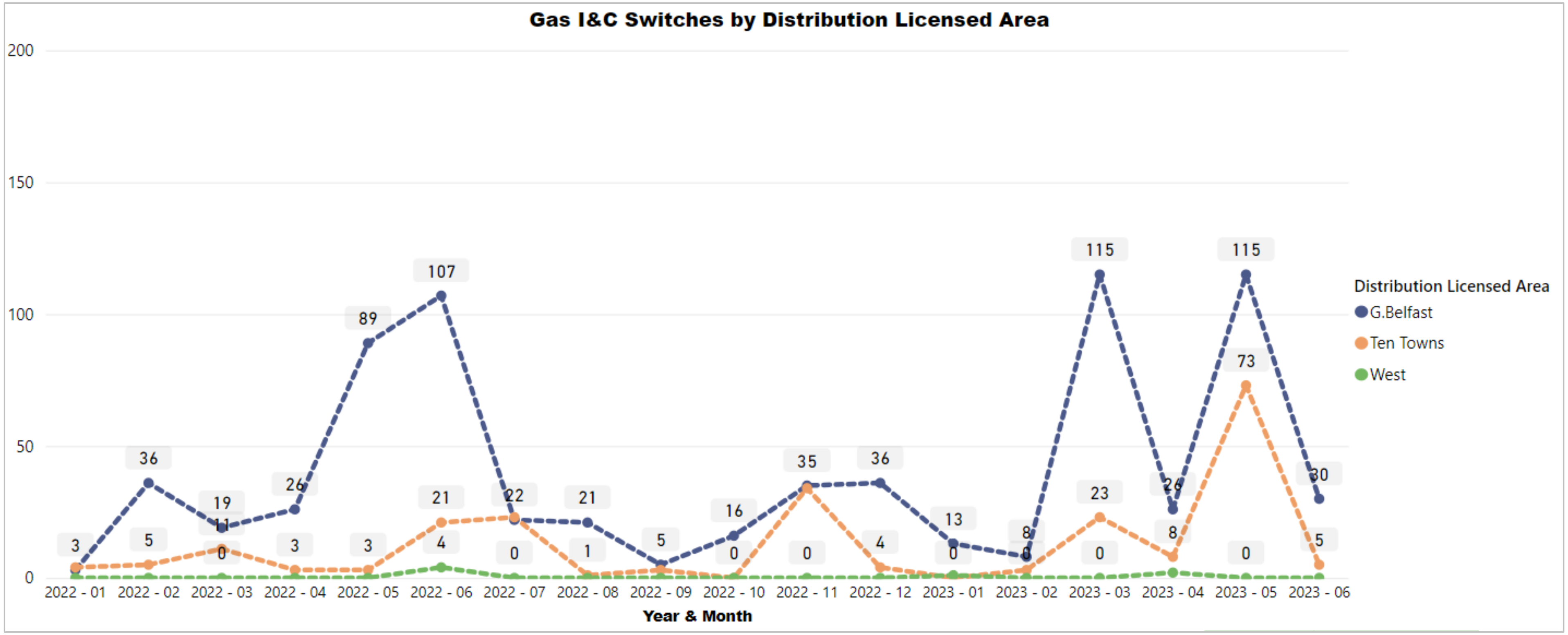


Switching rate – Domestic market (G. Belfast only)						
Quarter	**2022 – Q1**	**2022 – Q2**	**2022 – Q3**	**2022 – Q4**	**2023 – Q1**	**2023 – Q2**
No. of switches	1,345	727	441	3,331	2,700	516
Switching rate (%)	0.6%	0.3%	0.2%	1.1%	0.9%	0.2%

Data source: PNGL

[18] 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.



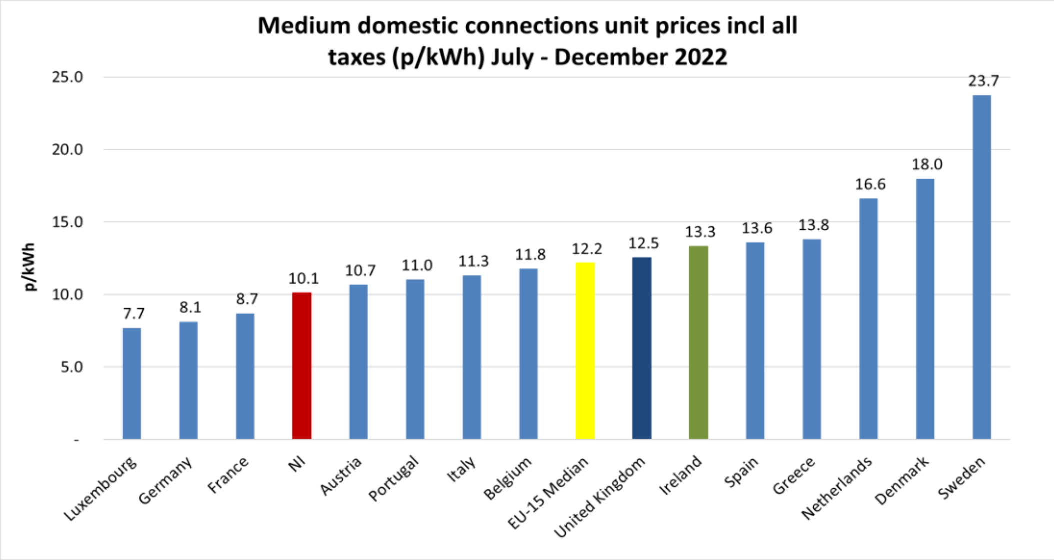
Switching rate – I&C market						
Quarter	**2022 – Q1**	**2022 – Q2**	**2022 – Q3**	**2022 – Q4**	**2023 – Q1**	**2023 – Q2**
No. of switches	78	253	75	125	163	259
Switching rate (%)	0.5%	1.7%	0.5%	0.8%	1.1%	1.7%

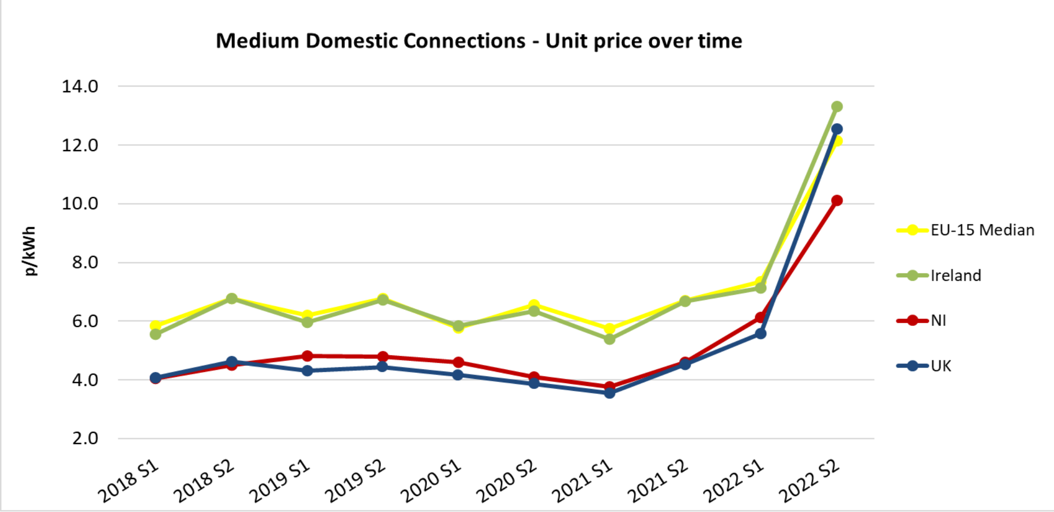
Data source: PNGL / FeDL / SGN NG

6. Gas Pricing – Semester 2 2022[19]

6.1 The pricing data detailed in this report is for the semester July to December (S2 2022). In the domestic graph to the right, 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. For semester 2 2022 (July - December), the NI domestic gas prices ranked among the lowest in the EU. The NI gas price was lower than the EU median, RoI and the UK[20].





[19] The NI price includes the discount provided to consumers via the Energy Price Guarantee scheme which was implemented in November 2022 (with a backdated element to cover October 2022). Various governments across the EU have taken different actions to mitigate against rising energy costs. This Eurostat article provides some information on the measures implemented for domestic gas consumers – link.

[20] The pricing data relates to the period end Q4 2022 (S2 July - December 2022) as opposed to Q2 2023. This is due to the timing of the availability of pricing data from Eurostat, DESNZ and Suppliers

Data source: Eurostat, DESNZ and NI gas suppliers collated by UR

6.3 During the period illustrated in the graph on the previous page (Semester 2: July to December 2022), there has been an increase to the regulated tariff within the Ten Towns and Greater Belfast & West areas. Further detail on these regulated tariffs are available in the UR tariff review briefing notes[21]. The table below illustrates the regulated tariffs for S2 2022 period.

SSE Airtricity G. Belfast and West area	Rates from 1st July 2022			Rates from 1st October 2022		
	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	14.035	10.21	16.04	18.008	13.100	20.582
Over 2,000 kWh	9.616	10.21	10.99	12.338	13.100	14.100
Over 73,200 kWh	-	-	-	-	-	-
Direct debit discount	£22.05	-	£22.05	£22.05	-	£22.05

firmus energy Ten Towns area	Rates from 3rd May 2022			Rates from 3rd October 2022		
	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	17.211	11.928	17.599	26.903	18.645	27.509
Over 2,000 kWh	11.600	-	11.687	18.134	-	18.268
Over 73,200 kWh	-	-	-	-	-	-
Direct debit discount	£22.00	-	-	£22.00	-	-

[21] The latest gas regulated tariff reviews are 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 the Department for Energy Security and Net Zero (DESNZ). 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 DESNZ's Quarterly Energy Prices reports[22] and Eurostat data base[23]) once these figures have been converted to GBP (Note: from 01 January 2021, DESNZ no longer provide pricing data to Eurostat. Therefore, the UK figures reported in the pricing graphs have been obtained directly from DESNZ 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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[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 DESNZ'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:

[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 January 2022: bright ceased supply
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) (Flogas Enterprise Solutions Ltd as of 20th December 2021) 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) (Flogas Enterprise Solutions Ltd as of 20th December 2021) 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) (Flogas Enterprise Solutions Ltd as of 20th December 2021) 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

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		