Quarterly Retail Energy Market Monitoring Report

Quarter 1: 01 January to 31 March 2024

Published: 12 June 2024

Abstract

The Quarterly Retail Energy Market Monitoring (QREMM) report is the latest of a series of Utility Regulator (UR) reports 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.

These reports are released at the end of the second month after each calendar quarter (in Feb, May, Aug and Nov).

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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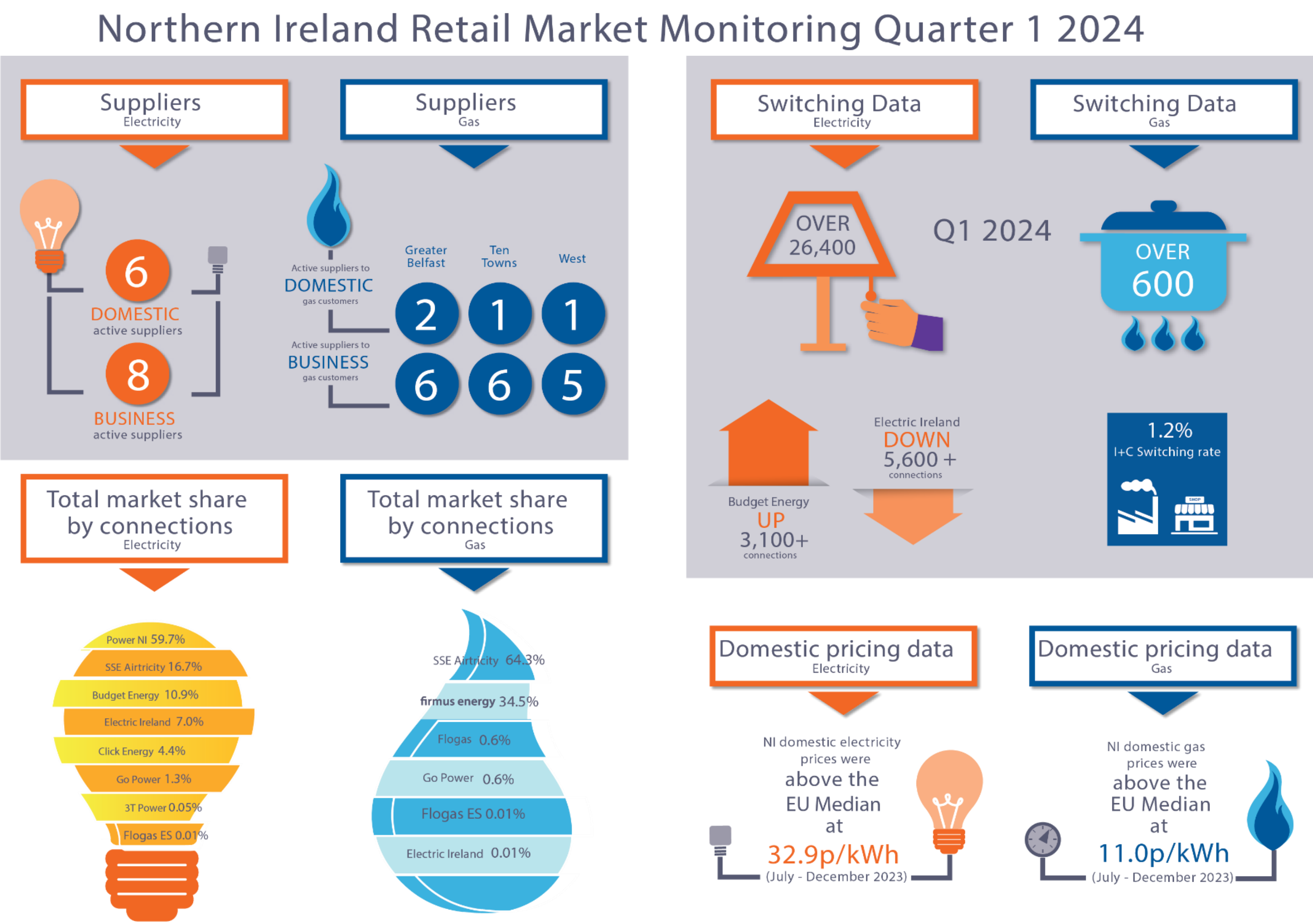


Key Developments during Q1 2024

1. Overall electricity switching activity in Q1 2024 decreased from the previous quarter. Domestic customers continue to engage in the market with just over 25,000 domestic switches completed during Q1 2024, a switching rate of 3% (a decrease from 4.3% in Q4 2023). The I&C sector also saw a decrease in the electricity switching rate from 2.6% in Q4 2023 to 1.8% in Q1 2024.

2. In the gas sector, domestic switching in the Greater Belfast area saw 419 switches completed during Q1 2024 (a decrease from 567 in Q4 2023). The I&C switching activity rate increased slightly from 1.1% in Q4 2023 to a rate of 1.2% in Q1 2024.

3. The semester 2 (July to December) 2023 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 (32.9 p/kWh) ranked above the EU median (22.7 p/kWh), below Ireland (33.3 p/kWh) and significantly lower than the UK (36.1 p/kWh).
    - The NI I&C electricity price for the Very Small connections (which represent c72% of I&C connections) was 30.4 p/kWh, which was higher than the EU median (24.1 p/kWh), lower than the UK (33.0 p/kWh) but the same as Ireland (30.4 p/kWh).
    - For Large and Very Large I&C customers (c0.02% of connections) NI prices (17.4 p/kWh) were higher than the EU median (12.3 p/kWh), slightly below Ireland (18.0 p/kWh) and below the UK (26.5 p/kWh).

4. The semester 2 (July – December) 2023 gas pricing data is sourced from Eurostat, DESNZ and individual supplier's submissions under the REMM framework. This publication is the first-time gas I&C pricing data is published in the REMM. The pricing data for the period illustrates the following:

    - NI domestic gas prices were slightly above the EU Median (10.5 p/kWh) at 11.0 p/kWh. This was higher than the UK (7.7 p/kWh) but lower than Ireland (14.4 p/kWh).
    - The NI I&C gas price for the Very Small connections was 9.0 p/kWh, which was below the EU median (9.3 p/kWh), the UK (9.5 p/kWh) and Ireland (11.4 p/kWh).
    - For Medium and Large I&C customers NI gas prices (5.7p/kWh) were higher than the EU median (5.3 p/kWh) and Ireland (5.5 p/kWh) and below the UK (6.0 p/kWh).

1. Introduction

1.1 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.

1.2 This report 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[2]		FeDL[3]		Evolve (formerly SGN)[4]	
	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)[5]		💡		🔥		🔥		
3T Power		💡						
Suppliers	**6**	**8**	**2**	**6**	**1**	**6**	**1**	**5**

Data source: Utility Regulator

[1] Detail on the background to this report, information sources and methodology is contained in Annex A.
[2] Phoenix Natural Gas Ltd
[3] firmus energy (distribution) ltd
[4] Evolve Network, previously known as SGN up to September 2023
[5] Flogas Enterprise Solutions, previously known as Naturgy Ltd.

1.3 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.

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

1.5 During the first quarter of 2024 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).

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

2. Electricity

Electricity Q1 2024

Total Electricity Connections

920,880

844,960
Domestic connections

Domestic Credit = 460,198
Domestic Prepayment = 384,762

75,920
I&C connections

I&C <20 MWh = 53,887
I&C 20 - 49 MWh = 11,927
I&C 50 - 499 MWh = 9,060
I&C 500 - 1,999 MWh = 785
I&C 2,000 - 19,999 MWh = 245
I&C >20,000 MWh = 16

Total Electricity Consumption

1,996 (GWh)

789.8 (GWh)
Domestic consumption

Domestic Credit = 451.7 GWh
Domestic Prepayment = 338.1 GWh

1,206.7 (GWh)
I&C consumption

I&C <20 MWh = 95.5 GWh
I&C 20 - 49 MWh = 107.7 GWh
I&C 50 - 499 MWh = 332.4 GWh
I&C 500 - 1,999 MWh = 201.0 GWh
I&C 2,000 - 19,999 MWh = 305.2 GWh
I&C >20,000 MWh = 164.9 GWh

Domestic Electricity Pricing

32.9 p/kWh

July - December 2023

Total Electricity Switches

26,470

Total NI Electricity Market Shares by Connections

2.1 The chart[6] to the right shows the percentage market share by connections[7] for each electricity supplier at the **end of March 2024**.

2.2 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 59.7% share of the market.

2.3 Please note the reference period for this data is prior to Electric Ireland's announcement on 9 May 2024 that they would be leaving the domestic electricity market[8].

Figure 1: Electricity Market Share by Connections – Total NI Market

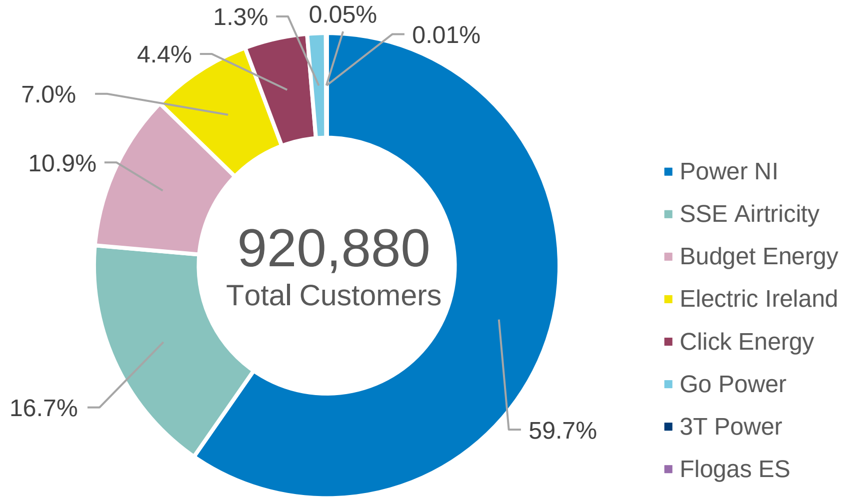


Table 1: Total Electric Market Share by Connections

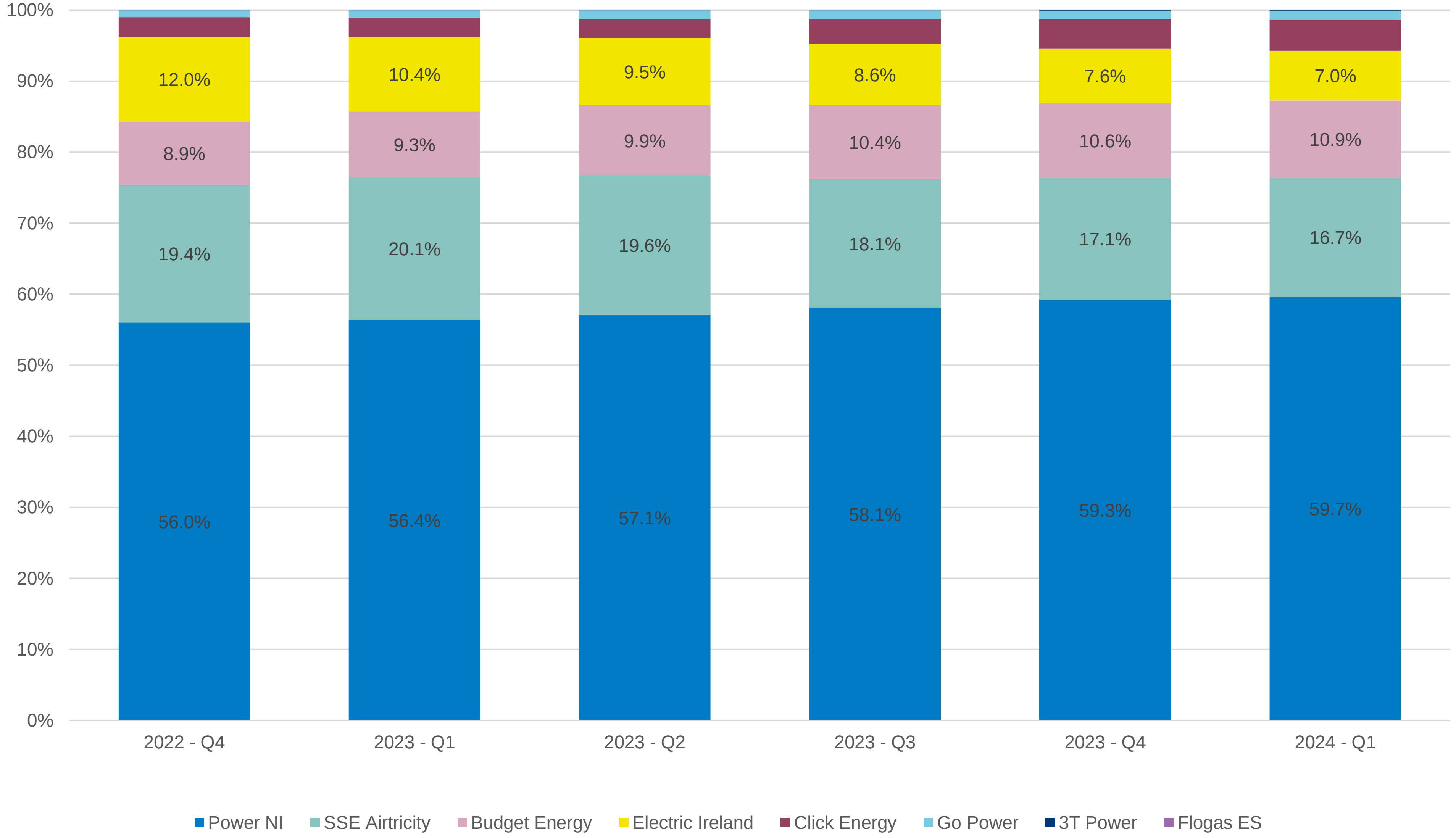
Market Segment	Power NI	SSE Airtricity	Budget Energy	Electric Ireland	Click Energy	Go Power	3T Power	Flogas ES	Total Customers
Domestic credit	309,584	95,795	12,703	29,029	12,059	1,028	0	0	460,198
Domestic prepayment	202,848	43,076	86,920	25,422	26,496	0	0	0	384,762
I&C < 20 MWh	29,110	10,417	467	5,824	953	6,912	182	22	53,887
I&C 20 – 49 MWh	4,561	2,912	141	1,866	313	2,028	99	7	11,927
I&C 50 – 499 MWh	3,001	1,691	54	2,081	325	1,712	173	23	9,060
I&C 500 – 1,999 MWh	242	119	0	252	17	126	14	15	785
I&C 2,000 – 19,999 MWh	72	20	0	112	6	26	1	8	245
I&C ≥ 20,000 MWh	0	5	0	9	0	2	0	0	16
Total	**549,418**	**154,035**	**100,285**	**64,595**	**40,169**	**11,834**	**469**	**75**	**920,880**

Data source: Northern Ireland Electricity Network (NIEN)

[6] 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.
[7] Note that long-term vacant sites are not included in connection numbers, and that combined premises are included in the <20MWh category.
[8] Electric Ireland pulls out of NI residential electricity market - BBC News

2.4 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.

Figure 2: Electricity Market Share by Connections, Q4 2022 – Q1 2024



Data source: NIEN

Total Electricity NI Market Shares by Consumption

2.5 The chart to the right shows the percentage market share by consumption for each electricity supplier for the period **January to March 2024.**

2.6 Electricity consumption in the NI retail market for Q1 2024 was 1,996 GWh.

Figure 3: Electricity Market Share by Consumption – Total NI Market

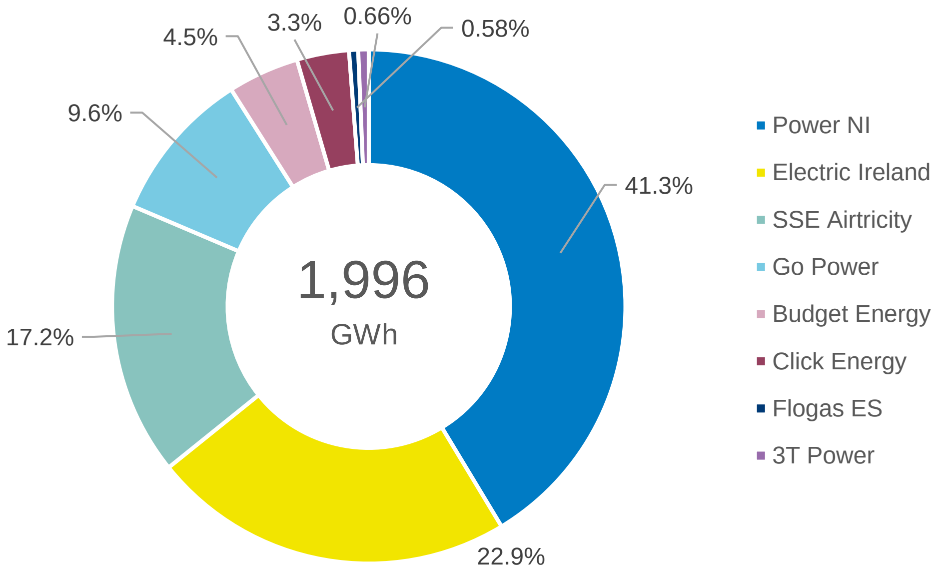


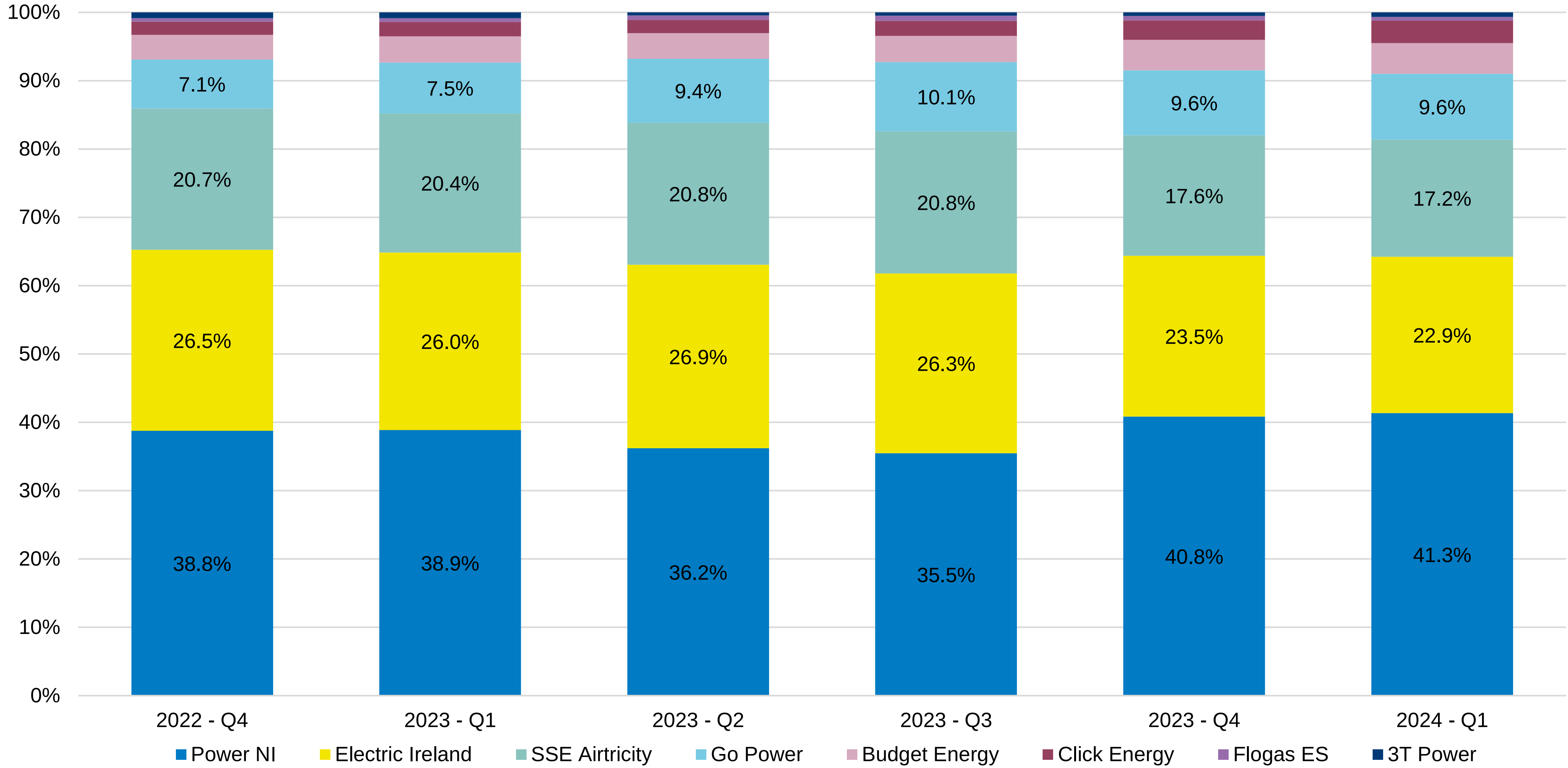
Table 2: Total Electric Market Share by Consumption (GWh)

Market Segment	Power NI	Electric Ireland	SSE Airtricity	Go Power	Budget Energy	Click Energy	Flogas ES	3T Power	Total Consumption
Domestic credit	294	29	98	2	13	16	0	0	452
Domestic prepayment	183	21	36	0	73	25	0	0	338
I&C < 20 MWh	48	11	20	14	1	2	0	0	95
I&C 20 – 49 MWh	41	18	26	18	1	2	0	1	108
I&C 50 – 499 MWh	107	89	60	58	1	9	1	7	332
I&C 500 – 1,999 MWh	66	61	28	34	0	4	3	4	201
I&C 2,000 – 19,999 MWh	87	145	29	29	0	7	7	1	305
I&C ≥ 20,000 MWh	0	82	46	37	0	0	0	0	165
Total	**825**	**457**	**343**	**192**	**90**	**66**	**11**	**13**	**1,996**

Data source: NIEN

2.7 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.

Figure 4: Electricity Market Share by Consumption Over Time, Q4 2022 to Q1 2024



Data source: NIEN

Domestic Electricity Market Analysis by Connections

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

2.9 The non-incumbents represent 39.4% of total domestic connections in NI.

Figure 5: Electricity Domestic Market Share by Connections

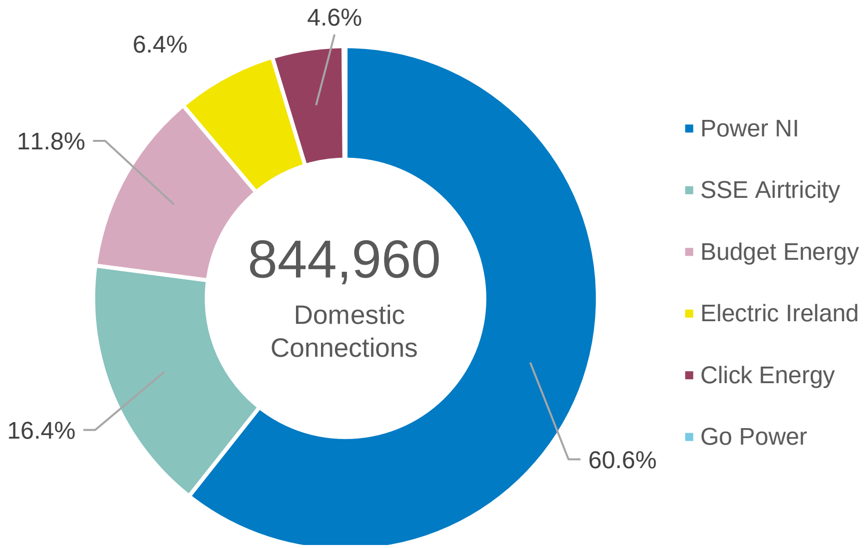


Figure 6: Electricity Domestic Market Share by Connections

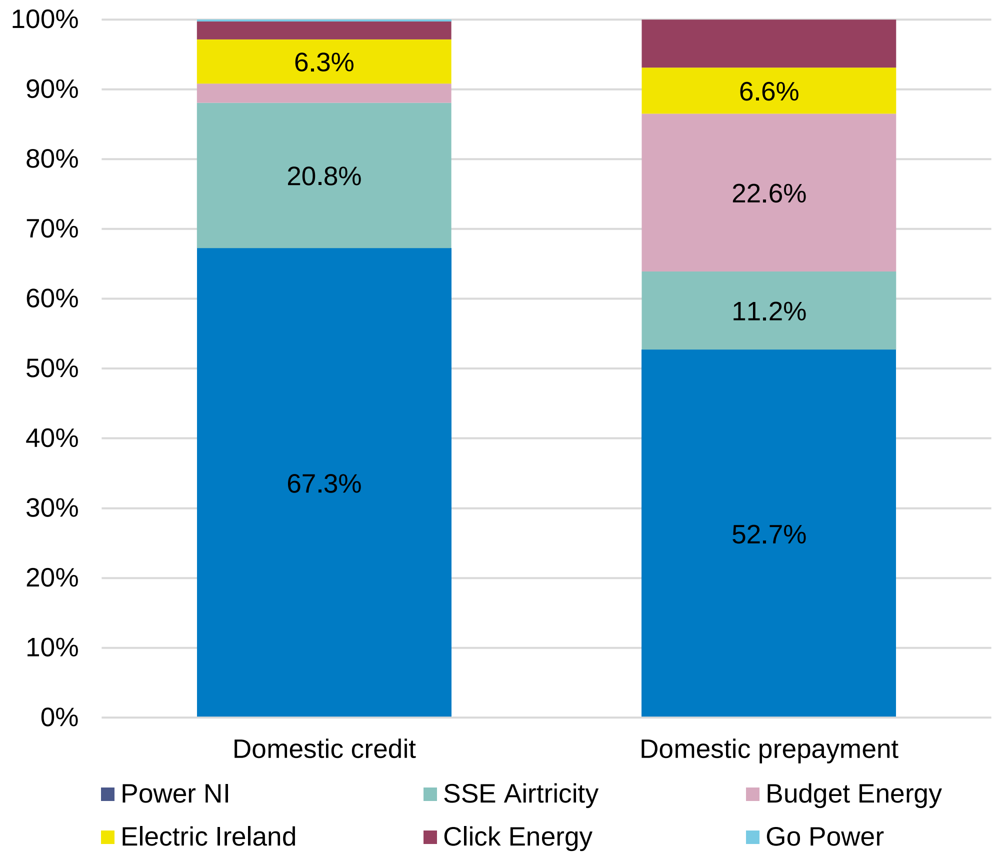


Table 3: Electricity Domestic Connections by Market Segment

Market Segment	Power NI		SSE Airtricity		Budget Energy		Electric Ireland		Click Energy		Go Power		Total Customers	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Domestic prepayment	202,848	40%	43,076	31%	86,920	87%	25,422	47%	26,496	69%	0	0%	384,762	46%
Domestic credit	309,584	60%	95,795	69%	12,703	13%	29,029	53%	12,059	31%	1,028	100%	460,198	54%
Total	**512,432**		**138,871**		**99,623**		**54,451**		**38,555**		**1,028**		**844,960**	

Data source: NIEN

I&C Electricity Market Analysis by Consumption

2.10 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 1,207 GWh.

Figure 7: Electricity I&C Market Share by Consumption

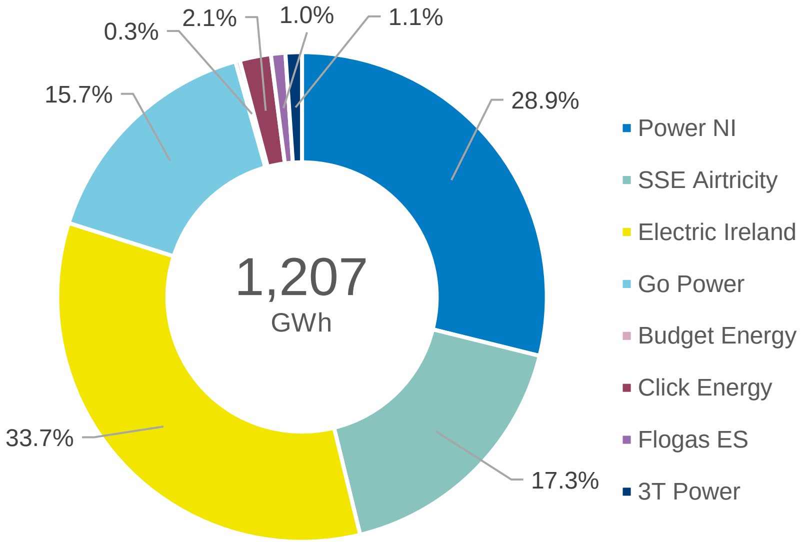


Figure 8: Electricity I&C Market Share by Consumption and Market Segment

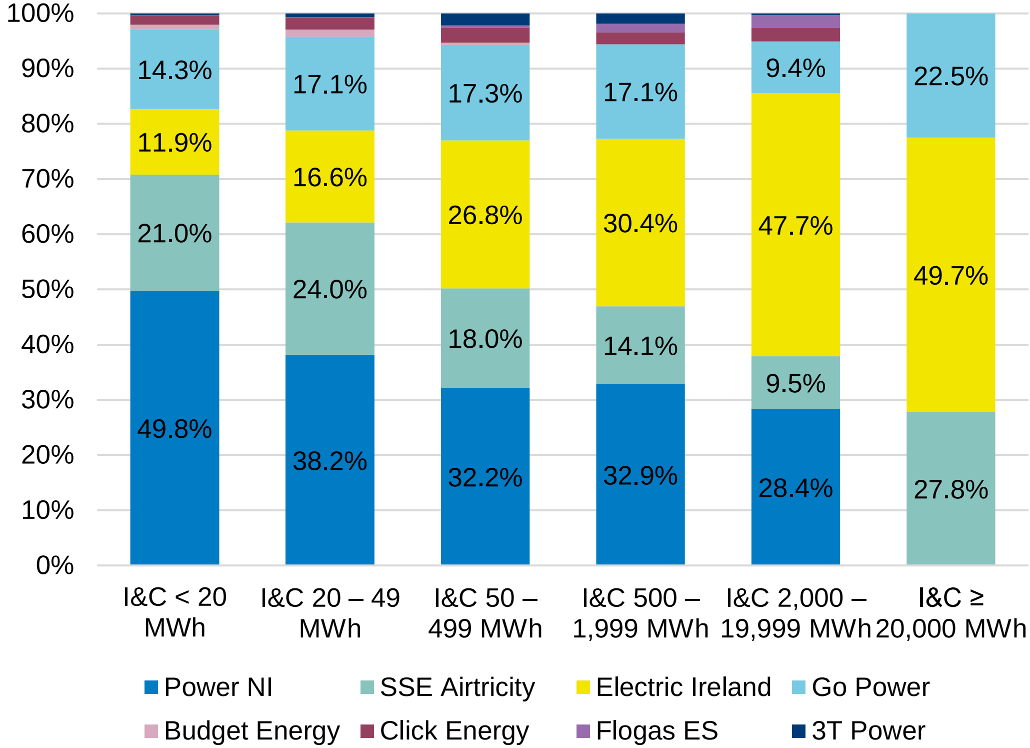


Table 4: Electricity I&C Consumption by Market Segment (GWh)

Market Segment	Electric Ireland	Power NI	SSE Airtricity	Go Power	Click Energy	Flogas ES	3T Power	Budget Energy	Total Consumption
I&C < 20 MWh	11.4	47.6	20.0	13.7	1.6	0.0	0.3	0.9	95.5
I&C 20 – 49 MWh	17.9	41.1	25.8	18.4	2.4	0.1	0.7	1.3	107.7
I&C 50 – 499 MWh	89.0	107.0	60.0	57.5	9.1	1.3	7.3	1.3	332.4
I&C 500 – 1,999 MWh	61.0	66.1	28.3	34.4	4.4	3.1	3.8	0.0	201.0
I&C 2,000 – 19,999 MWh	145.5	86.6	29.0	28.7	7.4	7.0	1.0	0.0	305.2
I&C ≥ 20,000 MWh	82.0	0.0	45.9	37.1	0.0	0.0	0.0	0.0	164.9
Total	**406.7**	**348.3**	**208.9**	**189.7**	**24.9**	**11.5**	**13.1**	**3.5**	**1,206.7**

Data source: NIEN

Market Activity - Switching

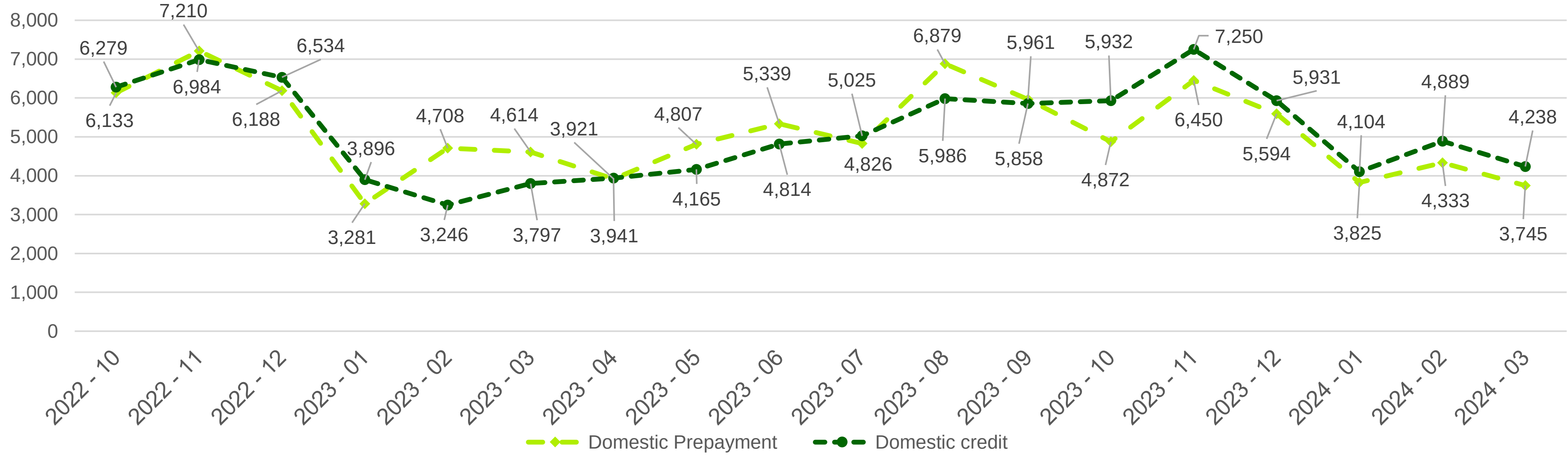
2.11 The table below shows the total market activity through changes of supplier (CoSs) on a quarterly basis for the domestic and I&C sectors including the quarterly switching rate[9] .

Table 5: Switching Rate – Total NI Market

Quarter	2022 - Q4	2023 - Q1	2023 - Q2	2023 - Q3	2023 - Q4	2024 - Q1
Number of Switches	40,241	24,232	29,870	36,094	37,970	26,471
Switching rate (%)	4.4%	2.6%	3.3%	3.9%	4.1%	2.9%

2.12 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.

Figure 9 - Electricity - Monthly Domestic Switching



Data source: NIEN

[9] 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.

Table 6: Switching Rate – Domestic Market

Quarter	2022 - Q4	2023 - Q1	2023 - Q2	2023 - Q3	2023 - Q4	2024 - Q1
Number of Switches	39,328	23,542	26,987	34,535	36,029	25,134
Switching rate (%)	4.7%	2.8%	3.2%	4.1%	4.3%	3.0%

2.13 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 the quarter.

Figure 10 - Electricity - Monthly I&C Switching

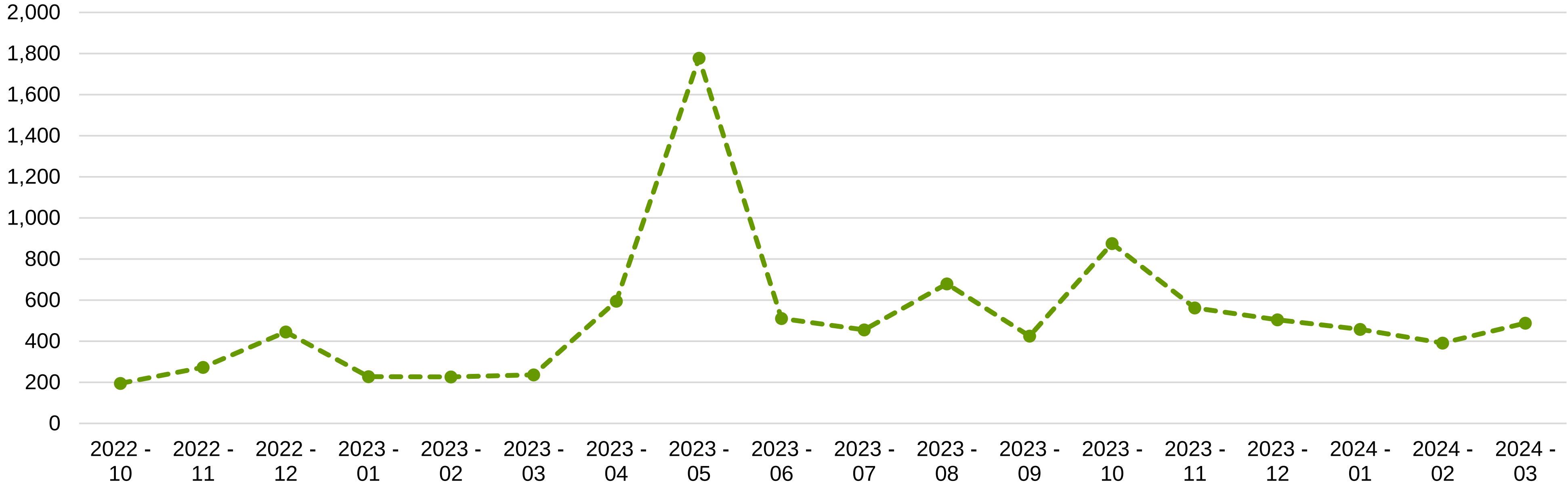


Table 7: Switching Rate – I&C Market

Quarter	2022 - Q4	2023 - Q1	2023 - Q2	2023 - Q3	2023 - Q4	2024 - Q1
Number of Switches	913	690	2,883	1,559	1,941	1,337
Switching rate (%)	1.2%	0.9%	3.8%	2.1%	2.6%	1.8%

Data source: NIEN

3. Electricity Pricing – Semester 2 2023

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

3.2 Figure 11 shows for semester 2 2023[10] (July – December) the NI price was higher than the EU median, but lower than the price in the UK and Ireland.

3.3 Figure 12 shows the medium domestic connections unit price[11] (incl. all taxes) over the last five years compared to the EU median, UK and Ireland.

Figure 11: Medium Domestic Connections - Unit Prices incl. all Taxes (July – December 2023)

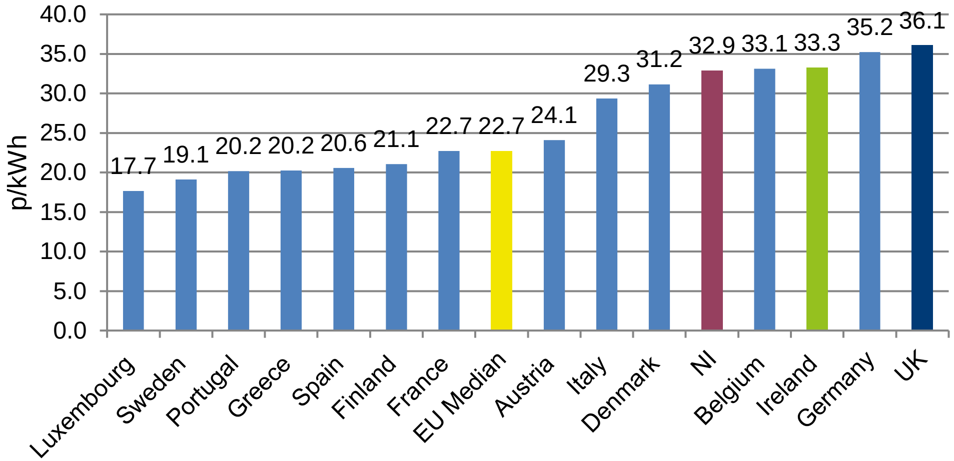
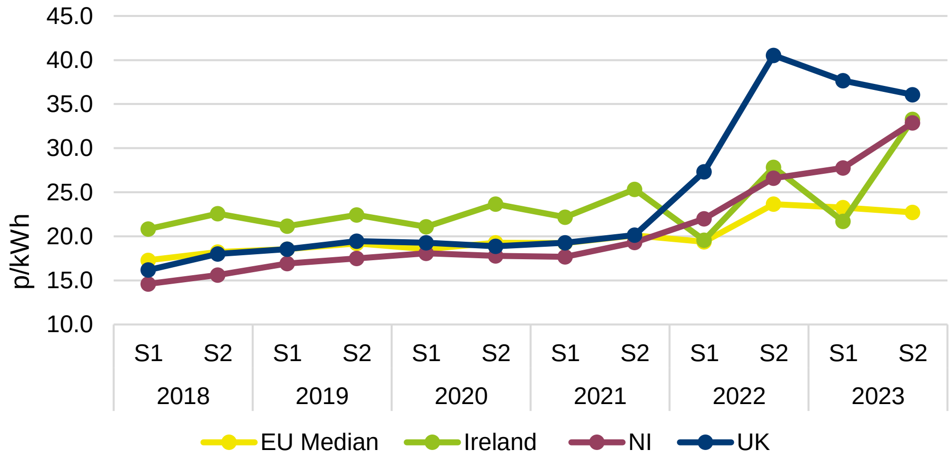


Figure 12: Medium Domestic Connections - Unit Price over Time



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

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

[11] The UK Government Energy Price Guarantee scheme, which was implemented in November 2022, was withdrawn from Northern Ireland on 1 July 2023 due to falling wholesale energy prices. 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.

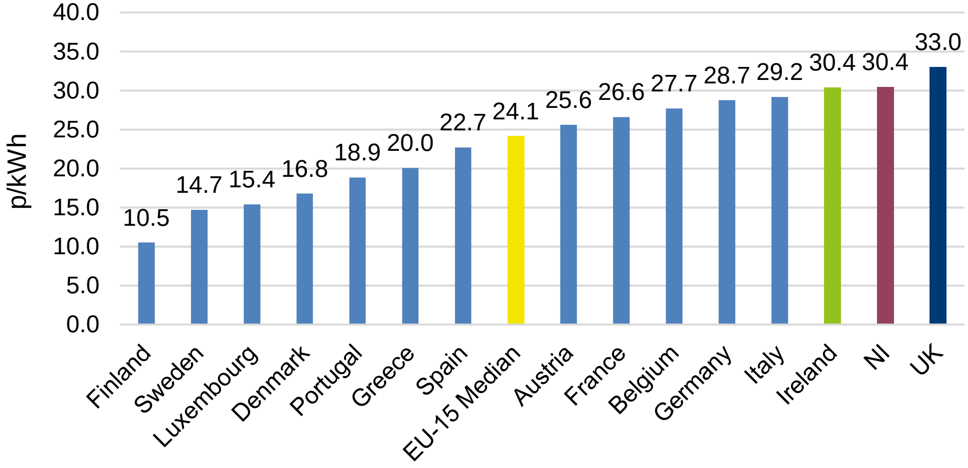
3.4 **I&C price comparison with EU**[12]: The graphs below show I&C electricity prices in the 15 EU[13] countries (converted to GBP) and in NI, per consumption size bands (following standard EU categorisation). The I&C graphs use unit prices which include Climate Change Levy (CCL) but exclude VAT, as 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.

3.5 During semester 2 2023 (July - December), the NI prices in the very small I&C category were higher than the EU median, the same in Ireland and lower than UK (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 lower than the UK and Ireland, but higher than the EU median[14].

Table 8: I&C Connections and Consumption End of Q4 2023

Size of Customer	Annual Consumption bands (MWh)	% of I&C connections	% of I&C consumption	I&C connection numbers
Very small	< 20	70.7%	7.5%	53,614
Small	20 – 499	27.9%	36.6%	21,158
Small / Medium	500 – 1,999	1.0%	16.6%	784
Medium	2,000 – 19,999	0.3%	25.5%	238
Large & Very Large	>20,000	0.0%	13.8%	17

Figure 13: Very Small Connections Prices excl. VAT, incl. other Taxes



Data Source: NIEN

[12] The UK Government Energy Price Guarantee scheme, which was implemented in November 2022, was withdrawn from Northern Ireland on 1 July 2023 due to falling wholesale energy prices. 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.

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

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

Figure 14: Small Connections Prices excl. VAT, incl. other Taxes

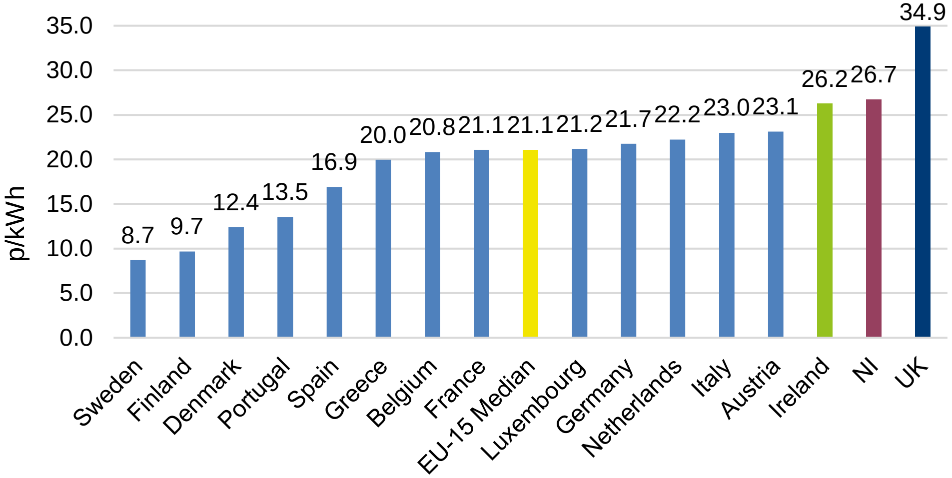


Figure 15: Small/Medium Connections Prices excl. VAT, incl. other Taxes

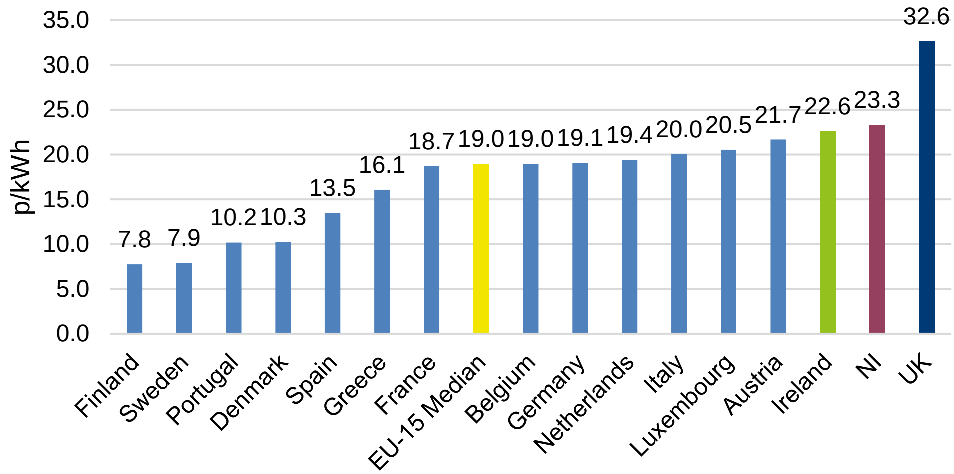


Figure 16: Medium Connections Prices excl. VAT, incl. other Taxes

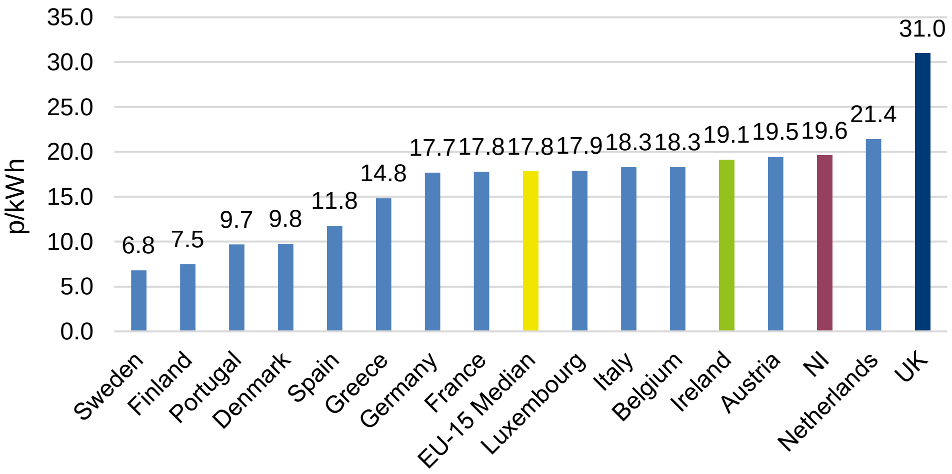
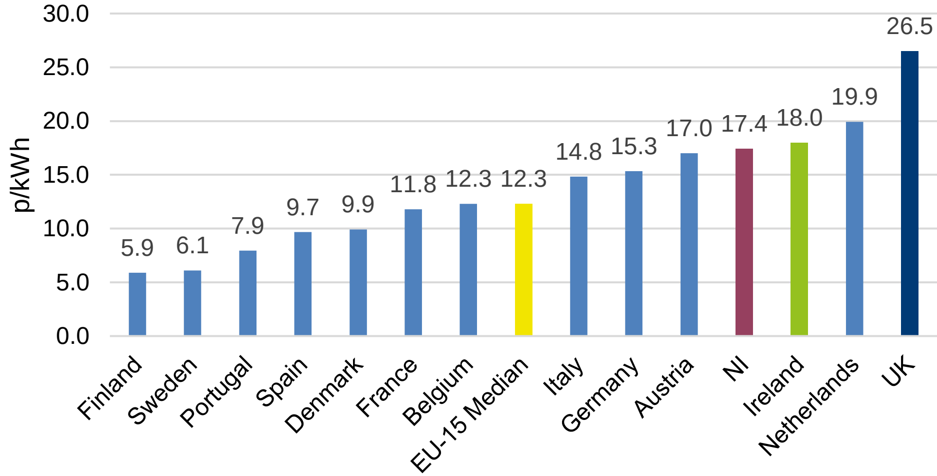


Figure 17: Large + Very Large connections Prices excl. VAT, incl. other Taxes



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

3.6 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.

Figure 18: Small I&C Connections - Unit Price over Time

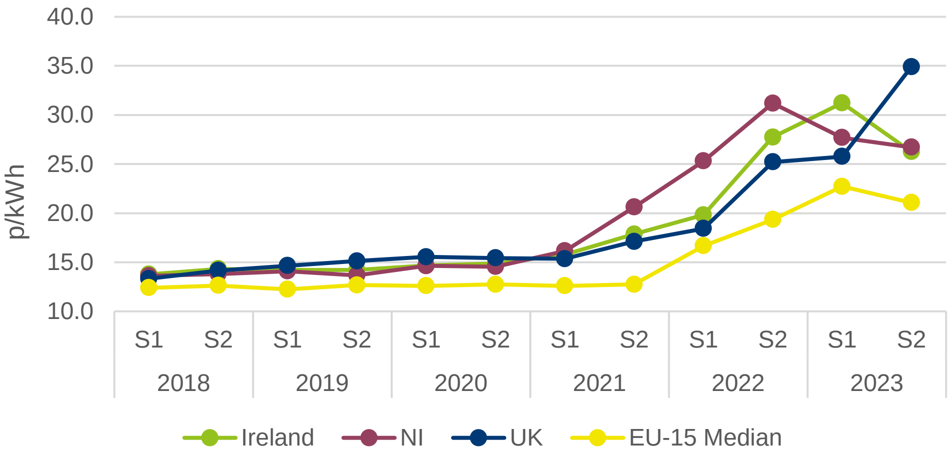
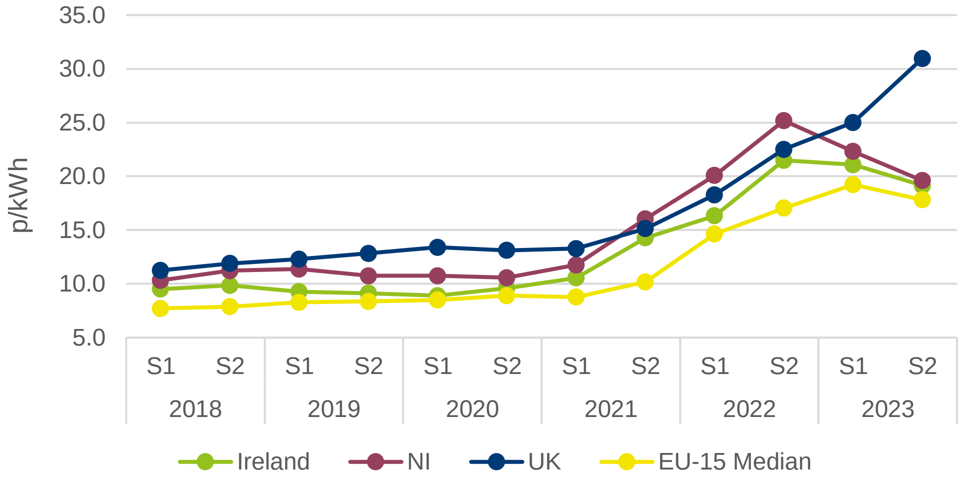


Figure 19: Medium I&C Connections - Unit Price over Time



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

4. Gas[15]

GAS Q1 2024

Total Gas Connections

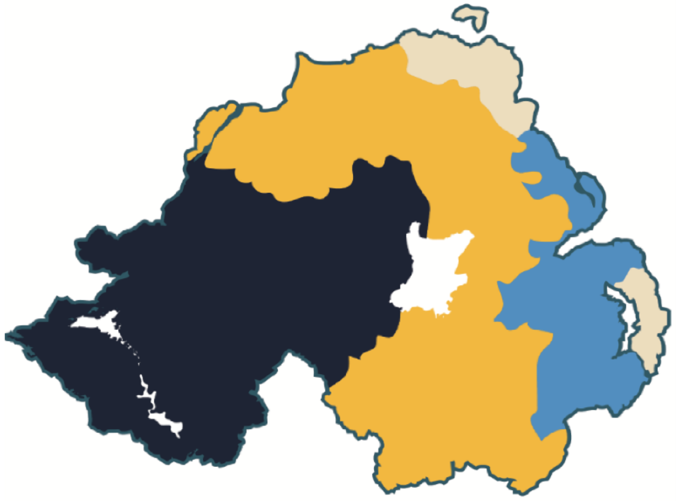
327,265

Total Gas Consumption

2,466,753 (MWh)

West
Connections = 4,166

West
Consumption = 207,787 (MWh)



G. Belfast
Connections = 252,912

G. Belfast
Consumption = 1,608,673 (MWh)

Ten Towns
Connections = 70,187

Ten Towns
Consumption = 650,293 (MWh)

Domestic Gas Pricing

11.0 p/kWh
July - December 2023

Total Gas Switches

604

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

Total Gas NI market Share by Connections

4.1 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[16] are as at the **end of March 2024.**

Figure 20: Gas Market Share by Distribution License Area by Connections

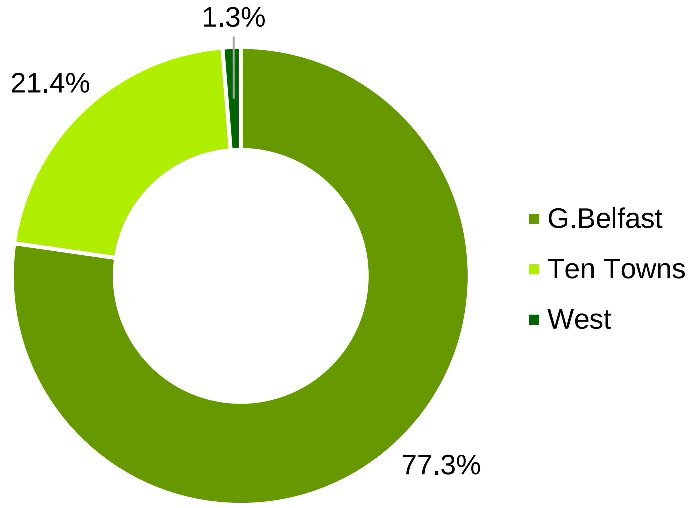


Figure 21: Gas Market Share by Supplier by Connections

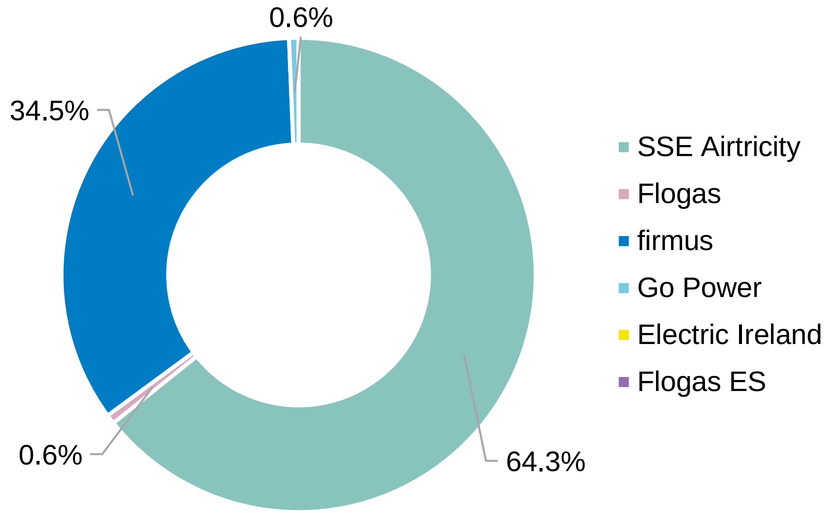


Table 9: Gas Market Share by Connections

Distribution Licensed Area	Market Segment	SSE Airtricity	firmus	Flogas	Go Power	Flogas ES	Electric Ireland	Total Connections
G.Belfast	**Domestic Only**	200,243	40,866	6	7	0	0	241,122
G.Belfast	**I&C Only**	5,941	2,662	1,514	1,647	19	7	11,790
Ten Towns	**Domestic Only**	0	67,102	0	0	0	0	67,102
Ten Towns	**I&C Only**	74	2,068	522	412	2	7	3,085
West	**Domestic Only**	4,058	0	0	0	0	0	4,058
West	**I&C Only**	18	58	21	9	0	2	108
Total		**210,334**	**112,756**	**2,063**	**2,075**	**21**	**16**	**327,265**

Data source: PNGL / FeDL / Evolve

[16] 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 Gas NI Market Share by Consumption

4.2 The pie chart below shows the total gas consumption in NI for the period **January to March 2024**, with a breakdown by distribution area.

Figure 22: Gas Market Share by Distribution License Area by Consumption

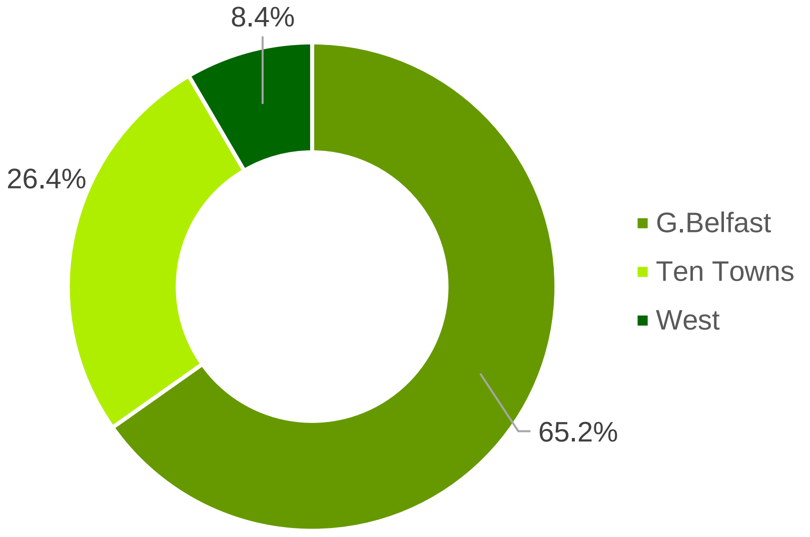


Figure 23: Gas Market Share by Supplier by Consumption

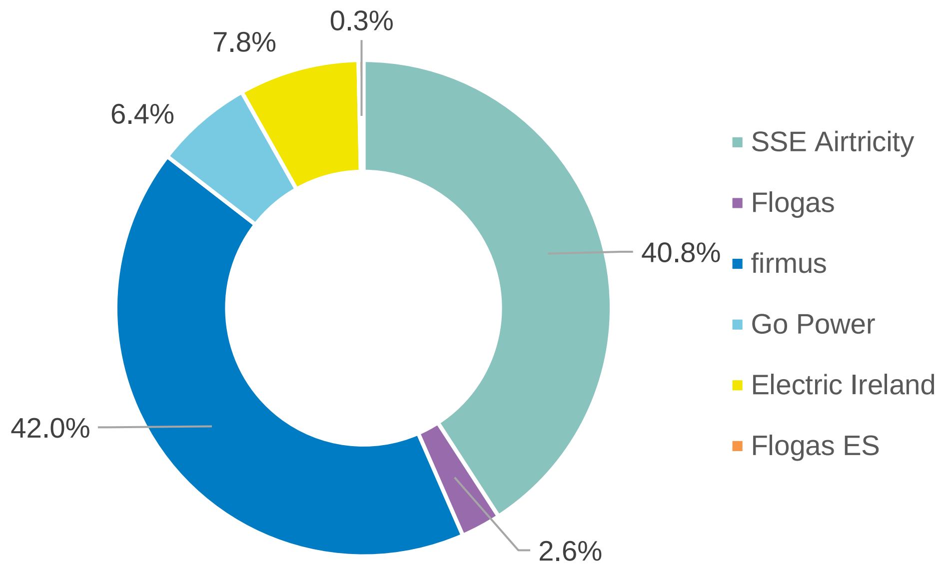


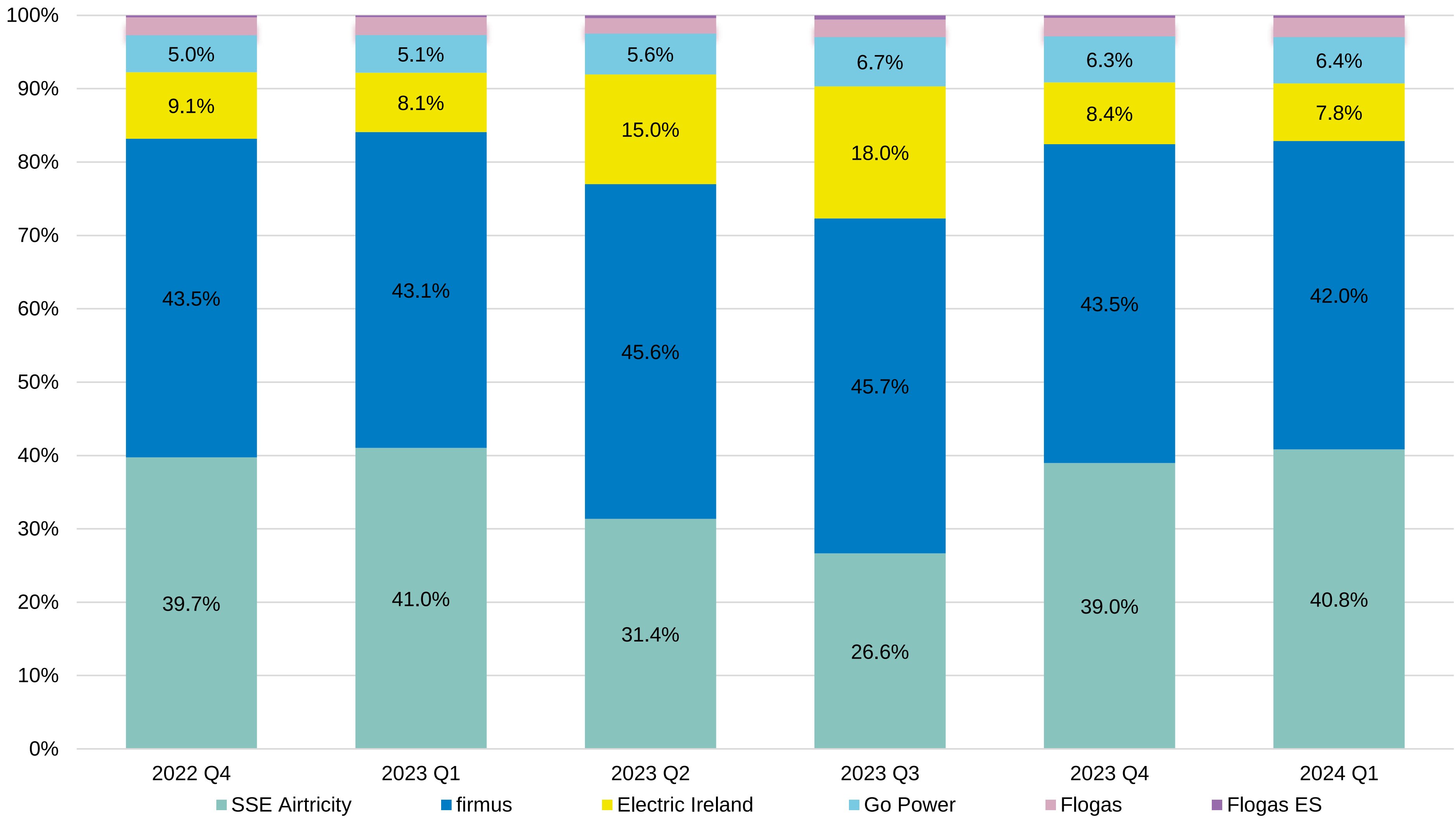
Table 10: Gas Market Share by Consumption (MWh)

Distribution Licensed Area	SSE Airtricity	firmus	Flogas	Go Power	Flogas ES	Electric Ireland	Total Consumption
G.Belfast	939,721	446,857	46,969	120,068	7,458	47,599	1,608,673
Ten Towns	41,160	527,574	15,038	35,203	644	30,674	650,293
West	26,670	62,368	2,199	1,523	0	115,026	207,787
Total	**1,007,551**	**1,036,799**	**64,206**	**156,795**	**8,102**	**193,299**	**2,466,753**

Data source: PNGL / FeDL / Evolve

4.3 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.

Figure 24: Gas Market Share by Consumption Over Time - Total NI Market



Data source: PNGL / FeDL / Evolve

Domestic and Small I&C Analysis by Gas Connections

4.4 This section of the report provides a more detailed analysis of the gas **domestic and small I&C sector**[17]**,** by connections (at the end of March 2024).

Figure 25: Domestic and Small I&C Market Shares by Connections

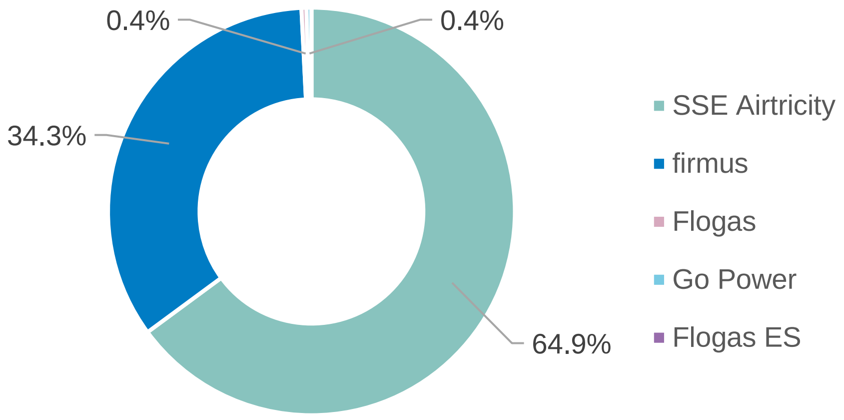


Figure 26: Domestic and Small I&C Connections by Market Segment

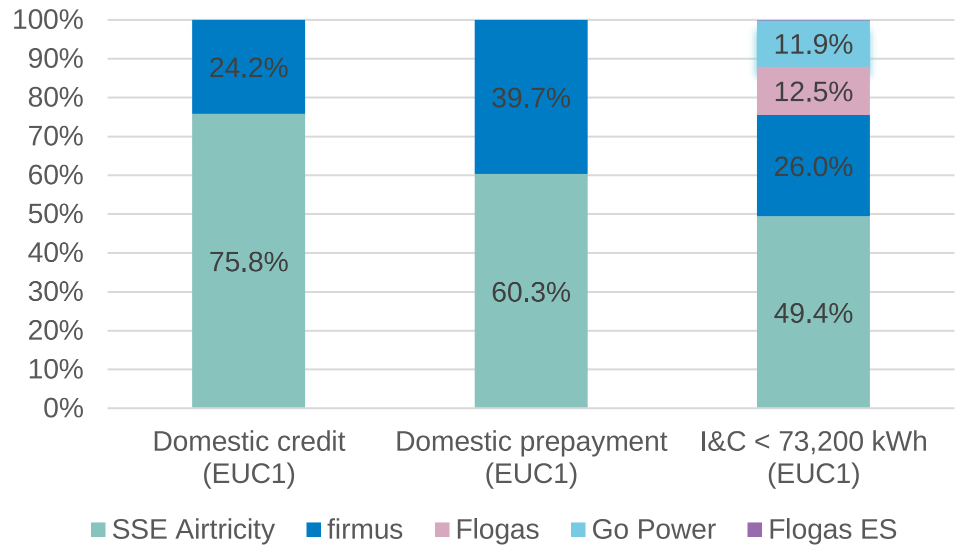


Table 11: Domestic and Small I&C Analysis by Connections

Distribution Licensed Area	Market Segment	SSE Airtricity	firmus	Flogas	Go Power	Flogas ES	Total Connections
G.Belfast	Domestic credit (EUC1)	77,068	10,692	6	7	0	87,773
G.Belfast	Domestic prepayment (EUC1)	123,175	30,174	0	0	0	153,349
G.Belfast	I&C < 73,200 kWh (EUC1)	5,221	1,457	971	1,038	9	8,696
Ten Towns	Domestic credit (EUC1)	0	14,248	0	0	0	14,248
Ten Towns	Domestic prepayment (EUC1)	0	52,854	0	0	0	52,854
Ten Towns	I&C < 73,200 kWh (EUC1)	8	1,285	345	225	0	1,863
West	Domestic credit (EUC1)	1,226	0	0	0	0	1,226
West	Domestic prepayment (EUC1)	2,832	0	0	0	0	2,832
West	I&C < 73,200 kWh (EUC1)	13	21	12	3	0	49
Total		**209,543**	**110,731**	**1,334**	**1,273**	**9**	**322,890**

Data sources: PNGL / FeDL / Evolve

[17] 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 Gas Consumption

4.5 This section of the report provides a more detailed analysis of the gas **medium and large I&C sector**[18], by consumption.

Figure 27: Medium and Large I&C Market Share by Consumption

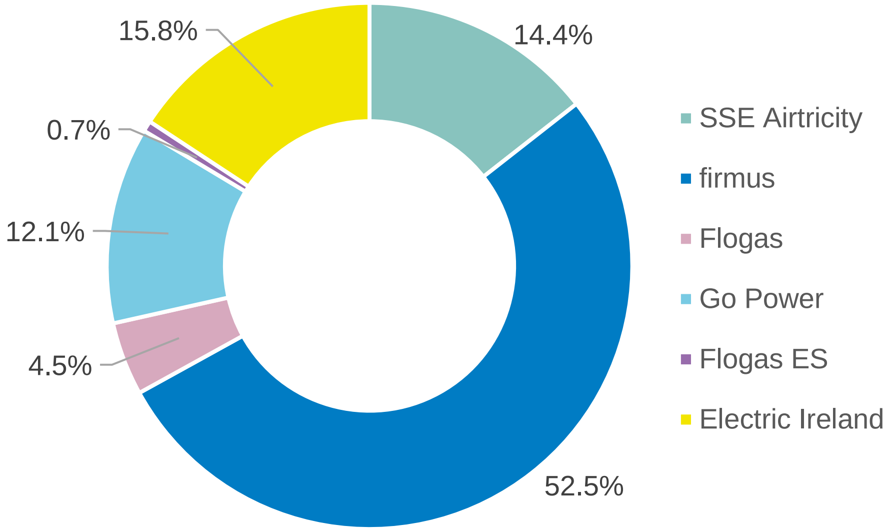


Figure 28: Medium and Large I&C Market Share by Market Segment and Consumption

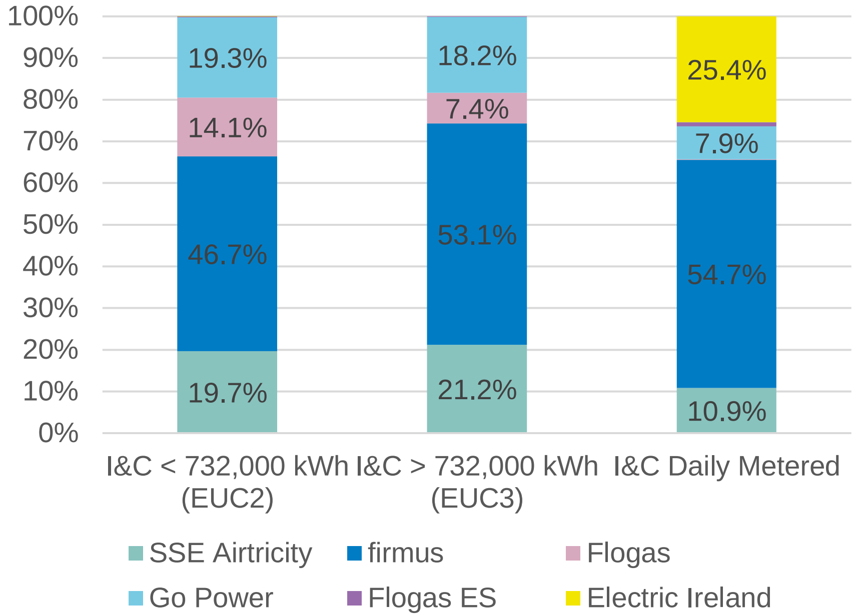


Table 12: Medium and Large I&C Analysis by Consumption (MWh)

Distribution Licensed Area	Market Segment	SSE Airtricity	firmus	Flogas	Go Power	Flogas ES	Electric Ireland	Total Consumption
G.Belfast	I&C < 732,000 kWh (EUC2)	54,467	79,014	29,695	41,670	570	42	205,459
G.Belfast	I&C > 732,000 kWh (EUC3)	25,248	52,161	8,472	23,373	0	0	109,254
G.Belfast	I&C Daily Metered	43,152	160,562	0	46,675	6,829	47,557	304,775
Ten Towns	I&C < 732,000 kWh (EUC2)	3,580	57,751	11,494	14,917	0	0	87,742
Ten Towns	I&C > 732,000 kWh (EUC3)	10,442	36,145	3,544	7,309	270	0	57,709
Ten Towns	I&C Daily Metered	27,138	197,085	0	12,977	374	30,674	268,249
West	I&C < 732,000 kWh (EUC2)	149	1,544	445	536	0	0	2,674
West	I&C > 732,000 kWh (EUC3)	437	2,042	548	306	0	0	3,332
West	I&C Daily Metered	12,518	58,480	1,144	662	0	115,026	187,830
Total		**177,131**	**644,783**	**55,342**	**148,425**	**8,043**	**193,299**	**1,227,024**

Data sources: PNGL / FeDL / Evolve

[18] 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

4.6 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[19] per quarter.

Figure 29: Gas - Quarterly Total Change of Supplier

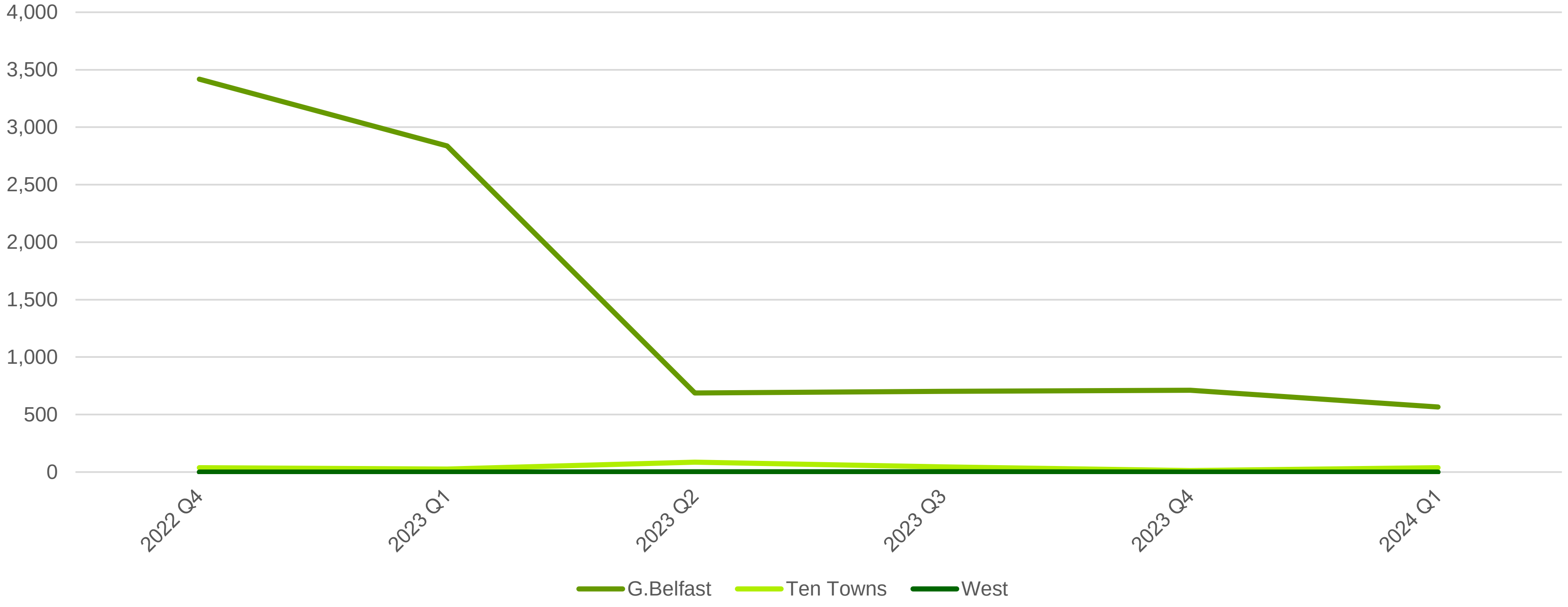


Table 13: Switching Rate - Total NI Market

Quarter	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
No. of switches	3,456	2,863	775	750	725	604
Switching rate (%)	1.1%	0.9%	0.2%	0.2%	0.2%	0.2%

Data source: PNGL / FeDL / Evolve

[19] 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.

4.7 Greater Belfast is the only distribution area in which there is competition within the domestic credit and prepayment[20] sectors. The Figure 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.

Figure 30: Gas - Monthly Domestic Switches (G.Belfast)

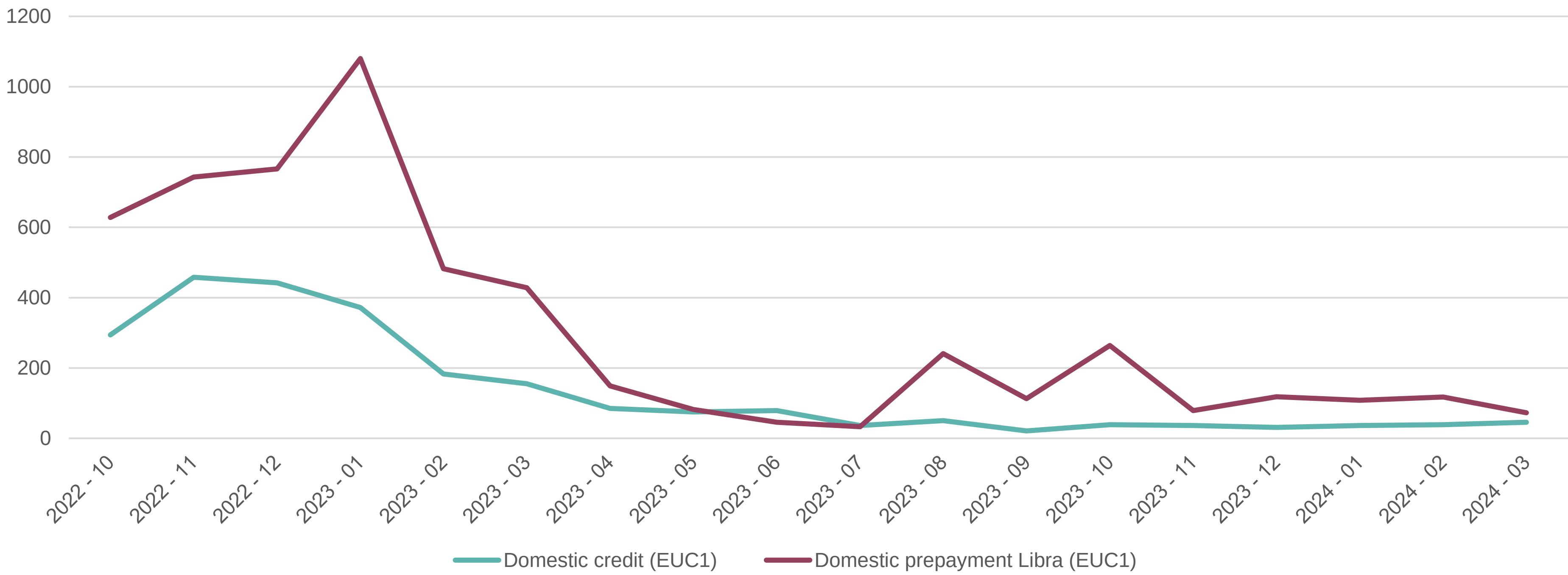


Table 14: Switching rate - Domestic Market (G. Belfast only)

Quarter	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
No. of switches	3,331	2,700	516	494	567	419
Switching rate (%)	1.4%	1.1%	0.2%	0.2%	0.2%	0.2%

Data source: PNGL / FeDL / Evolve

[20] 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.

4.8 The Figure 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.

Figure 31: Gas I&C Switches by Distribution Licensed Area

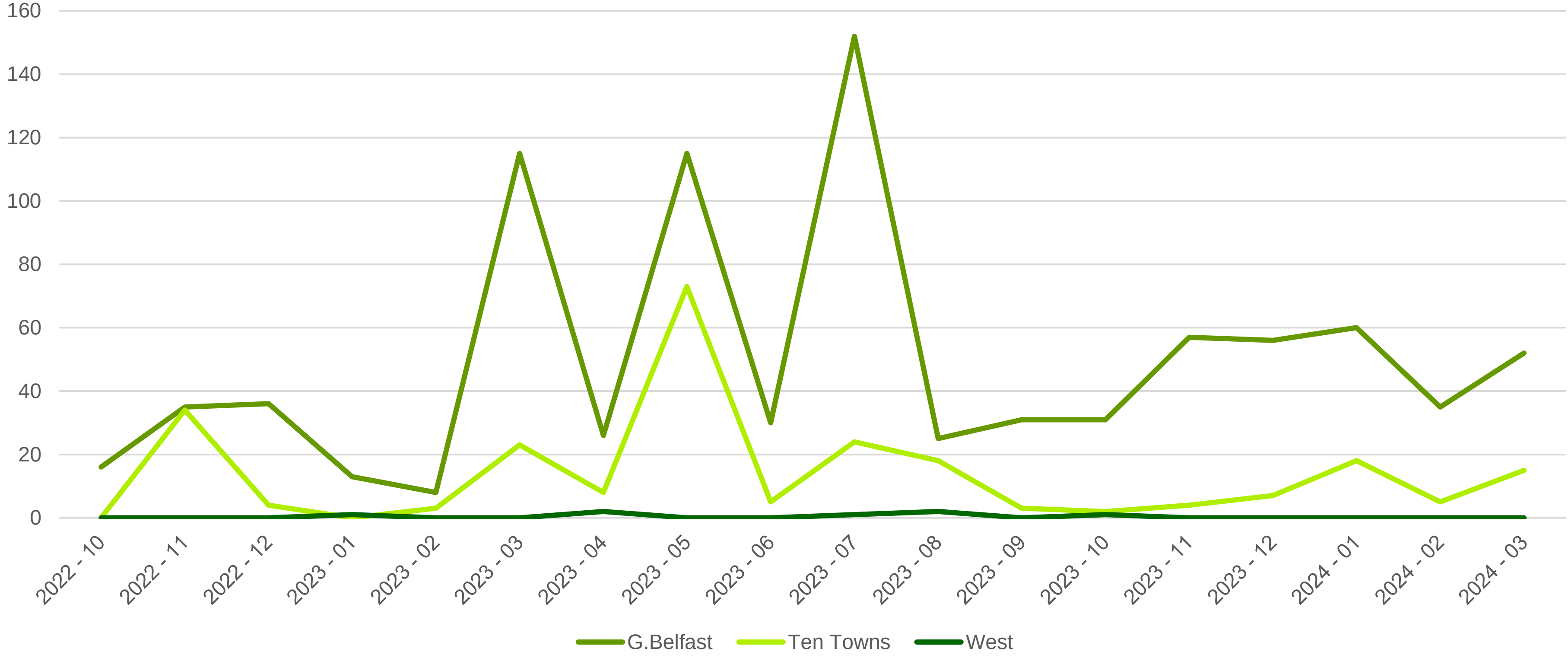


Table 15: Switching rate – I&C Market

Quarter	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
No. of switches	125	163	259	256	158	185
Switching rate (%)	0.8%	1.1%	1.7%	1.7%	1.1%	1.2%

Data source: PNGL / FeDL / Evolve

5. Gas Pricing – Semester 2 2023[21]

5.1 The pricing data detailed in this report is for the semester July – December 2023 (S2 2023). 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.

5.2 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 2023 (July - December), the NI domestic gas prices are comparable to the EU median. The NI gas price was lower than Ireland, but higher than the UK[22].

Figure 31: Medium Domestic Connections Unit Prices incl. all Taxes (July - December 2023)

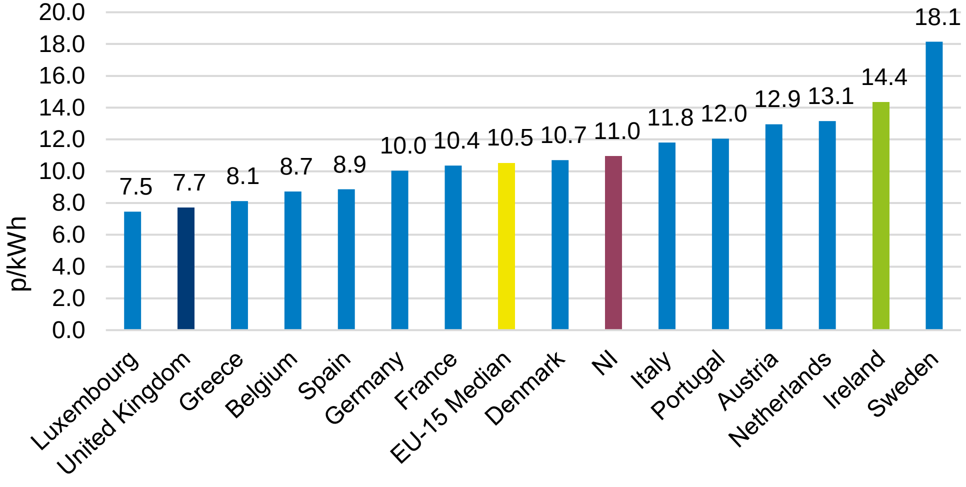
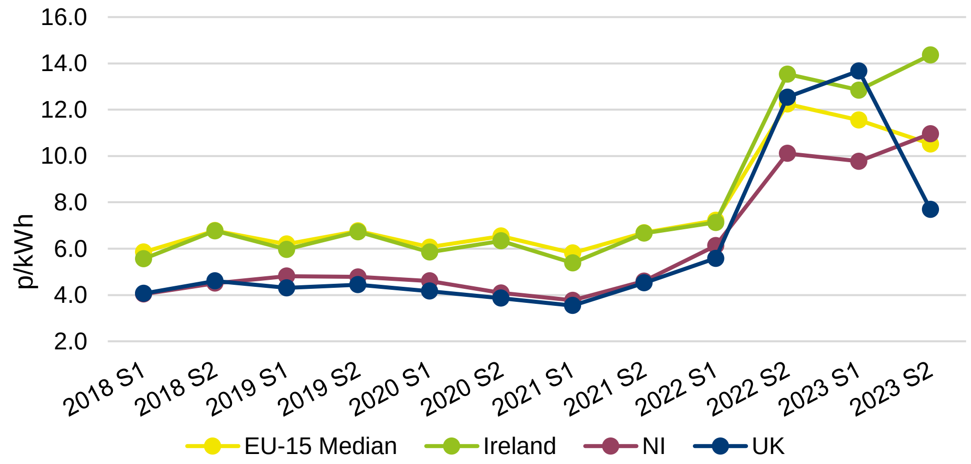


Figure 32: Medium Domestic Connections - Unit Price over Time



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

[21] The UK Government's Energy Price Guarantee scheme, which was implemented in November 2022, was withdrawn from 1 July 2023 due to falling wholesale energy prices. 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.

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

5.3 **[I&C price](#) comparison with EU**: The graphs below show I&C gas prices and similar to the electricity prices above they 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 also amalgamate the two largest categories of annual consumption (medium and large connections) to avoid any confidentiality issues in sectors where there are a small number of customers and suppliers involved.

5.4 During semester 2 2023 (July - December), the NI prices in the very small I&C category were below the EU median, the UK and Ireland (c86% of I&C connections in NI are in this size category). During the same period, for the medium and large I&C category, NI gas prices were slightly below the UK, and slightly above Ireland and the EU.

Figure 33: Very Small Connections Prices excl. VAT, incl. other Taxes

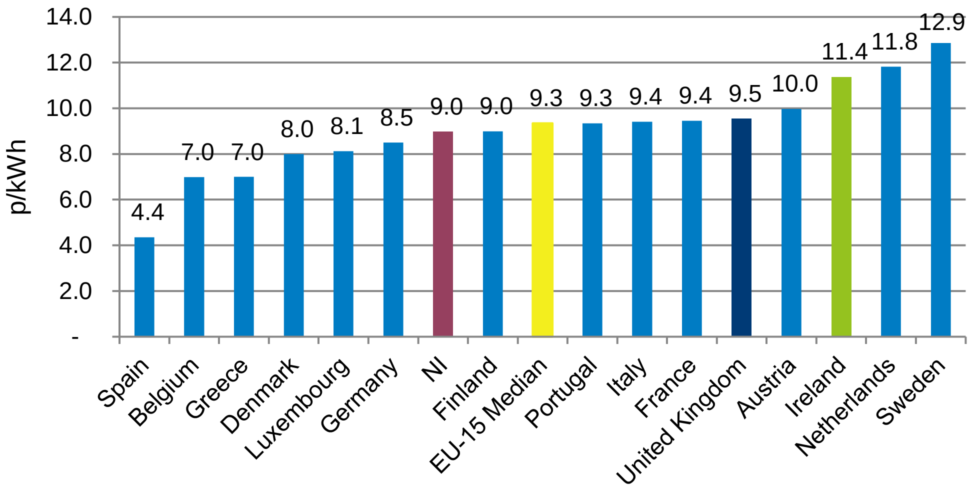


Figure 34: Small Connections Prices excl. VAT, incl. other Taxes

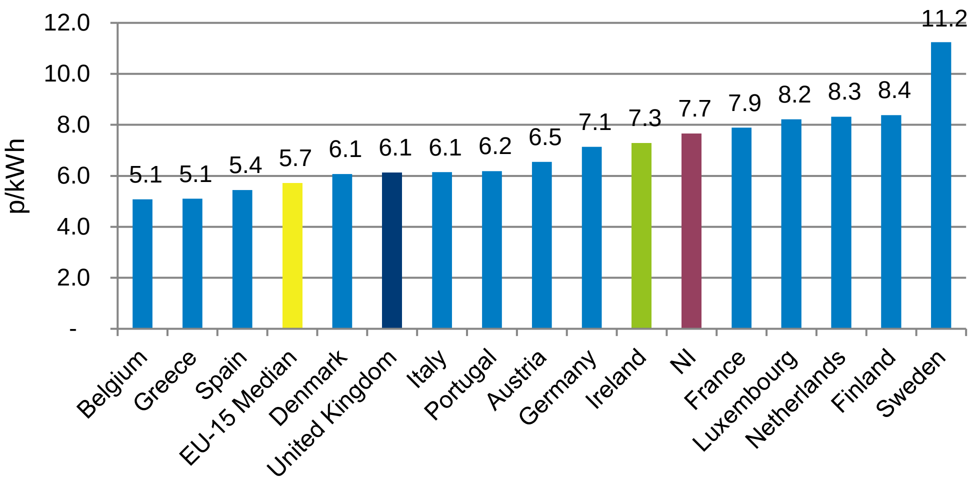
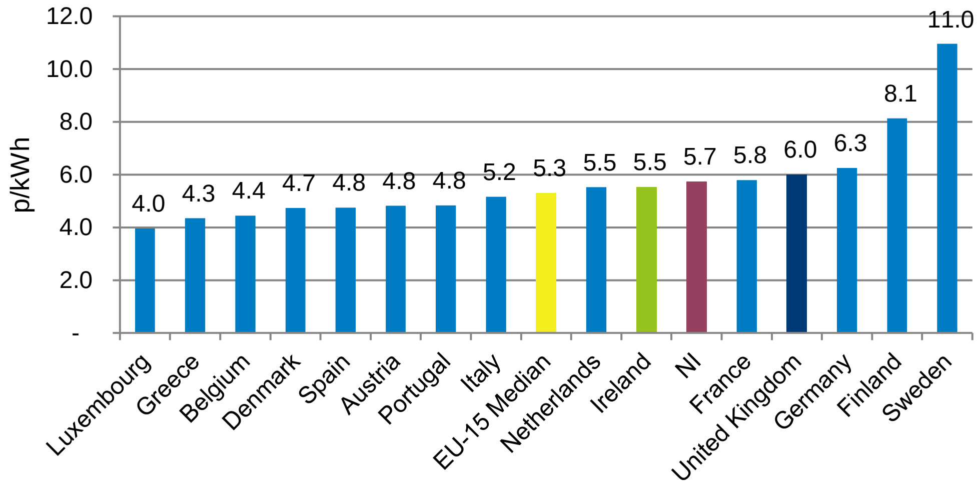


Figure 35: Medium and Large Connections Prices excl. VAT, incl. other Taxes



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 are provided by the network companies:
2. NIEN0
3. Northern Ireland Electricity Networks (NIEN) for electricity data; and
4. Phoenix Natural Gas Limited (PNGL), firmus energy (Distribution) Limited (feDL) and Evolve Network Ltd (formerly SGN Natural Gas Ltd) 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[23] and Eurostat data base[24]) 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:

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[23] https://www.gov.uk/government/collections/quarterly-energy-prices
[24] Database - Eurostat (europa.eu)

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

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[25] and Eurostat data base[26]) 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[27] 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

[25] www.gov.uk/government/collections/quarterly-energy-prices
[26] Database - Eurostat (europa.eu)
[27] The latest SEM market monitoring report is here

Northern Ireland. There are three Distribution Network Operators[28] (DNOs) who operate in separate distribution areas as follows:

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. Evolve Network Ltd (formerly SGN Natural Gas Ltd) 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.

[28] Natural Gas NI – Natural Gas Network Operators and Suppliers

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[32] 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[29]	
Domestic	Incumbent supplier since September 1996: SSE Airtricity[30]
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[31]	
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[33]	
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

[29] The Greater Belfast area is defined in Schedule 1 of the Phoenix Natural Gas Limited conveyance licence.
[30] Formerly Phoenix Supply Ltd (PSL).
[31] The Ten Towns area is defined in Schedule 1 of the firmus energy (Distribution) Limited conveyance licence.
[32] Note that firmus supply left the electricity market at the end of 2015.
[33] 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.	Ofgem	Office of the Gas and Electricity Markets
CoS	Change of supplier	PNGL	Phoenix Natural Gas Limited
EU	European Union	Q	Quarter. In this report, Q refers to the calendar year (i.e., Q1 refers to the quarter January-March).
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	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).
feDL	firmus energy (Distribution) Limited	REMM	Retail Energy Market Monitoring
firmus energy	firmus energy (Supply) Limited	SGN NG	SGN Natural Gas (now Evolve Network)
GB	Great Britain	S1	Semester 1
GBP	Great British Pound	S2	Semester 2
I&C	Industrial and Commercial	UR	Utility Regulator
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.	VAT	Value Added Tax
NI	Northern Ireland	UK	United Kingdom
NIEN	Northern Ireland Electricity Networks		
LEU	Large Energy Users		