



## Government Support for Annual Household Energy Bills

During the 17 October 2022 Fiscal Statement, the Chancellor outlined that universal household support for energy bills will run until April 2023 after which a Treasury-led review will be launched, to consider how to support households and businesses with energy bills.

This note describes the Schemes that will be provided by the Department for Business, Energy and Industrial Strategy (BEIS) to assist Northern Ireland domestic consumers this winter, and the outcome of that support on household bills.

### The Energy Price Guarantee

The Energy Price Guarantee (EPG) will be applied to all electricity and natural gas bills as a unit rate discount. The discount is a flat rate reduction regardless of supplier; it is not a percentage reduction of customers' bills.

The EPG will not prevent further increases to suppliers' tariffs that could result from increases in wholesale energy market prices.

The scheme is expected to provide households in Northern Ireland with equivalent financial support to those in Great Britain and will apply a unit price reduction of up to 17p/kWh for electricity and 4.2p/kWh for gas. These rates are applied in the charts below for comparative purposes.

However, as the Northern Ireland EPG will take effect from November the UK Government has committed to backdate support to ensure Northern Ireland households receive the same overall benefit as households in Great Britain.

Therefore, the Northern Ireland EPG will further reduce the unit cost of electricity and natural gas for both credit and prepayments meters respectively until March 2023 to catch up with the UK's EPG that started on 1<sup>st</sup> October. This further reduction amount will be confirmed when the EPG is formally launched and is expected to be reviewed in January.

As the discount is a flat rate reduction regardless of supplier, consumers on expensive tariffs could still reduce their annual bills by hundreds of pounds simply by switching supplier. The Consumer Council provide a free, impartial, [online tool that compares all suppliers' energy tariffs](#) that enables consumers to find the best deal.

### The Energy Bill Support Scheme

All Northern Ireland domestic consumers will receive a £400 payment under the Energy Bills Support Scheme via their electricity supplier.

This payment will be applied automatically to credit meter customers' accounts. Pre-payment meter customers will receive the support by adding credit to their meter; the number of top-ups required to draw down the full £400 is to be confirmed.

Energy consumers do not need to take any action to receive this support and do not need to pay this back.

The date consumers will receive this payment is to be confirmed.

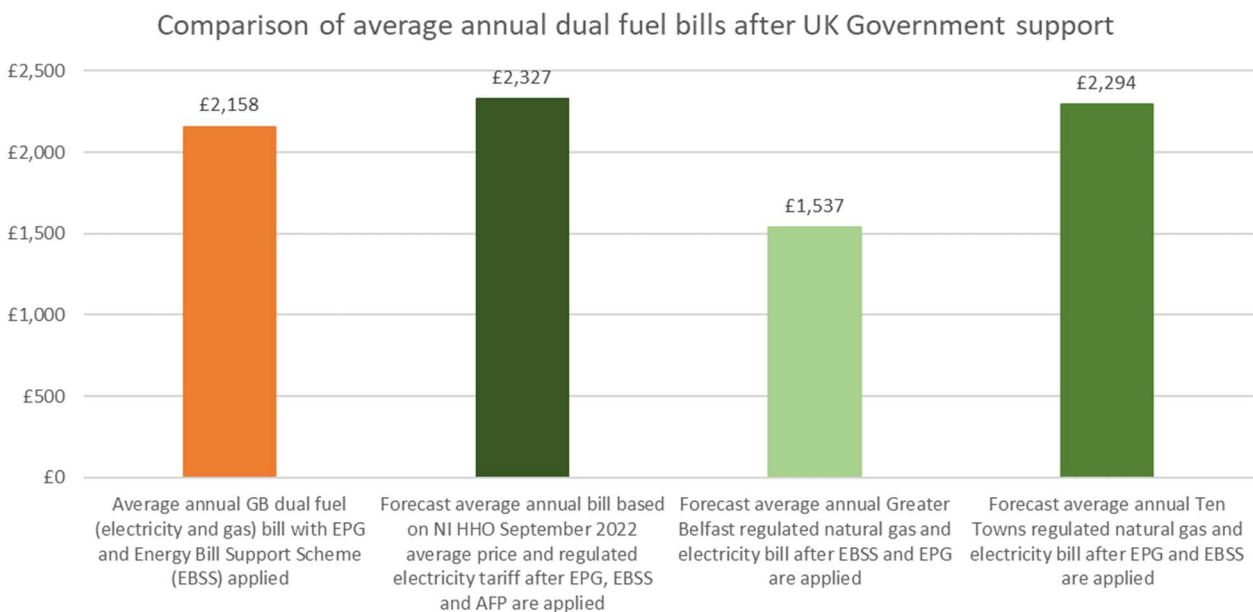
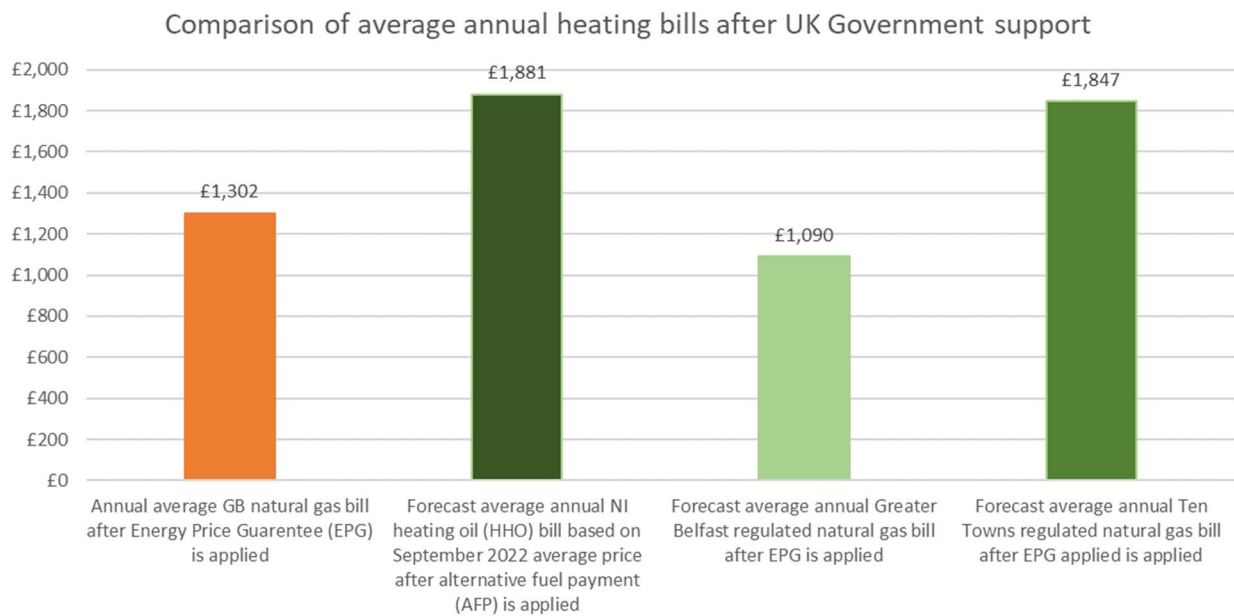
## Alternative Fuel Payment

The 68% of households in Northern Ireland with oil heating will receive the Alternative Fuel Payment (AFP) which is being provided to all energy consumers in the UK who are off gas grid, i.e. not served by the gas network. This is a flat payment of £100.

[This link is to a Government factsheet outlining further information on the Schemes.](#)

## Average Annual Household Bills after Government Support

The Charts below compare Average Annual Household Bills for Northern Ireland households with the equivalent households in Great Britain after the support provided by the three Government schemes described above is applied.



## Energy Efficiency

There is no cap on the price of the Northern Ireland energy consumers will use this winter. If households use more energy, they will pay higher bills.

[The Consumer Council website provides further information on ways consumers can reduce energy use and save money.](#)

## Explanatory Notes

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### Heating Oil Consumption

Estimating average HHO consumption in Northern Ireland is difficult as suppliers do not collect this information.

The Sutherland Tables provide comparative costs for space heating and hot water for the most common fuels across a range of standard house types throughout the UK and Ireland.<sup>i</sup> Their comparisons with natural gas use of 12,000kWh suggest that to appropriately heat a two-bed home with a high-efficiency boiler requires 1,374 litres of HHO per year. Heating the same home with a standard boiler would require 1,934 litres of HHO use per year.

In February and March 2022, the Consumer Council collected data from over 1,000 consumers regarding annual energy spend, including spend on HHO, order volumes, and frequency. This research suggested consumers actual annual average use could be around 1,700 litres<sup>ii</sup>. This lower figure may reflect consumers using less HHO due to high prices in the past year. It could also reflect upgrades in boiler efficiency, but on-the-ground experience suggests many homes still use inefficient non-condensing boilers.

The HHO estimates in these charts are based on annual average use of 1,817 litres. This is the mid-point between our research findings of February and March 2022 (1,700 litres), and the Sutherland tables usage estimate for a standard boiler (1,934 litres).

Estimates are also based on a purchase price of HHO at £1.09 per litre, the September 2022 average price per litre for a 300 litre HHO delivery, as our May 2022 research found that over half of consumers purchased HHO in quantities of 300 litres or less.

### Natural Gas Consumption

The Consumer Council, the Utility Regulator, and Ofgem use an estimated annual average usage figure of 12,000 kWh when assessing natural gas tariffs.

### Electricity Consumption

The Consumer Council and the Utility Regulator use an estimated annual average usage figure of 3,200 kWh when assessing electricity tariffs.

*Note produced on 28 October 2022*

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<sup>i</sup> [Sutherland tables](#) is a reputable and established source of independent and impartial information on domestic heating costs. They are not linked commercially to any supplier of fuel or heating systems.

<sup>ii</sup> [The Consumer Council \(May 2022\) A Review of Fuel Poverty Levels in Northern Ireland](#).