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International trends exert upward pressure on Irish energy prices

~ SEAI Publishes Latest Electricity and Gas Price Tracking Report for Second Half of 2010 ~

A report published today (17 July) by the Sustainable Energy Authority of Ireland (SEAI) highlights that average gas and electricity prices rose in the second half of 2010, driven by increases in global fuel prices. However, overall prices in Ireland remained competitive vis-à-vis energy pricing across the European Union.

By the end of 2010, all business consumers and most domestic consumers in Ireland were paying below the EU average price for gas. Many experienced price rises in the second half of the year, but these were broadly in line with international trends. For electricity, most consumers, business and domestic, saw average price falls in the first half of 2010, but rises in the second half. Ireland ended 2010 towards the middle of the EU rankings for electricity prices.

Commenting on the publication of the report, Dr. Brian Motherway, Chief Operations Officer at SEAI said, *"Our energy prices remain competitive within Europe, but this should not make us complacent. 2010 saw an end to the trend of falling global energy prices, as oil and gas prices started to rise and became more volatile. There is undoubtedly a continuing upward pressure on prices due to our dependence on these imported fuels. This is a cause of concern for both homeowners and businesses. We must remain focused on the cost of energy to all consumers."*

SEAI's latest report reveals that average electricity prices for most businesses fell in the 12 months to the end of 2010, whereas the EU averages rose. The trend in domestic electricity prices, as in many areas, was one of price declines in the first half of 2010 but rises in the second half. Consumers of smaller quantities tended to experience higher prices vis-à-vis the rest of the EU. Average business gas prices meanwhile rose for the 12 months to end of 2010, at a greater rate than the EU average, but Irish prices still remained at levels below average EU prices. Average domestic gas prices in Ireland fell in 2010.

Concluding, Dr. Motherway stated *“The challenge now for Ireland is to address our reliance on imported fossil fuels. It is important to remember that wind energy in Ireland is lowering electricity prices, and it is essential we continue to exploit our indigenous natural energy resources. We should also remember that we all have opportunities to reduce our energy usage and hence our costs. This has been proven by many thousands of homes and businesses taking action in recent years to become more energy efficient, and saving millions of euro in the process.”*

The Electricity and Gas Prices (in Ireland) Report can be found on the SEAI website at:

www.seai.ie/statistics

Key Highlights on Electricity and Gas Pricing:

- Electricity and gas prices for householders to the 12 months ending 2010, allowing for exchange rate variations and cost of living differences, were cheaper than the EU average – 15% below for electricity and 31% below for gas in purchasing power parity terms.
- In the 12 month period to the end of 2010 electricity prices fell for the majority of business consumers, from over 10% for large consumers to approximately 3.8% for medium to small consumers.
- From July to December 2010, householders experienced an increase of 4.2% in electricity prices while the majority of household gas customers experienced a 6.1% increase.
- Gas prices for business increased between 8% for large customers and 27% for small to medium users from July to December 2010.
- Medium to large businesses, which account for the largest group of electricity users, experienced a rise in average of 3.8% from July to December 2010.
- At the end of 2010 Irish gas prices remained below the EU average for both households and medium to large businesses.

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About SEAI:

The Sustainable Energy Authority of Ireland (SEAI) has a mission to play a leading role in transforming Ireland into a society based on sustainable energy structures, technologies and practices. The Authority is partly financed by Ireland’s EU Structural Funds Programme co-funded by the Irish Government and the European Union.