

# Electricity & Gas Prices in Ireland

1<sup>st</sup> Semester (January – June) 2011



Report prepared by

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### Sustainable Energy Authority of Ireland

The Sustainable Energy Authority of Ireland was established as Ireland's national energy authority under the Sustainable Energy Act 2002. SEAI's mission is to play a leading role in transforming Ireland into a society based on sustainable energy structures, technologies and practices. To fulfil this mission SEAI aims to provide well-timed and informed advice to Government, and deliver a range of programmes efficiently and effectively, while engaging and motivating a wide range of stakeholders and showing continuing flexibility and innovation in all activities. SEAI's actions will help advance Ireland to the vanguard of the global green technology movement, so that Ireland is recognised as a pioneer in the move to decarbonised energy systems.

SEAI's key strategic objectives are:

- Energy efficiency first – implementing strong energy efficiency actions that radically reduce energy intensity and usage;
- Low carbon energy sources – accelerating the development and adoption of technologies to exploit renewable energy sources;
- Innovation and integration – supporting evidence-based responses that engage all actors, supporting innovation and enterprise for our low-carbon future.

The Sustainable Energy Authority of Ireland is financed by Ireland's EU Structural Funds Programme co-funded by the Irish Government and the European Union.

### Energy Policy Statistical Support Unit (EPSSU)

SEAI has a lead role in developing and maintaining comprehensive national and sectoral statistics for energy production, transformation and end use. This data is a vital input in meeting international reporting obligations, for advising policy makers and informing investment decisions. Based in Cork, EPSSU is SEAI's specialist statistics team. Its core functions are to:

- Collect, process and publish energy statistics to support policy analysis and development in line with national needs and international obligations;
- Conduct statistical and economic analyses of energy services sectors and sustainable energy options;
- Contribute to the development and promulgation of appropriate sustainability indicators.

## Highlights

This report analyses data published by Eurostat collected under the methodology for the EU Gas and Electricity Price Transparency Directive. Since 2008, comparable data for all EU states is published every six months. The focus of the report is on the comparative electricity and gas price data for the first semester (January – June) of 2011. The report uses updated and revised data from Eurostat.

### Electricity Price to Business Consumers

There were both increases and decreases in electricity price to business consumers in the first half of 2011 depending on the level of consumption. Larger consumers experienced a reduction of 3.8% while medium consumers experienced increases of 0.8% to 2.1%. Where increases occurred, they were generally of a smaller magnitude than increases in the EU on average.

VAT exclusive electricity price to business consumers was below the EU average for all medium to large consumers (above 2,000 MWh/annum), ranging from 10% to 17% below. These consumers accounted for 48% of the business electricity market.

Within the Euro Area countries, business electricity prices in Ireland for the first half of 2011 were below the average with the exception of medium consumers (band IC) where the price was at the Euro Area average. Ireland was 2% below the Euro Area average in the small consumption levels and for medium to large consumers the price ranged from 13% to 19% below.

### Natural Gas Price to Business Consumers

There was considerable upward pressure on natural gas prices during the second semester of 2010 and into the first semester of 2011. Business gas consumers experienced price increases of 20.6% for medium consumers and 14.6% for large consumers in the first half of 2011.

Interestingly, smaller consumers experienced price reductions ranging from 2.5% to 8.3% in the same semester.

Price for business gas consumers remained below the EU average for most consumption levels in the first half of 2011, ranging from 4% to 25% below.

The exception was consumers in the range of 100,000 GJ to 1,000,000 GJ (band I3) where the price of gas went to 11% above the EU average as a result of the 20.6% increase.

### Electricity Price to Households

Households with medium electricity consumption (band DC) experienced a 1.4% increase in electricity price in the first half of 2011. This was lower than the 3.7% increase on average in the EU. This group accounts for 28% of the household electricity market.

Larger consumers, greater than 5,000 kWh/annum, experienced price reductions ranging from 6.1% to 7.6% depending on consumption levels. The price for these consumers was between 7% and 19% below the EU average and accounts for 64% of the household electricity market.

### Natural Gas Price to Households

Gas price to Irish householders fell by 3.3% during the first half of 2011. The price fell also in the EU but at the lower rate of 1.4%.

During the first half of 2011 the price of gas to Irish householders was 10% below the EU average.

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# 1 Introduction

The fluctuations in energy prices over the past number of years are a key concern for all energy consumers in Ireland, as they impact on the rate of inflation and competitiveness. Understanding the key contributing factors and the precise impacts of energy price changes are key ingredients in developing appropriate, sensible and measured responses from businesses, householders and policy makers. Comparing energy prices in Ireland with those of other EU Member States and elsewhere is a particularly important aspect of any analysis of the impact of price changes and competition. This report seeks to inform that analysis and thereby increase the understanding of energy price changes in Ireland.

This report draws on the results of the improved EU methodology for gathering energy price data that came into effect on January 1<sup>st</sup> 2008. However, the focus of the report is on the electricity and gas price data gathered under this improved methodology and focuses on the period January – June 2011, i.e. the first semester 2011. Revisions to Eurostat's data have been incorporated into this report. Eurostat data presented in this report are as posted on their website<sup>1</sup> on 21<sup>st</sup> November 2011.

The report is structured as follows:

- Section 2 provides a context for the analysis, touching on global factors affecting energy prices, discussing some characteristics that particularly impact on prices in Ireland.
- Section 3 focuses on electricity and gas prices paid by industrial and services (business) customers, informing the discussion on impacts of energy price changes for business in Ireland.
- Section 4 focuses on price changes for residential customers, comparing prices for households in Ireland with those of other EU Member States.
- Appendix 1 shows the average electricity and natural gas prices in the various consumption bands in Ireland during the 1<sup>st</sup> semester 2011.

Four separate Annexes are available in pdf from [www.seai.ie/statistics](http://www.seai.ie/statistics) detailing, for the latest five semesters, for all countries and all consumptions bands, the electricity and gas price to business and residential consumers. Tables in the Annexes show the ex-tax, ex-VAT and all-taxes-included prices for all categories.

SEAI acknowledges the co-operation of electricity and gas suppliers in providing the information necessary for Ireland to comply with the *European Commission Decision (2007/394/EC)* and enabling<sup>2</sup> this analysis to be carried out.

This is the seventh edition of this report focusing on energy prices. Feedback and comments on the report are welcome and should be addressed by post to the address on the back cover or by e-mail to [epssu@seai.ie](mailto:epssu@seai.ie).

Readers may also be interested in previous statistical analysis related to energy prices carried out by SEAI. The report *Energy in Ireland 1990–2010* tracks changes in aggregated energy prices from 2000. The report *Energy in Industry 2007* assesses the significance of energy costs as a proportion of the overall cost base for business enterprises, drawing on data from the CSO's *Census of Industrial Production*. Both reports are available from [www.seai.ie/statistics](http://www.seai.ie/statistics).

<sup>1</sup> <http://epp.eurostat.ec.europa.eu/portal/page/portal/energy/data/database>

<sup>2</sup> Amending *Directive 90/377/EEC* with regard to the methodology to be applied for the collection of gas and electricity prices charged to business and household end-users.

## 2 Factors Affecting Electricity and Gas Prices in Ireland

There are a number of factors that influence energy prices in Ireland and how prices here compare with prices elsewhere. These factors include, but are not limited to, imported fuel prices, energy infrastructure investment costs, Ireland's electricity generating fuel mix and non-energy costs that affect energy prices (for example taxes levied, employment costs, raw material and shipping costs).

### 2.1 Global Energy Prices

The most significant factor affecting energy prices in Ireland is recent dramatic changes in global oil prices. This has particular effect in Ireland due to our high dependence on oil. In addition there is the knock-on impact oil prices have on other energy prices, in particular natural gas and as a consequence electricity prices.

According to Ireland's 2010<sup>3</sup> energy balance, oil accounts for 61% of Total Final Consumption (TFC)<sup>4</sup> in Ireland, 98% of transport TFC, 39% of residential TFC, 37% of industry TFC, 28% of services TFC and 50% of Ireland's primary energy supply<sup>5</sup>. According to EU statistics<sup>6</sup>, Ireland's oil dependence (as a proportion of primary energy supply) is the fifth highest in the EU.

Figure 1 tracks the nominal crude oil prices<sup>7</sup> over the period 2007 – 2011. As shown in Figure 1, crude oil prices doubled between July 2007 and July 2008. During the first semester (S1) of 2008, nominal crude oil prices increased by 39%. After July 2008, there was a sharp decline in the price of crude oil to a low of around \$34/barrel in late December 2008. Average oil prices rose steadily during the second half of 2010 and peaked at \$127/barrel at the start of May 2011. The average oil price for 2011 to date is \$110/barrel.

**Figure 1** Crude Oil Price Trend 2007 – to November 8<sup>th</sup> 2011



Source: EIA<sup>8</sup>

<sup>3</sup> For the latest energy balance see [www.seai.ie/statistics](http://www.seai.ie/statistics)

<sup>4</sup> Total Final Consumption represents all energy that end users are billed for directly.

<sup>5</sup> Primary Energy Supply is the TFC plus primary energy used in transformation (electricity generation, oil refining, peat briquetting, etc.)

<sup>6</sup> Eurostat, Energy Statistics Database, <http://epp.eurostat.ec.europa.eu/portal/page/portal/energy/data/database>, (nrg\_100a, nrg102a).

<sup>7</sup> These prices are daily spot prices of Brent crude oil, which is sourced from the North Sea, and are used as a benchmark to price European, African and Middle Eastern oil that is exported to the West.

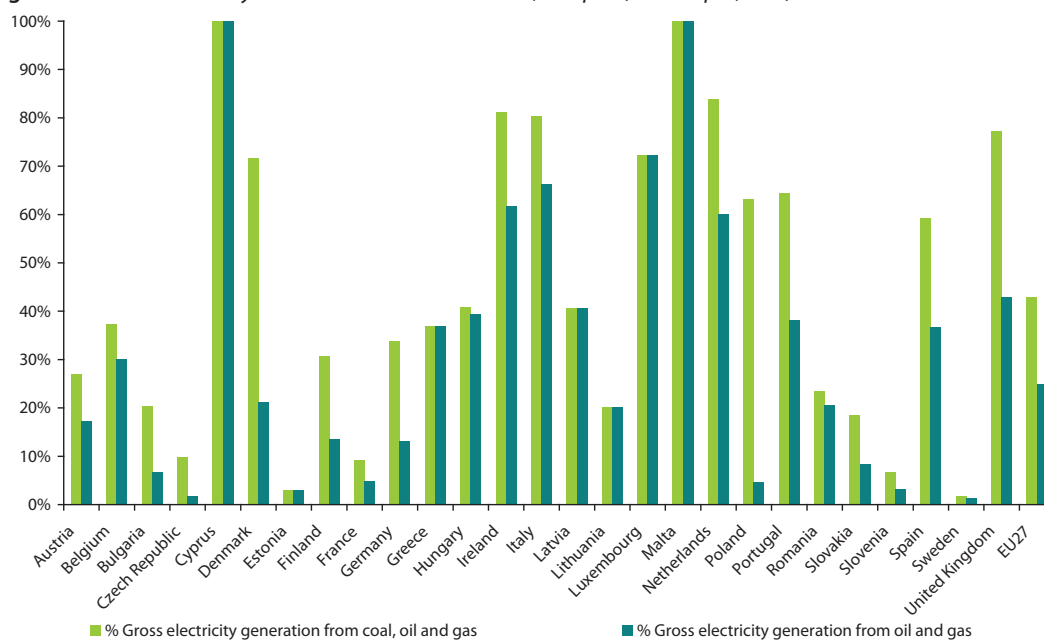
<sup>8</sup> The Energy Information Administration (EIA) is a statistical agency of the U.S. Department of Energy that publishes price energy data at [www.eia.doe.gov/emeu/international/contents.html](http://www.eia.doe.gov/emeu/international/contents.html)

## 2.2 Fuel Mix for Electricity Generation

The fuel mix for electricity generation has a key bearing on the variation in the price of electricity in different countries. This is particularly significant with respect to an electricity fuel mix which relies on internationally traded fuels such as gas and oil but also coal. During periods of volatile price movements in these fuels there is a strong knock-on impact on electricity prices. Other factors that affect electricity prices include the level of competition in electricity generation, labour costs, taxation policy and the level of investment in infrastructure (i.e. improving the transmission and distribution networks).

Figure 2 and Table 1 show the percentage of electricity generation in Europe that is fossil fuel based (coal, oil & gas) and separately the proportion of electricity generated from gas and oil.

**Figure 2** Gross Electricity Generation from Fossil Fuels (excl. peat) in Europe (2009)



Source: Based on Eurostat data

As highlighted in Table 1, Ireland has close to the highest overall dependency of electricity generation on fossil fuels at 81% behind the Netherlands at 84% and Cyprus and Malta both at 100%. Ireland also has a high dependency on oil and gas generation at 62%. Apart from Malta and Cyprus, only Italy and Luxembourg have higher gas and oil generation dependency than Ireland at 66% and 72% respectively.

For gas dependency in electricity generation, Ireland and Italy have the third highest share at 55% behind Netherlands at 58% and Luxembourg at 72%.

**Table 1** Percentage of Gross Electricity Generation from Fossil Fuels (excl. peat) in Europe (2009)

Percentage electricity generated from:	Austria	Belgium	Bulgaria	Czech Republic	Cyprus	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Ireland	Italy
Coal, Oil & Gas	27%	37%	20%	10%	100%	72%	3%	31%	9%	34%	37%	41%	<b>81%</b>	80%
Gas & Oil	17%	30%	7%	2%	100%	21%	3%	14%	5%	13%	37%	39%	<b>62%</b>	66%
Gas	15%	29%	5%	2%	0%	18%	3%	13%	4%	12%	22%	38%	<b>55%</b>	55%

Percentage electricity generated from:	Latvia	Lithuania	Luxembourg	Malta	Netherlands	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	United Kingdom	EU27
Coal, Oil & Gas	41%	20%	72%	100%	84%	63%	64%	24%	19%	7%	59%	2%	77%	43%
Gas & Oil	41%	20%	72%	100%	60%	5%	38%	21%	8%	3%	37%	1%	43%	25%
Gas	40%	17%	72%	0%	58%	3%	28%	19%	6%	3%	31%	1%	42%	22%

Source: Eurostat

## 2.3 Investment in Electricity and Gas Infrastructure

Investment in electricity and gas infrastructure assets is a further contributing factor to electricity and gas prices, depending on the level of costs and the extent to which these costs are passed through to final customers.

In terms of electricity infrastructure, Ireland relies on an extensive high-voltage transmission network and a medium- and low-voltage distribution network to transport electricity domestically. Rapid growth in electricity demand in Ireland (4.6% per annum average annual growth 1990 – 2008) coupled with a long period of significant under-investment in the electricity transmission and distribution networks led to a network investment programme since 2000, in both transmission and distribution networks.

The Transmission System Operator (TSO), EirGrid, and Transmission Asset Owner (TAO), ESB Networks, are allowed to recover revenue from the Transmission Use of System (TUoS) customer over the period 2011 to 2015, to cover their costs. The allowed revenues are reviewed annually. For the period 2011 – 2015, the Commission for Energy Regulation approved an expenditure of €1.45 billion for the transmission system (CER, Decision Paper CER/10/206<sup>9</sup>) and €2.3 billion for the distribution system (CER, Decision Paper CER/10/198<sup>10</sup>).

According to the CER, the transmission average unit price (AUP) for the tariff period of 1<sup>st</sup> October 2010 to 30<sup>th</sup> September 2011 is estimated to be 0.95 cent/kWh in 2011 nominal prices. This is an increase of 3% on the 2009/2010 tariff period transmission AUP. However, due to tariff re-balancing measures there is a 45% decrease on the transmission network charges applied to Large Energy Users (LEUs) for the same tariff period. Transmission charges account for approximately 7% of a customer's final electricity bill.

For the distribution system the CER assesses the impact for the 2010/11 period as follows:

- Domestic customers will see an average reduction in distribution charges in the region of 5.3%;
- Small & medium businesses and public lighting customers will see an average reduction in distribution charges of 11 to 20%;
- Large energy users will see reductions in distribution charges in the region of 45%.

Note that distribution charges account for in the region of 25 to 30% of a customer's final electricity bill.

The natural gas transmission network in Ireland is operated by Gaslink since 2008. The total transmission network length at the end of 2010 was 2,373 km while that of the distribution networks was 10,856km. The Irish system has three compressor stations, Beattock and Brighthouse Bay in southwest Scotland, and Middleton near Cork. The high pressure transmission network conveys gas from two entry points (at Inch and Moffat) to directly connected customers and distribution networks throughout Ireland, as well as to connected systems at exit points in Scotland (the Scotland-Northern Ireland Pipeline) and the Isle of Man.

The maximum import capacity for the interconnectors is imposed by the capability of the compressor stations to deliver high pressure flows into the pipelines. This current limit is 1.24 million cubic metres per hour. According to the latest forecasts from Bord Gáis Éireann's annual report, Ireland's transmission network infrastructure has the capacity to transport the anticipated gas demand to all end consumers into the near future.

The current set of revenue controls for the gas transmission and distribution networks (CER/07/110) began in October 2007 and run until September 2012. During the period yearly updates will be completed. The CER directed (CER/10/150) Gaslink to implement the following tariff changes from 1st October 2010 – 30th September 2011.

- Nominal capacity tariff decrease of 3.81% (4.29% decrease in real terms)
- Nominal commodity tariff decrease of 1.74% (2.23% decrease in real terms)
- Nominal overall tariff decrease of 3.4% (3.88% decrease in real terms)

<sup>9</sup> <http://www.cer.ie/en/electricity-transmission-network-decision-documents.aspx?article=163210c1-f11f-4713-bfc9-d3b1c2fb4df3>

<sup>10</sup> <http://www.cer.ie/en/electricity-distribution-network-current-consultations.aspx?article=0b278e96-80f5-43e1-80ab-b23423c3c34c>

## 2.4 Share of Taxes in the Prices Paid by Consumers in Europe

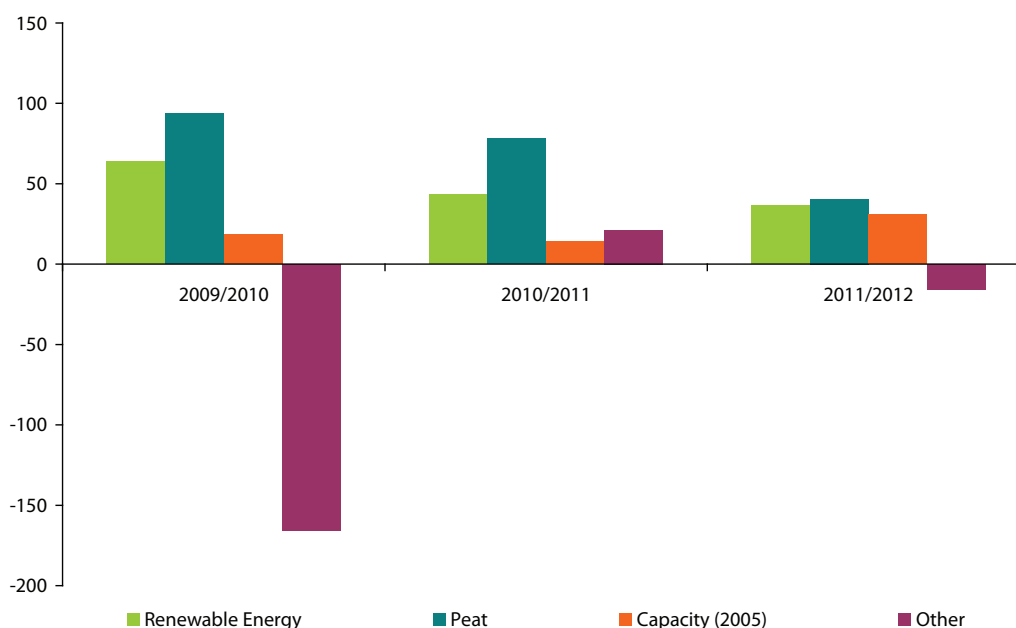
Another factor that affects the prices paid by consumers is the amount of non-recoverable taxes that are levied on energy. Business can generally recover value-added tax (VAT) but not other taxes including energy taxes, carbon taxes and climate-change levies, so the level of ex-VAT taxes is important. Householders cannot generally recover any taxes so the level of total tax levied is important. Table 2 to Table 5 show the level of taxes applicable to assessing price comparisons in Europe for industry and households. In Ireland's case there were no non-recoverable taxes on gas<sup>11</sup> for industry up to the 2<sup>nd</sup> semester 2009 but from the 1<sup>st</sup> May 2010 carbon tax has been levied. There is a small level of excise duty levied on non-household use of electricity<sup>12</sup> since October 2008. The level of VAT levied on households at 11.9% of total price (13.5% VAT is levied on the basic price) is at the lower end compared with the other countries.

In addition a Public Service Obligation (PSO) levy is charged to all electricity customers. The PSO levy is designed to support certain peat, gas and renewable generation plant as mandated by Government and approved by the European Commission<sup>13</sup>. The underlying policy objectives are security of energy supply – including the use of indigenous fuels and the promotion of renewable energy generation. Figure 3 shows the PSO cost breakdown for the period 2009 – 2011.

In the period 2008 to 30<sup>th</sup> September 2010 the effective PSO levy was set at zero. This changed for the 2010/2011 period which covers the period covered by the semester prices in this report. In that period, peat generation accounted for 50% of the levy, renewables 28%, capacity 9% and other (admin and R-factor correction<sup>14</sup>) 14%.

From the 1<sup>st</sup> October 2010 domestic electricity consumers were charged a flat rate of €2.73 per month, small business consumers were charged a flat rate of €8.25 per month and medium and large business consumers (>30 kVA maximum import capacity) were charged at a rate of €1.15 per month per kVA of maximum import capacity.

**Figure 3** Public Service Obligation Levy cost breakdown 2009 – 2011



Source: Commission for Energy Regulation (CER)

Peat accounted for 38% of the positive costs of the PSO shown in Figure 3 for 2011/2012, renewables 34% and capacity 29%. Admin and R-factor correction are negative in this period.

From 1<sup>st</sup> October 2011<sup>15</sup> domestic electricity consumers are charged a flat rate of €1.61 per month for PSO, small

11 Emissions trading, while not a tax, has resulted in an increase in wholesale electricity prices affecting all customers. The level of increase will vary across the EU and depends on the carbon content of fuel mix used in electricity generation and the level of price pass-through to customers. This increase is not explicitly quantified and forms part of the basic electricity price. Emissions trading will also tend to increase the cost of using gas for companies involved in emissions trading. This is not reflected in the basic price nor is it captured in the recoverable or non-recoverable taxes.

12 In accordance with the EU Energy Tax Directive, the Finance Act 2008 introduced excise duty, called electricity tax, on supplies of electricity made on or after 1 October 2008. There are two tax rates: €0.50 per megawatt hour (MWh), for electricity supplied for business use; and €1 per MWh, for electricity supplied for non-business use. This is not applied to electricity for residential use.

13 CER, 2010, *Public Service Obligation Levy - Decision Paper*, <http://www.cer.ie/GetAttachment.aspx?id=9fe5eaba-2aae-461b-8ca0-57e52ffc0a80>.

14 R-factor is the over/under recovery of PSO in the previous period.

15 CER (July, 2011), *Public Service Obligation 2011/2012 (CER/11/130)*, [www.cer.ie](http://www.cer.ie).

business consumers a flat rate per month of €4.77 and medium and large business consumers are being charged at a rate of €0.71 per month per kVA of maximum import capacity.

Table 2 shows the basic price for electricity and the non-recoverable taxes for industrial electricity consumers whose annual consumption is between 500 and 2,000 MWh<sup>16</sup>. The non-recoverable tax varies from zero for three Member States to 3.62 c/kWh in Italy, the latter representing 24% of the ex-VAT price of electricity. The Member States are ranked in increasing order of basic price plus non-recoverable taxes. Non-recoverable tax on electricity to business in Ireland amounted to 0.34 c/kWh or 2.9% of the ex-VAT price – one of the lowest levels of non-zero non-recoverable tax applied in Europe in percentage terms although Sweden is lowest (non-zero) in absolute terms at 0.06 c/kWh.

**Table 2** Electricity Prices and Taxes for Industrial Consumers in band IC (1<sup>st</sup> semester 2011)

	Basic price plus non-recoverable taxes in € per 100 kWh	Basic price in € per 100 kWh	Non-recoverable taxes	Non-recoverable taxes as % of ex-VAT price
Bulgaria	6.48	6.38	0.10	1.5%
Estonia	7.18	6.16	1.02	14.2%
Finland	7.56	6.86	0.70	9.3%
Romania	8.03	8.03	0.00	0.0%
France	8.49	7.22	1.27	15.0%
Sweden	8.93	8.87	0.06	0.7%
Croatia	9.07	9.00	0.07	0.8%
Hungary	9.52	9.32	0.20	2.1%
United Kingdom	9.82	9.39	0.43	4.4%
Latvia	9.84	9.84	0.00	0.0%
Slovenia	9.87	8.89	0.98	9.9%
Portugal	9.91	9.03	0.88	8.9%
Denmark	9.92	8.75	1.17	11.8%
Luxembourg	10.03	9.60	0.43	4.3%
Greece	10.06	9.39	0.67	6.7%
Poland	10.14	9.63	0.51	5.0%
Netherlands	10.25	8.41	1.84	18.0%
Lithuania	10.49	10.45	0.04	0.4%
Belgium	10.98	9.77	1.21	11.0%
Norway	11.05	9.62	1.43	12.9%
Czech Republic	11.08	10.97	0.11	1.0%
Spain	11.37	10.82	0.55	4.8%
<b>Ireland</b>	<b>11.55</b>	<b>11.21</b>	<b>0.34</b>	<b>2.9%</b>
Germany	12.48	9.00	3.48	27.9%
Slovakia	12.76	12.33	0.43	3.4%
Italy	15.28	11.66	3.62	23.7%
Cyprus	16.74	16.05	0.69	4.1%
Malta	18.00	18.00	0.00	0.0%
Austria	..	..	..	..
Euro Area	11.55	9.40	2.15	18.6%
EU	11.03	9.36	1.67	15.1%

Source: Eurostat

<sup>16</sup> Based on industrial electricity consumption band IC.

In the case of gas prices to industrial customers, there are five Member States for which the non-recoverable taxes are zero, as shown in Table 3. These prices relate to gas customers who use between 10,000 and 100,000 GJ of gas per annum<sup>17</sup>. The non-recoverable taxes vary from zero to €9.30 per GJ in Denmark, the latter representing 50% of the ex-VAT price of gas.

**Table 3** Gas Prices and Taxes for Industrial Consumers in band I3 (1<sup>st</sup> semester 2011)

	Basic price plus non-recoverable taxes in € per GJ	Basic price in € per GJ	Non-recoverable taxes in € per GJ	Non-recoverable taxes as % of ex-VAT price
Romania	6.30	4.23	2.06	32.8%
United Kingdom	6.84	6.47	0.37	5.4%
Estonia	7.75	7.31	0.44	5.7%
Bulgaria	7.98	7.98	0.00	0.0%
Spain	8.09	8.09	0.00	0.0%
Latvia	8.13	8.12	0.01	0.2%
Czech Republic	8.71	8.36	0.35	4.0%
Italy	8.71	8.24	0.47	5.4%
Belgium	8.96	8.58	0.38	4.2%
Poland	9.11	9.11	0.00	0.0%
Netherlands	9.14	7.49	1.65	18.1%
Hungary	9.28	8.95	0.33	3.5%
Portugal	9.40	9.38	0.02	0.2%
Slovakia	9.59	9.22	0.37	3.9%
Lithuania	9.74	9.74	0.00	0.0%
France	10.14	9.86	0.28	2.8%
<b>Ireland</b>	<b>10.61</b>	<b>9.90</b>	<b>0.71</b>	<b>6.7%</b>
Croatia	11.24	11.24	0.00	0.0%
Finland	11.60	9.34	2.26	19.5%
Luxembourg	11.73	11.58	0.15	1.3%
Slovenia	12.42	11.19	1.23	9.9%
Germany	12.70	11.58	1.12	8.8%
Sweden	14.32	11.75	2.57	18.0%
Denmark	18.73	9.43	9.30	49.7%
Austria	..	..	..	..
Euro Area	9.93	9.12	0.81	8.1%
EU	9.35	8.55	0.81	8.7%

Source: Eurostat

<sup>17</sup> Based on industrial gas consumption band I3

**Table 4** Electricity Prices and Taxes for Residential Consumers in band DC (1<sup>st</sup> semester 2011)

	Price including all taxes in € per 100 kWh	Basic price	Other taxes (excl. VAT) in € per 100 kWh	VAT	All taxes as % of total price
Bulgaria	8.26	6.88	0.00	1.38	16.7%
Estonia	9.73	7.04	1.07	1.62	27.6%
Romania	10.82	8.48	0.00	2.34	21.6%
Croatia	11.37	9.18	0.07	2.12	19.3%
Latvia	11.68	9.57	0.00	2.11	18.1%
Lithuania	12.14	10.04	0.00	2.10	17.3%
Greece	12.50	10.01	1.05	1.44	19.9%
France	13.84	9.94	1.88	2.02	28.2%
United Kingdom	14.33	13.65	0.00	0.68	4.7%
Slovenia	14.41	10.79	1.22	2.40	25.1%
Poland	14.71	11.45	0.51	2.75	22.2%
Czech Republic	14.95	12.32	0.12	2.51	17.6%
Finland	15.40	10.81	1.71	2.88	29.8%
Portugal	16.54	10.15	5.40	0.99	38.6%
Luxembourg	16.78	14.51	1.32	0.95	13.5%
Hungary	16.81	13.35	0.10	3.36	20.6%
Slovakia	16.82	13.72	0.30	2.80	18.4%
Malta	17.00	16.15	0.00	0.85	5.0%
Netherlands	17.43	13.00	1.65	2.78	25.4%
<b>Ireland</b>	<b>19.01</b>	<b>15.84</b>	<b>0.91</b>	<b>2.26</b>	<b>16.7%</b>
Spain	19.47	15.97	0.82	2.68	18.0%
Austria	19.86	14.42	2.13	3.31	27.4%
Italy	20.13	14.15	4.21	1.77	29.7%
Cyprus	20.50	17.31	0.57	2.62	15.6%
Sweden	20.92	13.76	3.02	4.14	34.2%
Norway	21.33	15.63	1.43	4.27	26.7%
Belgium	21.36	15.72	1.93	3.71	26.4%
Germany	25.28	14.06	7.18	4.04	44.4%
Denmark	29.08	12.63	10.64	5.81	56.6%
Euro Area	18.74	12.76	3.30	2.68	31.9%
EU	17.84	12.75	2.61	2.48	28.5%

Source: Eurostat

The level of taxes applied to household electricity prices is significantly higher than that applied to industrial electricity prices, as shown in Table 4. These prices are for customers who use between 2,500 and 5,000 kWh per annum<sup>18</sup>. The VAT charges are shown separately from other taxes for the purposes of comparison. There are six Member States listed above which apply VAT charges only to residential customers. Total taxes (VAT plus other taxes) vary from 0.68 c/kWh (UK) to 16.45 c/kWh (Denmark), or between 4.7% and 57% of total prices. For Ireland, on average taxes and levies account for 16.7% of the final electricity prices to household consumers, up from 13.1% in the previous semester. The increase is mainly due to the effect of the PSO levy in force for the full semester.

Table 5 shows the level of taxes applied to gas prices for residential customers within the EU who have an annual consumption of between 20 and 200 GJ per annum<sup>19</sup>. As in the case of electricity, the taxes applied to residential customers generally exceed those applied to industrial customers, although for residential customers there are more Member States, nine in total, that apply zero non-VAT tax to gas prices. The amounts of total tax vary from 56 c/GJ (UK) to €15.79/GJ (Denmark) or 4.8% to 49% of final residential gas prices.

Up to the end of 2009, non-VAT taxes were zero in Ireland. However, the carbon tax on natural gas was introduced from 1<sup>st</sup> May 2010. Total taxes and levies accounted for 17.3% of the gas price paid by Irish households.

<sup>18</sup> Based on household electricity consumption band DC

<sup>19</sup> Based on household gas consumption band D2

**Table 5** Gas Prices and Taxes for Residential Consumers in band D2 (1<sup>st</sup> semester 2011)

	Price including all taxes in € per GJ	Basic price	Other taxes (excl. VAT) in € per GJ	VAT	All taxes as % of total price
Romania	7.90	4.14	2.23	1.53	47.6%
Croatia	10.42	8.48	0.00	1.95	18.7%
Latvia	10.75	9.59	0.01	1.15	10.8%
Estonia	11.64	9.07	0.63	1.94	22.1%
United Kingdom	11.80	11.24	0.00	0.56	4.8%
Bulgaria	11.94	9.96	0.00	1.99	16.7%
Lithuania	12.07	9.98	0.00	2.10	17.4%
Poland	12.87	10.46	0.00	2.41	18.7%
Slovakia	12.93	10.78	0.00	2.15	16.6%
<b>Ireland</b>	<b>14.14</b>	<b>11.69</b>	<b>0.77</b>	<b>1.68</b>	<b>17.3%</b>
Luxembourg	14.19	12.72	0.55	0.92	10.4%
Spain	14.89	12.62	0.00	2.27	15.2%
Czech Republic	15.12	12.60	0.00	2.52	16.7%
Hungary	15.57	12.46	0.00	3.11	20.0%
Belgium	15.86	12.69	0.42	2.75	20.0%
France	16.11	13.43	0.29	2.39	16.6%
Germany	16.34	12.08	1.65	2.61	26.1%
Portugal	16.95	15.75	0.25	0.95	7.1%
Slovenia	18.56	14.23	1.24	3.09	23.3%
Italy	19.27	12.25	4.39	2.63	36.4%
Austria	19.29	14.22	1.92	3.15	26.3%
Netherlands	19.90	11.57	5.16	3.17	41.9%
Denmark	32.26	16.47	9.34	6.45	48.9%
Sweden	34.01	18.35	8.84	6.82	46.1%
Euro Area	17.52	12.57	2.24	2.71	28.2%
EU-27	15.88	12.06	1.60	2.22	24.1%

Source: Eurostat

## 2.5 Purchasing Power

When comparing prices of goods across countries it is important to not only correct for differences in currencies but also for the differences in income and living standards. This is of particular importance when comparing prices paid by residential consumers. Comparisons using the purchasing power parity method for residential consumers are detailed in sections 4.1.4, 4.1.6, 4.2.2 and 4.2.4.

Some factors impacting on gas and electricity prices in a country are the costs associated with labour and services. In wealthier countries the cost of living as well as labour and services costs tend to be higher. For residential consumers, comparing electricity and gas prices on the basis of purchasing power parity is a method that may be used to separate the price differences associated with differences in wealth from those associated with other factors.

Purchasing Power Parities (PPPs) are currency conversion rates that convert to a common currency as well as equalising the purchasing power of different currencies. In other words, they seek to eliminate the differences in price levels between countries due to differences in currency exchange rates and in living standards. This purchasing power exchange rate equalises the purchasing power of different currencies in their home countries for a given basket of goods. Using a PPP basis is arguably more useful when comparing differences in living standards on the whole between nations because PPP takes into account the relative cost of living and the inflation rates of different countries, rather than just a nominal gross domestic product (GDP) comparison.

## 3 Energy Prices for Business

The *EU Gas and Electricity Price Transparency Directive* refers to gas and electricity prices charged to business end-users, but it recognises that suppliers generally cannot always distinguish between industrial and commercial services users and so accepts that business end-users may include other non-residential users. In essence therefore, business prices refer to all non-residential prices. Gas and electricity prices include all charges payable including: energy consumed, network charges, other charges (capacity charges, commercialisation, meter rental, public service obligation etc) all netted for any rebates or premiums due. Initial connection charges are not included. Prices are recorded as national average prices.

### 3.1 Business Electricity Costs

The prices represent weighted average prices, using the market share of the electricity suppliers surveyed as weighting factors. Arithmetic average prices were provided by Member States only when weighted figures could not be calculated. In either case, Member States are required to ensure that a representative share of the national market is covered in the survey. In Ireland the weighted average price is used and represents the full market.

Market shares are based on the quantity of electricity invoiced by electricity suppliers to business end-users. If possible, the market shares are calculated separately for each consumption band. The information used for calculating weighted average prices is managed by Member States, respecting confidentiality rules.

In order to ensure confidentiality, data relating to prices are communicated only where there are, in the Member State concerned, at least three end-users in each of the categories.

Three levels of prices are provided:

- Prices excluding taxes and levies,
- Prices excluding VAT and other recoverable taxes,
- Prices including all taxes, levies and VAT.

Electricity prices are surveyed for the following categories of business end-user:

**Table 6** *Categories for Business End Use of Electricity*

Business end-user	Annual electricity consumption (MWh)		Band share of business electricity market in Ireland S1 - 2011
	Lowest	Highest	
Band - IA		< 20	5.3%
Band - IB	20	< 500	31.3%
Band - IC	500	< 2,000	15.5%
Band - ID	2,000	< 20,000	30.0%
Band - IE	20,000	< 70,000	11.5%
Band - IF	70,000	<= 150,000	6.6%

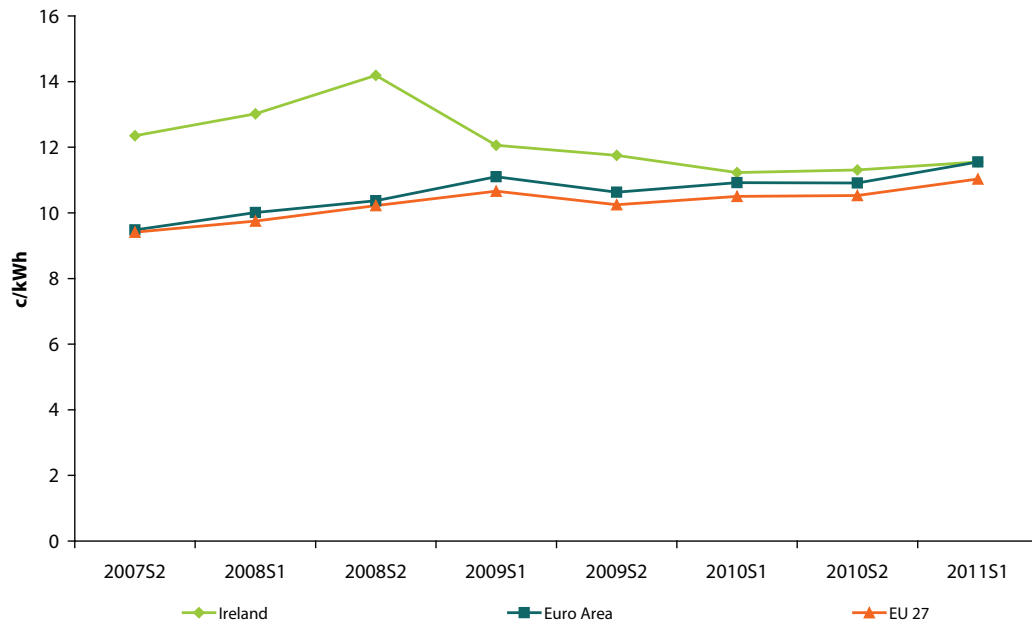
Data and analysis on electricity costs in this section are based on the returns from the revised *Gas & Electricity Price Directive* for the first semester of 2011. Analysis here is confined to the average electricity price *excluding VAT and other recoverable taxes* as this is the most relevant for business consumers. Data is presented on the trend in electricity prices since the start of the data collection under the new methodology as well as focusing on the latest semester data and including data revisions published by Eurostat. The prices shown refer to average prices being charged by suppliers. For individual business customers, the price paid for electricity to a supplier will depend to some extent on the load profile of the customer and may be higher or lower than the average because of this.

Data and analysis are provided for two consumption bands, IC and ID. IC is the band typically reported on by Eurostat for international comparison, but as band ID in Ireland has a larger share of the market this is analysed here also.

### 3.1.1 Business Electricity Costs in Consumption Band IC

Figure 4 shows the trend in electricity prices in consumption band IC for Ireland, EU and Euro Area. The price of electricity to Irish business fell throughout 2009 and into the first half of 2010. Prices in this band have increased since with a 0.7% increase in the second half of 2010 and a further 2.1% increase in the first half of 2011. For reference, band IC, which is the consumption band normally reported on by Eurostat, accounted for 15.5% of the electricity use in the business market in Ireland in this semester (see Table 9).

**Figure 4** Business Electricity Prices in band IC (2<sup>nd</sup> semester 2007 to 1<sup>st</sup> semester 2011)



Source: Eurostat

As mentioned, electricity prices to business in this consumption band have been increasing in the 12 month period to June 2011. Cumulatively in the latest 12 month period prices rose by 2.8%. In the EU and Euro Area, electricity prices in the same period increased at a faster rate, rising by 5.0% and 5.8% respectively, this brought electricity prices in Ireland for the first half of 2011 closer to the EU average, moving from 7.4% above to 4.7% above. Ireland was at the Euro Area average price in the first half of 2011, having been 3.7% above it in the previous semester.

Table 7 shows the ex-VAT electricity prices in band IC (500 – 2000 MWh per annum) for the five semesters between the first half of 2009 and the first half of 2011 for all countries. Also shown is the price change for each country between the semesters and for the latest 12 months. Figure 5 shows graphically the percentage change presented in the two rightmost columns of Table 7 arranged in increasing order of price change.

Note that the percentage price change shown in Table 7 is calculated from the published Eurostat euro values for each country. Percentage price change in national currencies may differ considerably from these as significant moves in the currency exchange rate with the euro may distort price changes.

Price change in the first semester of 2011 ranged from a 18.6% increase in France to a 14.2% price decrease in Turkey. Ireland experienced a 2.1% increase in the semester. Europe as a whole experienced a 4.7% increase in the first half of 2011 and the Euro Area a 5.9% increase.

Over the 12 month period from July 2010 to June 2011 price change varied from a 11.4% increase in Germany to a 12.1% decrease in Turkey. Ireland experienced an increase of 2.8% over the 12 month period. This increase for Ireland compares with a 5.0% increase experienced in Europe and a 5.8% increase in the Euro Area.

The price increases in Ireland in both the semester and the 12 months to June 2011 were lower than the increases in the EU and Euro Area but Ireland's ranking for price of electricity in this business consumption band (see Table 10) remained the same as in the previous three semesters.

Note that tables for all electricity consumption bands are published in a separate Annex which is available at [www.seai.ie/statistics](http://www.seai.ie/statistics).

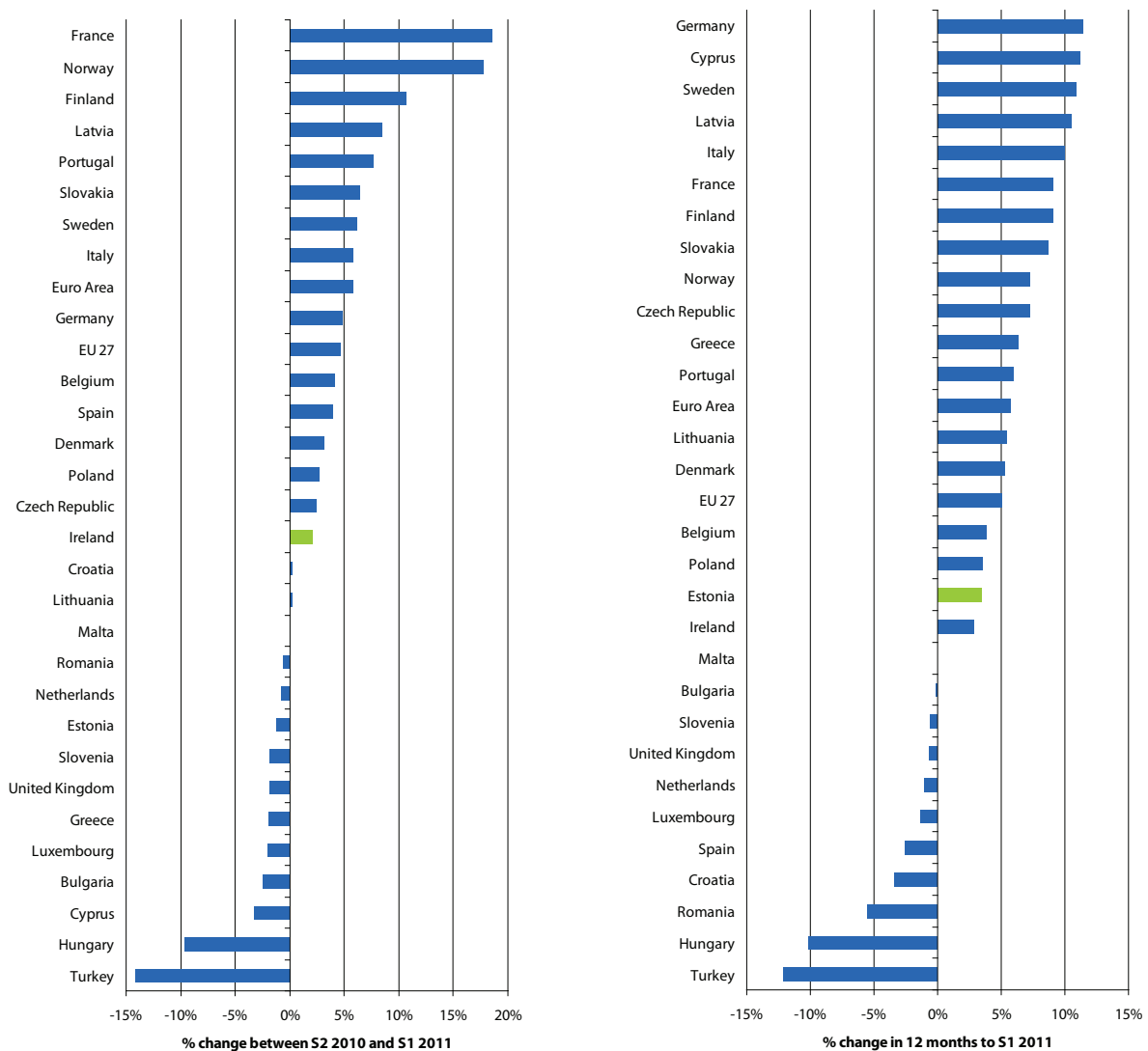
**Table 7** Business Electricity Prices in band IC in Europe (S1 2009 to S1 2011)

Band IC	without VAT (c/kWh)					% change				
	Jan '09 - Jun '09	July '09 - Dec '09	Jan '10 - Jun '10	July '10 - Dec '10	Jan '11 - Jun '11	S1 '09 - S2 '09	S2 '09 - S1 '10	S1 '10 - S2 '10	S2 '10 - S1 '11	12 months to S1 '11
Austria	..	..	..	..	..	..	..	..	..	..
Belgium	11.11	10.79	10.57	10.54	10.98	-2.9%	-2.0%	-0.3%	4.2%	3.9%
Bulgaria	6.49	6.39	6.49	6.64	6.48	-1.5%	1.6%	2.3%	-2.4%	-0.2%
Croatia	8.67	9.04	9.39	9.04	9.07	4.3%	3.9%	-3.7%	0.3%	-3.4%
Cyprus	11.86	14.94	15.05	17.30	16.74	26.0%	0.7%	15.0%	-3.2%	11.2%
Czech Republic	10.69	11.22	10.33	10.81	11.08	5.0%	-7.9%	4.6%	2.5%	7.3%
Denmark	8.59	9.27	9.42	9.61	9.92	7.9%	1.6%	2.0%	3.2%	5.3%
Estonia	6.43	6.45	6.94	7.27	7.18	0.3%	7.6%	4.8%	-1.2%	3.5%
Finland	6.89	6.83	6.93	6.83	7.56	-0.9%	1.5%	-1.4%	10.7%	9.1%
France	7.25	6.48	7.78	7.16	8.49	-10.6%	20.1%	-8.0%	18.6%	9.1%
Germany	11.32	11.34	11.20	11.90	12.48	0.2%	-1.2%	6.2%	4.9%	11.4%
Greece	9.48	9.36	9.46	10.26	10.06	-1.3%	1.1%	8.5%	-1.9%	6.3%
Hungary	12.41	12.97	10.60	10.53	9.52	4.5%	-18.3%	-0.7%	-9.6%	-10.2%
<b>Ireland</b>	<b>12.06</b>	<b>11.75</b>	<b>11.23</b>	<b>11.31</b>	<b>11.55</b>	<b>-2.6%</b>	<b>-4.4%</b>	<b>0.7%</b>	<b>2.1%</b>	<b>2.8%</b>
Italy	15.31	13.70	13.89	14.43	15.28	-10.5%	1.4%	3.9%	5.9%	10.0%
Latvia	8.96	8.93	8.90	9.07	9.84	-0.3%	-0.3%	1.9%	8.5%	10.6%
Lithuania	9.24	7.90	9.95	10.46	10.49	-14.5%	25.9%	5.1%	0.3%	5.4%
Luxembourg	11.57	11.58	10.17	10.24	10.03	0.1%	-12.2%	0.7%	-2.1%	-1.4%
Malta	15.06	12.91	18.00	18.00	18.00	-14.3%	39.4%	0.0%	0.0%	0.0%
Netherlands	11.30	11.07	10.36	10.33	10.25	-2.0%	-6.4%	-0.3%	-0.8%	-1.1%
Norway	7.90	7.95	10.30	9.38	11.05	0.6%	29.6%	-8.9%	17.8%	7.3%
Poland	9.02	9.33	9.79	9.87	10.14	3.4%	4.9%	0.8%	2.7%	3.6%
Portugal	9.43	9.44	9.35	9.20	9.91	0.1%	-1.0%	-1.6%	7.7%	6.0%
Romania	8.11	8.28	8.50	8.08	8.03	2.1%	2.7%	-4.9%	-0.6%	-5.5%
Slovakia	14.23	14.03	11.74	11.98	12.76	-1.4%	-16.3%	2.0%	6.5%	8.7%
Slovenia	10.29	9.62	9.93	10.05	9.87	-6.5%	3.2%	1.2%	-1.8%	-0.6%
Spain	11.54	11.20	11.67	10.93	11.37	-2.9%	4.2%	-6.3%	4.0%	-2.6%
Sweden	6.67	6.89	8.05	8.41	8.93	3.3%	16.8%	4.5%	6.2%	10.9%
Turkey	7.80	7.89	8.93	9.15	7.85	1.2%	13.2%	2.5%	-14.2%	-12.1%
United Kingdom	11.17	10.12	9.89	10.00	9.82	-9.4%	-2.3%	1.1%	-1.8%	-0.7%
Euro Area	11.10	10.63	10.92	10.91	11.55	-4.2%	2.7%	-0.1%	5.9%	5.8%
EU 27	10.66	10.25	10.50	10.53	11.03	-3.8%	2.4%	0.3%	4.7%	5.0%

Ireland relative to:

Euro Area	108.6%	110.5%	102.8%	103.7%	100.0%
EU	113.1%	114.6%	107.0%	107.4%	104.7%

Source: Eurostat

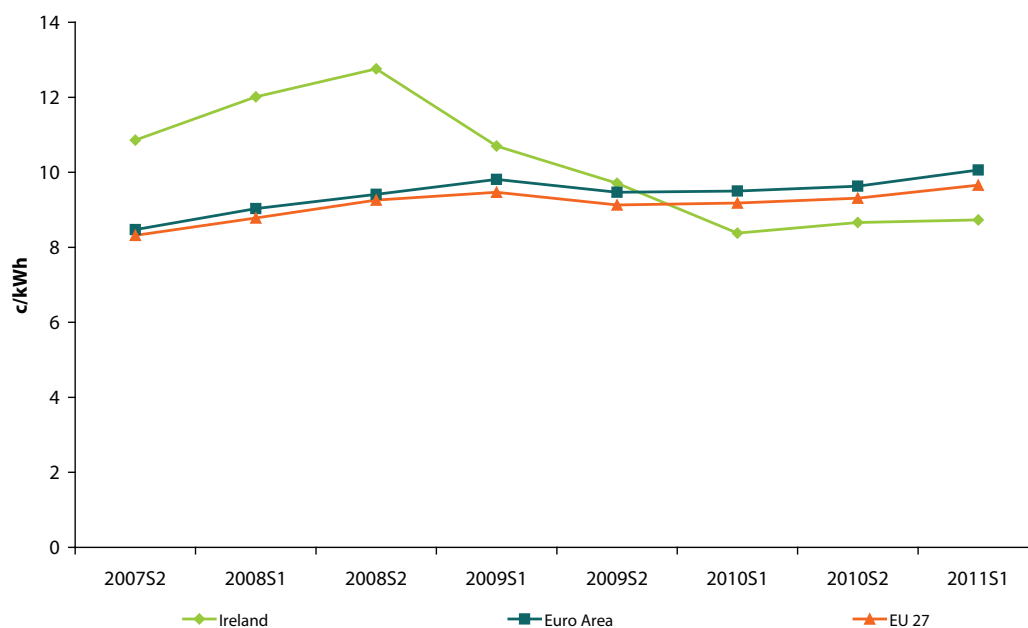
**Figure 5** Percentage change in business electricity price (band IC) – semester and 12 months

### 3.1.2 Business Electricity Costs in Consumption Band ID

Figure 6 shows the trend in electricity prices in consumption band ID for Ireland, EU and Euro Area. The price of electricity to Irish business fell throughout 2009 and into the first half of 2010. The price in this band increased in the second half of 2010 (3.3%, see Table 8) but still remained below the EU and Euro Area average. The price increased again in the first half of 2011, this time by 0.8%; however, the rates of increase in the EU and Euro Area were much higher at 3.8% and 4.5% respectively. For reference, band ID accounted for 30% of the electricity use in the business market in Ireland during the first half of 2011.

From 2009, a rebate on electricity charges has been offered to all Large Energy Users (LEUs)<sup>20</sup>, meaning those connecting to the electricity system at 10kV or 20kV medium voltage, or 38kV or 110kV. The rebate in effect during the first semester 2010 consisted of an energy use rebate at 1.5003 cent/kWh and €0.96 per kVA per month for larger customers. According to the Commission for Energy Regulation, “The LEU Customer Credits were introduced as a result of a Government decision to support large industry, given concerns about the impact of energy prices on competitiveness and the large energy users’ (LEUs) substantial contribution to employment.” The impact of the rebate is reflected in the price trend for business electricity customers in bands ID, IE and IF.

20 CER, August 2009, *Bill Impacts of LEU Customer Credits to apply from the 1<sup>st</sup> October 2009*, <http://www.cer.ie/en/electricity-retail-market-decision-documents.aspx?article=e7ddb81e-0bec-477f-8dee-960e0b7aed77>.

**Figure 6** Business Electricity Prices in band ID (2<sup>nd</sup> semester 2007 to 1<sup>st</sup> semester 2011)

Source: Eurostat

As can be seen in Figure 6, the electricity price to business was increasing from 2007 until the end of 2008. This coincided with the rise in global energy prices shown in Figure 1. From the start of 2009 the price of electricity in this band fell steadily while at the same time average prices in the EU and the Euro Area were relatively stable. This resulted in prices to business in this consumption band being 8.7% below the EU average and 11.8% below the Euro Area average in the first half of 2010. Prices in this band in Ireland rose at a faster rate (3.3%) in the second half of 2010 than in the EU and Euro Area (1.4% in both), but they remained below both the EU and Euro Area average by 7.0% and 10.1% respectively. In the first half of 2011, prices in the EU and Euro Area increased at a higher rate (3.8% and 4.5% respectively) while average price in Ireland increased by just 0.8%. This resulted in prices in Ireland moving further below the EU and Euro Area average during this semester and lower in the ranking as detailed in Table 10.

There is a similar picture for the larger consumption band IE<sup>21</sup>. In the first semester of 2011 prices in this band in Ireland fell by 3.8% while the EU and Euro Area experienced increases of 5.2% and 5.8% respectively. Ireland was 13.1% below the EU average in this semester and 15.7% below the Euro Area average.

Table 8 shows the ex-VAT electricity prices in band ID (2,000 – 20,000 MWh per annum) for the five semesters between the first half of 2009 and the first half of 2011 for all countries. Also shown is the price change for each country between the semesters and for the latest 12 months. Figure 7 shows graphically the percentage change presented in the two rightmost columns of Table 8, arranged in increasing order of price change.

Note that the percentage price change shown in Table 8 is calculated from the published Eurostat euro values for each country. Percentage price change in national currencies may differ considerably from these as significant moves in the currency exchange rate with the euro may distort price changes.

Price change in the first semester of 2011 ranged from a 21.5% increase in Norway to a 17.2% price decrease in Turkey. Ireland experienced a 0.8% increase in the semester and a 4.2% increase for the 12 months to June 2011. Europe as a whole and the Euro Area experienced a 3.8% and 4.5% increase respectively in the first half of 2011, both in excess of the increase in Ireland.

Over the 12 month period from July 2010 to June 2011 price changes varied from a 12.9% increase in Germany to a 15.2% decrease in Turkey. Ireland experienced an increase of 4.2% over the 12 month period. The increase in band ID for Ireland compares with an average 5.2% increase experienced in Europe and an average 5.9% increase in the Euro Area.

Note that tables for all electricity consumption bands are published in a separate Annex which is available at [www.seai.ie/statistics](http://www.seai.ie/statistics).

<sup>21</sup> It was not possible to report on band IF in the second semester of 2010 due to confidentiality constraints.

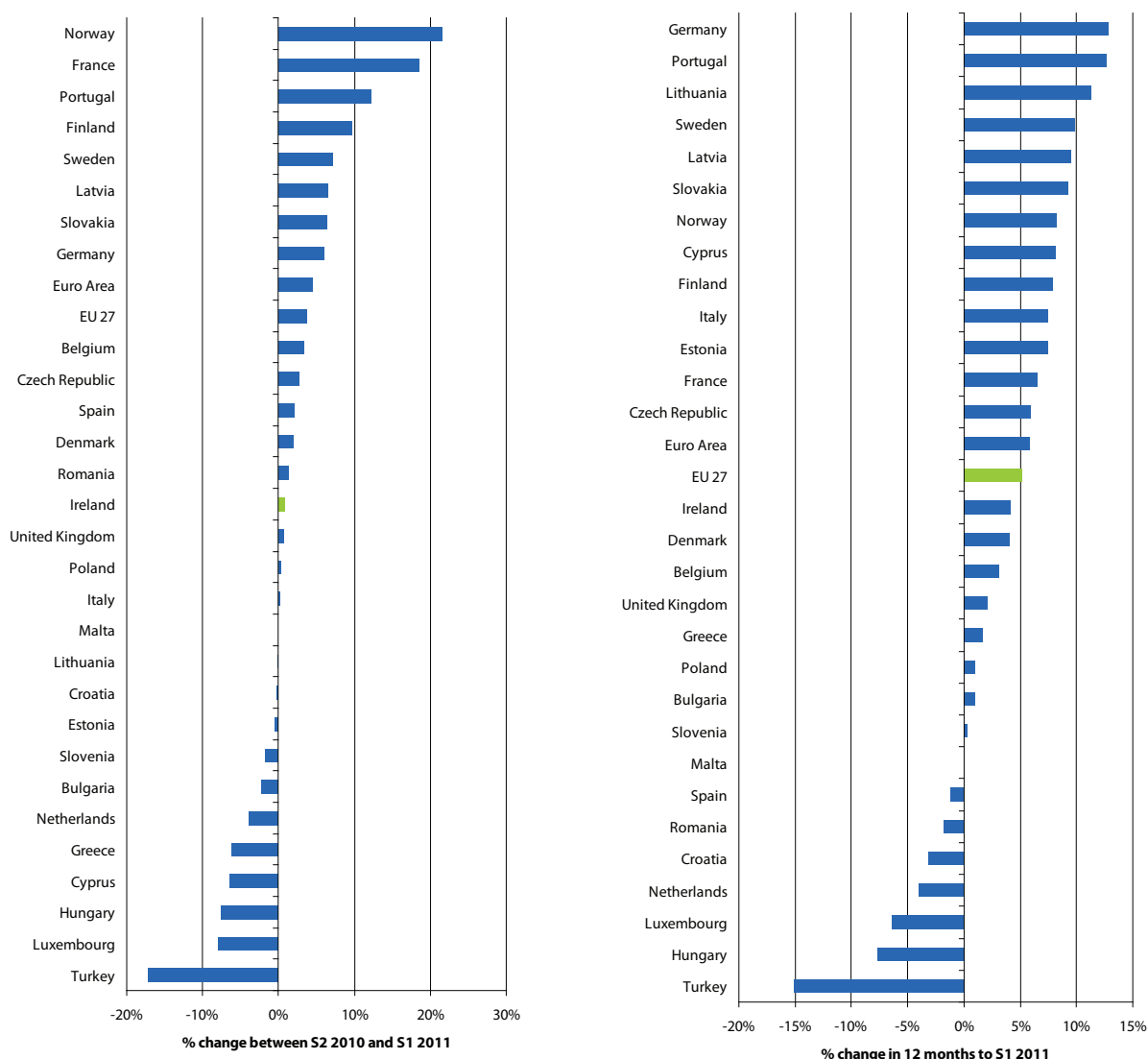
**Table 8** Business Electricity Prices in band ID in Europe (S1 2009 to S1 2011)

Band ID	without VAT (c/kWh)					% change				
	Jan '09 - Jun '09	July '09 - Dec '09	Jan '10 - Jun '10	July '10 - Dec '10	Jan '11 - Jun '11	S1 '09 - S2 '09	S2 '09 - S1 '10	S1 '10 - S2 '10	S2 '10 - S1 '11	12 months to S1 '11
Austria	..	..	..	..	..	..	..	..	..	..
Belgium	10.09	9.88	9.41	9.39	9.71	-2.1%	-4.8%	-0.2%	3.4%	3.2%
Bulgaria	5.98	5.83	5.78	5.98	5.84	-2.5%	-0.9%	3.5%	-2.3%	1.0%
Croatia	7.31	7.81	8.00	7.77	7.75	6.8%	2.4%	-2.9%	-0.3%	-3.1%
Cyprus	10.83	13.62	14.00	16.20	15.15	25.8%	2.8%	15.7%	-6.5%	8.2%
Czech Republic	9.40	9.78	9.40	9.69	9.96	4.0%	-3.9%	3.1%	2.8%	6.0%
Denmark	8.46	9.00	9.28	9.47	9.66	6.4%	3.1%	2.0%	2.0%	4.1%
Estonia	5.63	5.72	6.68	7.22	7.18	1.6%	16.8%	8.1%	-0.6%	7.5%
Finland	6.57	6.64	6.79	6.68	7.33	1.1%	2.3%	-1.6%	9.7%	8.0%
France	6.86	6.12	6.96	6.26	7.42	-10.8%	13.7%	-10.1%	18.5%	6.6%
Germany	10.02	10.07	9.93	10.58	11.21	0.5%	-1.4%	6.5%	6.0%	12.9%
Greece	8.29	8.11	8.25	8.95	8.39	-2.2%	1.7%	8.5%	-6.3%	1.7%
Hungary	11.03	11.46	9.42	9.41	8.69	3.9%	-17.8%	-0.1%	-7.7%	-7.7%
<b>Ireland</b>	<b>10.70</b>	<b>9.71</b>	<b>8.38</b>	<b>8.66</b>	<b>8.73</b>	<b>-9.3%</b>	<b>-13.7%</b>	<b>3.3%</b>	<b>0.8%</b>	<b>4.2%</b>
Italy	13.33	12.24	12.09	12.98	13.00	-8.2%	-1.2%	7.4%	0.2%	7.5%
Latvia	8.49	8.35	8.26	8.50	9.05	-1.6%	-1.1%	2.9%	6.5%	9.6%
Lithuania	7.81	6.66	9.17	10.23	10.21	-14.7%	37.7%	11.6%	-0.2%	11.3%
Luxembourg	9.35	9.36	7.81	7.95	7.31	0.1%	-16.6%	1.8%	-8.1%	-6.4%
Malta	12.30	8.60	16.00	16.00	16.00	-30.1%	86.0%	0.0%	0.0%	0.0%
Netherlands	10.20	10.08	9.29	9.29	8.92	-1.2%	-7.8%	0.0%	-4.0%	-4.0%
Norway	6.87	6.72	8.87	7.90	9.60	-2.2%	32.0%	-10.9%	21.5%	8.2%
Poland	8.05	8.42	8.53	8.59	8.62	4.6%	1.3%	0.7%	0.3%	1.1%
Portugal	8.44	8.27	8.01	8.05	9.03	-2.0%	-3.1%	0.5%	12.2%	12.7%
Romania	7.34	7.14	7.16	6.94	7.03	-2.7%	0.3%	-3.1%	1.3%	-1.8%
Slovakia	12.70	12.63	10.58	10.86	11.56	-0.6%	-16.2%	2.6%	6.4%	9.3%
Slovenia	8.10	7.98	8.46	8.65	8.49	-1.5%	6.0%	2.2%	-1.8%	0.4%
Spain	9.53	9.34	9.27	8.97	9.16	-2.0%	-0.7%	-3.2%	2.1%	-1.2%
Sweden	5.91	6.01	7.18	7.36	7.89	1.7%	19.5%	2.5%	7.2%	9.9%
Turkey	7.24	7.21	8.24	8.44	6.99	-0.4%	14.3%	2.4%	-17.2%	-15.2%
United Kingdom	10.18	9.00	8.74	8.87	8.93	-11.6%	-2.9%	1.5%	0.7%	2.2%
Euro Area	9.81	9.47	9.50	9.63	10.06	-3.5%	0.3%	1.4%	4.5%	5.9%
EU 27	9.47	9.13	9.18	9.31	9.66	-3.6%	0.5%	1.4%	3.8%	5.2%

Ireland relative to:

Euro Area	109.1%	102.5%	88.2%	89.9%	86.8%
EU 27	113.0%	106.4%	91.3%	93.0%	90.4%

Source: Eurostat

**Figure 7** Percentage change in business electricity price (band ID) – semester and 12 months

### 3.1.3 Business Electricity Price – EU Comparison

Table 9 shows Ireland's position, relative to the EU average electricity prices to business for the first semester 2011 with the second semester 2010 shown in grey. Also shown in Table 9 are the market shares by volume of each band.

**Table 9** Business Electricity Prices (€) in Ireland (1<sup>st</sup> Semester 2011) – EU Comparison

Electricity prices to business consumers (excluding VAT)	Cost €/kWh	% change since last semester	Relative to EU average 2011-S1	Relative to EU average 2010-S2	Band share of market
Band IA	0.185	5.3%	<b>104%</b>	101%	5.3%
Band IB	0.134	-1.0%	<b>103%</b>	109%	31.3%
Band IC	0.116	2.1%	<b>105%</b>	107%	15.5%
Band ID	0.087	0.8%	<b>90%</b>	93%	30.0%
Band IE	0.077	-3.8%	<b>87%</b>	95%	11.5%
Band IF	0.069	..	<b>83%</b>	..	6.6%

Source: Eurostat

With the exception of bands IB and IE, there was an increase in the average price of electricity ranging from 0.8% in band ID to 5.3% in band IA. Medium to small consumers (band IB) experienced a price decrease of 1.0% and large consumers (band IE) experienced a 3.8% reduction compared with the previous semester.

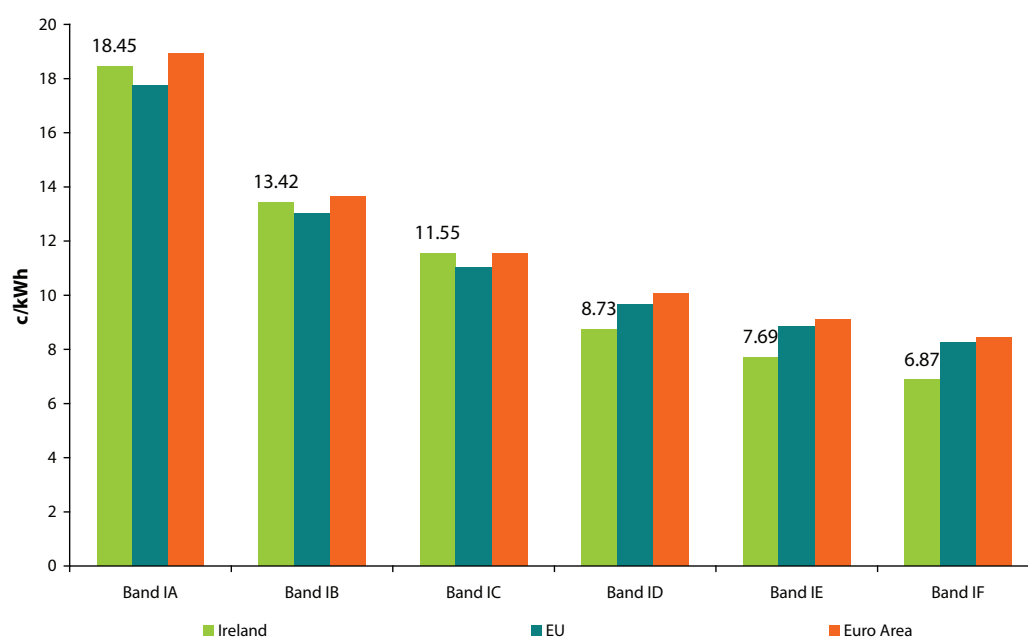
The ex-VAT prices for business in Ireland remain below the EU average for all medium to large consumers (bands ID,

IE and IF), ranging from 10% below in band ID to 17% for largest consumers in band IF. Small to medium consumers (bands IB and IC) moved closer to the EU average. These are now 3% and 5% above the EU average, down from 9% and 7% respectively. Small consumers in band IA moved to 4% above the average.

In terms of market share, band IB is the most significant, accounting for 31% of the business electricity market followed by band ID on 30%. When reporting on electricity prices for Europe, Eurostat normally uses band IC to report and compare prices between countries. This consumption band has a 15% share of the Irish business electricity market.

Figure 8 shows graphically the position of the ex-VAT electricity price to business during the first semester of 2011.

**Figure 8** Business Electricity Prices 1<sup>st</sup> Semester 2011



Source: Eurostat

Table 10 shows Ireland's ranking in the EU for the ex-VAT price paid by business for electricity over the time period ranging from the first semester of 2008 to the first semester 2011. A ranking of 1 means the most expensive. The bottom row of the table shows the number of countries on which the ranking is based. Table 10 should also be read in conjunction with the market share of each band as shown in Table 9.

**Table 10** Ireland's Ranking in EU for Business Electricity Prices (ex-VAT)

Electricity prices to business consumers (excluding VAT)	Jan. '08 - June '08	July '08 - Dec. '08	Jan. '09 - June '09	July '09 - Dec. '09	Jan. '10 - June '10	July '10 - Dec. '10	Jan. '11 - June '11
Band IA	12	8	7	9	13	10	<b>9</b>
Band IB	4	4	4	6	7	9	<b>10</b>
Band IC	3	4	5	6	6	6	<b>6</b>
Band ID	3	4	6	9	17	15	<b>16</b>
Band IE	2	4	8	9	16	13	<b>17</b>
Band IF	..	4	9	11	23	..	<b>16</b>
No. of Countries	30	30	29	29	29	29	<b>29</b>

Source: Eurostat

While Ireland in 2007 had the second most expensive price for electricity paid by business in the EU, that certainly is no longer the case. Ireland's ranking improved in almost all consumption bands since the second half of 2007 until the first semester of 2010 when it dipped in some bands but regained some improvement in the first semester of 2011.

In the latest semester, all the medium to large consumption bands (ID to IF), representing 48% of the business electricity market in Ireland, were around mid ranking at 16<sup>th</sup>/17<sup>th</sup> out of 29 countries. During the same semester, in band IC, the band on which Eurostat reports, Ireland remained ranked 6<sup>th</sup> most expensive. This band represents 15% of the business market in Ireland.

The small consumption band, IA, was the only band to move to a slightly higher price ranking in the semester, going from 10<sup>th</sup> to 9<sup>th</sup> rank.

### 3.1.4 Business Electricity Prices – Euro Area Comparison

Within the Euro Area countries, business electricity prices in Ireland for the first half of 2011 were below the average with the exception of band IC where the price was at the Euro Area average. Ireland was 2% below the Euro Area average in the small consumption bands IA and IB (-2%) and for medium to large consumers ranged from 13% below in band ID to 19% below in band IF.

**Table 11** *Business Electricity Prices (€) (1<sup>st</sup> Semester 2011) – Euro Area Comparison*

Electricity prices to business consumers (excluding VAT)	Cost c/kWh	Relative to Euro Area average 2011 - S1	Relative to Euro Area average 2010 - S2
Band IA (Consumption < 20 MWh)	18.45	98%	96%
Band IB (20 MWh < Consumption < 500 MWh)	13.42	98%	106%
Band IC (500 MWh < Consumption < 2,000 MWh)	11.55	100%	104%
Band ID (2,000 MWh < Consumption < 20,000 MWh)	8.73	87%	90%
Band IE (20,000 MWh < Consumption < 70,000 MWh)	7.69	84%	92%
Band IF (70,000 MWh < Consumption < 150,000 MWh)	6.87	81%	..

Source: Eurostat

## 3.2 Business Gas Costs

The gas prices presented include all charges payable: network charges plus energy consumed minus any rebates or premiums, plus other charges (meter rental, standing charges, etc.). Initial connection charges are not included. Prices are recorded as national average prices.

These prices represent weighted average prices, using the market shares of the gas suppliers surveyed as weighting factors; arithmetic average prices are provided only when weighted figures cannot be calculated. In either case, Member States are required to ensure that a representative share of the national market is covered by the survey. In Ireland the weighted average price is used and represents the full market.

Market shares are based on the quantity of gas invoiced by the gas suppliers to business end-users. When possible, the market shares are calculated separately for each band. The information used for calculating weighted average prices is managed by Member States, respecting confidentiality rules.

In the interest of confidentiality, data relating to prices will be communicated only where there are, in the Member State concerned, at least three end-users in each of the categories.

Three levels of prices are provided:

- prices excluding taxes and levies,
- prices excluding VAT and other recoverable taxes,
- prices including all taxes, levies and VAT.

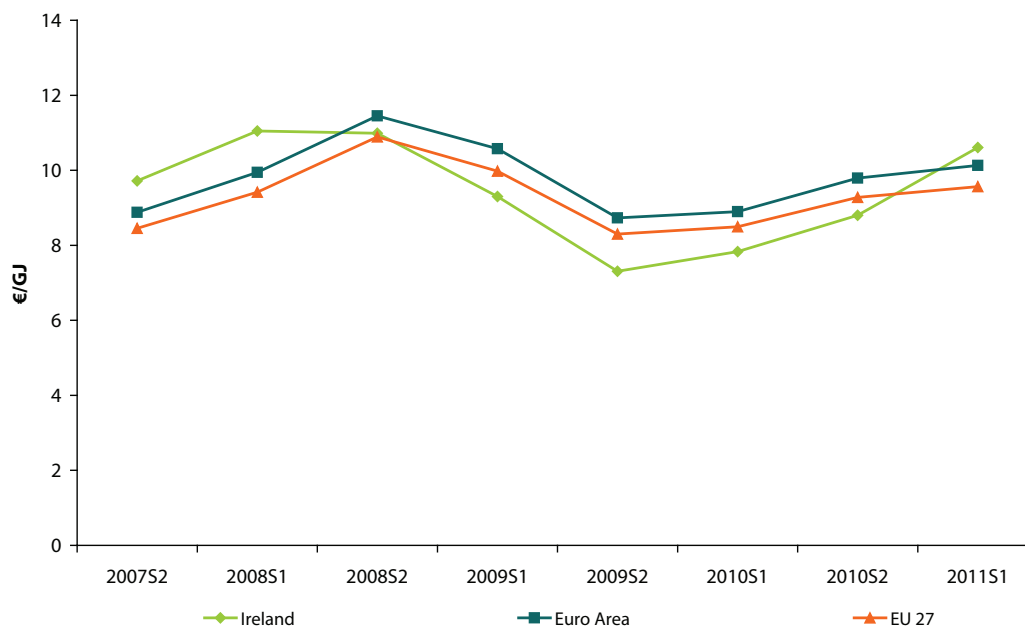
Gas prices are surveyed for the following categories of business end-user:

**Table 12** *Categories for Business End Use of Natural Gas*

Business end-user	Annual gas consumption (GJ)		Band share of business gas market in Ireland S1 - 2011
	Lowest	Highest	
Band - I1		< 1 000	15.5%
Band - I2	1,000	< 10,000	27.3%
Band - I3	10,000	< 100,000	22.6%
Band - I4	100,000	< 1,000,000	34.6%
Band - I5	1,000,000	<= 4,000,000	

Data and analysis on gas costs in this section are based on the returns from the revised *Gas & Electricity Price Directive* for the first semester of 2011. As with electricity price, the average gas price *excluding (VAT and other) recoverable taxes* is used as this is the most relevant for business consumers. Data is presented on the trend in gas prices since the start of the data collection under the new methodology as well as focusing on the latest semester data and including data revisions published by Eurostat.

**Figure 9** Business Gas Prices in band I3 (2<sup>nd</sup> semester 2007 to 1<sup>st</sup> semester 2011)



Source: Eurostat

As shown in Figure 9 gas prices to business in consumption band I3 fell from the first semester of 2008 to the end of 2009 and dropped by 34% over that 18 month period. The price of gas in this consumption band has been increasing since and in the first semester of 2011 the price in Ireland in this consumption band increased by 20.6%. This followed an increase of 12.4% in the previous semester, resulting in an overall 36% increase in the 12 month period. During the same time the average gas price in the EU increased by 14% resulting in prices in Ireland moving above both the EU and Euro Area average for the first time since the start of 2008.

A price increase of 14.6% was experienced in the larger consumption band I4, while for consumers in smaller consumption bands I1 and I2, prices decreased by 8.3% and 2.5% respectively. Notwithstanding these price increases Ireland remained below the EU average price for all levels of gas consumption with the exception of band I3 which moved to being 10% above (see Table 14).

Table 13 shows prices in band I3 for the five semesters between the first half of 2009 and the middle of 2011. Also shown is the price change for each country between the semesters and for the latest 12 months. Figure 10 shows graphically the percentage change presented in the two rightmost columns of Table 13 arranged in increasing order of price change.

Note that the percentage price change shown in Table 13 is calculated from the published Eurostat euro values for each country. Percentage price change in national currencies may differ considerably from these.

Price changes in the first semester of 2011 ranged from a 27% increase in Finland to a 13.5% price decrease in the Czech Republic. Gas prices increased by 20.6% in this consumption band in Ireland. Europe as a whole experienced a 3.1% price increase in band I3 and the Euro Area a 3.5% increase.

Over the 12 month period S1 2010 to S1 2011 price changes varied from a 38% increase in Finland to a 9.2% decrease in Turkey. Ireland experienced an increase of 36% over the 12 month period. This increase for Ireland was higher than the 12.6% increase experienced in Europe and the 13.9% increase in the Euro Area.

**Table 13** Business Gas Prices in band I3 in Europe (S1 2009 to S1 2011)

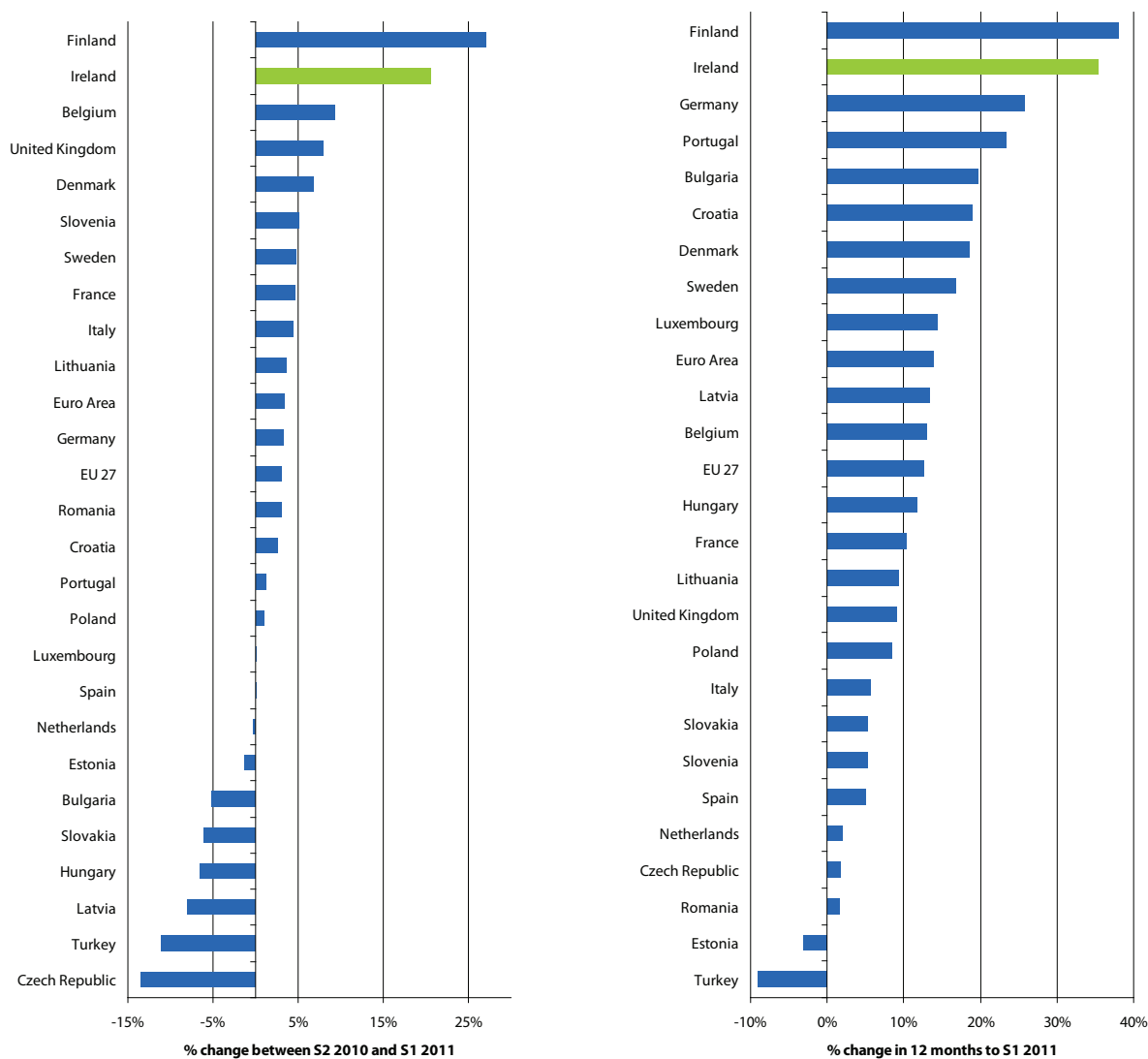
Band I3	without VAT (€/GJ)					% change				
	Jan '09 - Jun '09	July '09 - Dec '09	Jan '10 - Jun '10	July '10 - Dec '10	Jan '11 - Jun '11	S1 '09 - S2 '09	S2 '09 - S1 '10	S1 '10 - S2 '10	S2 '10 - S1 '11	12 months to S1 '11
Austria	..	..	..	..	..	..	..	..	..	..
Belgium	9.04	8.50	7.93	8.20	8.96	-6.0%	-6.7%	3.4%	9.3%	13.0%
Bulgaria	8.74	5.96	6.66	8.41	7.98	-31.9%	11.8%	26.3%	-5.2%	19.7%
Croatia	7.32	7.43	9.45	10.95	11.24	1.6%	27.1%	15.8%	2.7%	18.9%
Czech Republic	9.29	7.56	8.56	10.07	8.71	-18.7%	13.2%	17.6%	-13.5%	1.7%
Denmark	15.43	13.56	15.81	17.55	18.73	-12.1%	16.6%	11.0%	6.8%	18.5%
Estonia	7.50	6.39	8.00	7.85	7.75	-14.8%	25.3%	-1.8%	-1.3%	-3.1%
Finland	8.50	8.00	8.40	9.13	11.60	-5.9%	5.0%	8.7%	27.1%	38.1%
France	10.01	8.80	9.19	9.69	10.14	-12.1%	4.4%	5.4%	4.6%	10.3%
Germany	11.98	9.61	10.10	12.30	12.70	-19.8%	5.1%	21.8%	3.3%	25.7%
Hungary	10.31	10.06	8.30	9.93	9.28	-2.4%	-17.4%	19.7%	-6.6%	11.8%
<b>Ireland</b>	<b>9.30</b>	<b>7.31</b>	<b>7.83</b>	<b>8.80</b>	<b>10.61</b>	<b>-21.4%</b>	<b>7.1%</b>	<b>12.4%</b>	<b>20.6%</b>	<b>35.5%</b>
Italy	11.08	7.83	8.24	8.34	8.71	-29.3%	5.2%	1.2%	4.4%	5.7%
Latvia	10.87	7.69	7.17	8.84	8.13	-29.3%	-6.7%	23.3%	-8.0%	13.4%
Lithuania	8.73	7.55	8.91	9.40	9.74	-13.5%	18.0%	5.5%	3.6%	9.3%
Luxembourg	11.21	10.03	10.26	11.72	11.73	-10.5%	2.3%	14.2%	0.1%	14.3%
Netherlands	10.64	10.35	8.96	9.18	9.14	-2.7%	-13.4%	2.4%	-0.4%	2.0%
Poland	7.73	8.36	8.40	9.02	9.11	8.1%	0.5%	7.4%	1.0%	8.4%
Portugal	9.81	7.22	7.62	9.28	9.40	-26.4%	5.5%	21.8%	1.3%	23.4%
Romania	6.52	5.93	6.19	6.11	6.30	-9.1%	4.4%	-1.4%	3.1%	1.7%
Slovakia	11.30	8.91	9.11	10.22	9.59	-21.2%	2.2%	12.2%	-6.1%	5.3%
Slovenia	12.13	9.61	11.80	11.81	12.42	-20.8%	22.8%	0.1%	5.1%	5.3%
Spain	8.70	7.53	7.70	8.08	8.09	-13.5%	2.3%	5.0%	0.1%	5.0%
Sweden	10.96	12.61	12.26	13.66	14.32	15.1%	-2.8%	11.4%	4.8%	16.8%
Turkey	7.99	6.28	6.66	6.82	6.05	-21.5%	6.2%	2.3%	-11.2%	-9.2%
United Kingdom	8.03	6.06	6.28	6.33	6.84	-24.6%	3.6%	0.9%	8.0%	9.0%
<b>Euro Area</b>	<b>10.58</b>	<b>8.73</b>	<b>8.90</b>	<b>9.79</b>	<b>10.13</b>	<b>-17.4%</b>	<b>1.9%</b>	<b>10.0%</b>	<b>3.5%</b>	<b>13.9%</b>
<b>EU 27</b>	<b>9.98</b>	<b>8.30</b>	<b>8.49</b>	<b>9.28</b>	<b>9.57</b>	<b>-16.8%</b>	<b>2.3%</b>	<b>9.2%</b>	<b>3.1%</b>	<b>12.6%</b>

Ireland relative to:

Euro Area	87.9%	83.7%	88.0%	89.9%	104.7%
EU 27	93.2%	88.1%	92.2%	94.8%	110.9%

Source: Eurostat

Note that tables for all gas consumption bands are published in a separate Annex which is available at [www.seai.ie/statistics](http://www.seai.ie/statistics).

**Figure 10** Percentage change in business gas price (band I3) – semester and 12 months

### 3.2.1 Business Gas Price – EU Comparison

**Table 14** Business Gas Prices (€) in Ireland (1<sup>st</sup> Semester 2011) – EU Comparison

Gas prices to business consumers (excluding VAT)	Cost €/GJ	% change since last semester	Relative to EU average 2011 - S1	Relative to EU average 2010 - S2	Band share of market
Band I1	10.61	-8.3%	<b>85%</b>	94%	15.5%
Band I2	10.32	-2.5%	<b>91%</b>	96%	27.3%
Band I3	10.61	20.6%	<b>111%</b>	95%	22.6%
Band I4	7.95	14.6%	<b>96%</b>	87%	34.6%
Band I5	..	..	..	..	

Source: Eurostat

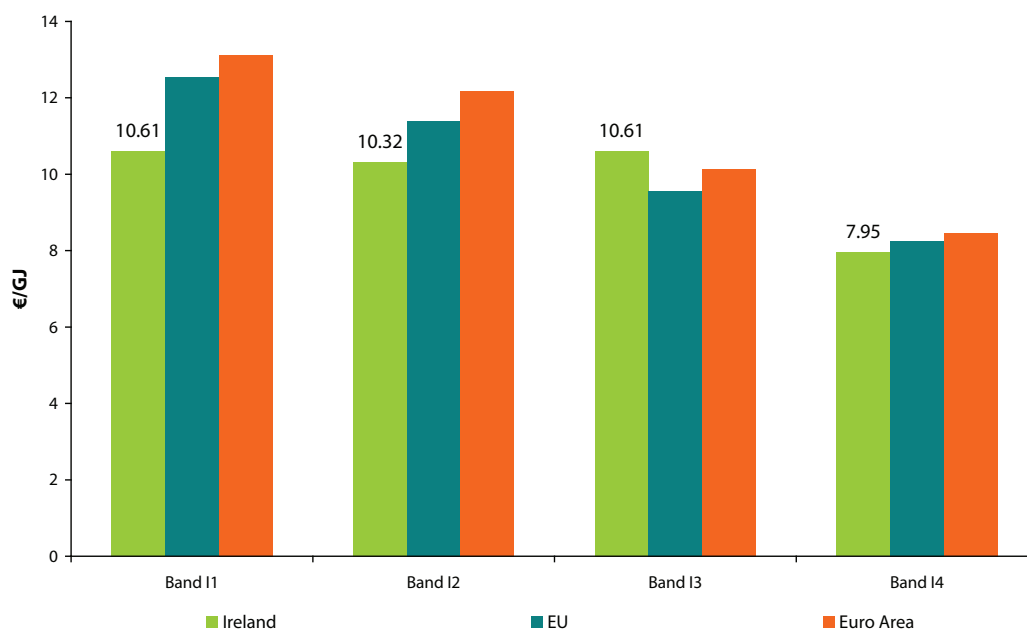
Table 14 shows Ireland's position relative to the EU average gas prices to business for the first semester 2011 with the second semester 2010 shown in grey. Table 14 also shows the market shares by volume of each band. For confidentiality reasons the market shares of bands I4 and I5 are combined.

With respect to ex-VAT gas cost to business, the largest increase occurred in consumption band I3 with an increase of 20.6% followed by a price increase of 14.6% in the larger gas consumption band I4. Small to medium consumers in bands I1 and I2 experienced price decreases of 8.3% and 2.5% respectively, so prices in these bands moved further below the EU average.

With reference to Table 14, Ireland's position, compared with the EU average gas prices to industry, disimproved in the medium to large consumption bands I3 and I4 compared with the second semester 2010, with band I3 moving to 11% above the EU average and band I4 going from 13% below to just 4% below. The small to medium consumption bands, I1 and I2, improved their ranking with both moving further below the EU average to 15% and 9% below respectively.

Figure 11 shows graphically the position of the ex-VAT gas price to business during the first semester of 2011.

**Figure 11** *Business Gas Prices 1<sup>st</sup> Semester 2011*



Source: Eurostat

Table 15 shows Ireland's ranking in the EU for the ex-VAT price paid by business for gas. A ranking of 1 means the most expensive. The bottom row of the table shows the number of countries on which the ranking is based. Table 15 should be read in conjunction with the market share of each band as shown in Table 14.

**Table 15** *Ireland's Ranking in EU for Business Gas Prices (ex-VAT)*

Gas prices to business consumers (excluding VAT)	Jan. '08 - June '08	July '08 - Dec. '08	Jan. '09 - June '09	July '09 - Dec. '09	Jan. '10 - June '10	July '10 - Dec. '10	Jan. '11 - June '11
Band I1	6	7	6	7	16	14	<b>17</b>
Band I2	9	10	14	13	19	13	<b>15</b>
Band I3	3	11	13	19	18	17	<b>8</b>
Band I4	11	14	10	18	21	22	<b>13</b>
Band I5	..	..	..	..	..	..	..
No. of Countries	24	25	25	25	25	25	<b>25</b>

Source: Eurostat

Since the peak of the global energy prices in mid 2008 and until the first semester of 2010 Ireland's ranking has been improving in all gas consumption bands. Some slippage occurred in the second semester of 2010 as prices generally rose faster in Ireland than in the EU on average.

During the first semester of 2011 in band I3, the band on which Eurostat reports, Ireland was ranked 8<sup>th</sup> most expensive, up from 17<sup>th</sup> in the previous semester. This band represents 23% of the business gas market in Ireland. In the higher consumption band I4, representing 35% of the market, Ireland moved from 22<sup>nd</sup> place to 13<sup>th</sup>, although still positioned around mid-ranking.

### 3.2.2 Business Gas Prices – Area Comparison

Business gas prices in Ireland for the first half of 2011 were below the average for Euro Area countries in bands I1, I2, and I4: they were 19%, 15%, and 6% below respectively, as shown in Table 16. Prices in band I3 moved to being 5% above the Euro Area average from 10% below in the previous semester.

**Table 16** Business Gas Prices (€) in Ireland (1<sup>st</sup> Semester 2011) – Euro Area Comparison

Gas prices to business consumers (excluding VAT)	Cost €/GJ	Relative to Euro Area average 2011 - S1	Relative to Euro Area average 2010 - S2
Band I1 (Consumption < 1,000 GJ)	10.61	81%	89%
Band I2 (1,000 GJ < Consumption < 10,000 GJ)	10.32	85%	91%
Band I3 (10,000 GJ < Consumption < 100,000 GJ)	10.61	105%	90%
Band I4 (100,000 GJ < Consumption < 1,000,000 GJ)	7.95	94%	84%
Band I5 (1,000,000 GJ < Consumption < 4,000,000 GJ)	..	..	..

Source: Eurostat

With reference to Table 16, in Ireland compared with the Euro Area average gas prices to industry, gas prices for small to medium consumers moved further below the average in bands I1 and I2 as there were price reductions in these bands in Ireland compared to, on average, price increases in the Euro Area.

In the medium to large consumption bands, I3 and I4, the gas price increases in Ireland were significantly higher than the average in the Euro Area. The average price increase in bands I3 and I4 in the Euro Area were 3.5% and 2.4% respectively but they were 20.6% and 14.6% respectively in Ireland.

## 4 Energy Prices for Households

### 4.1 Residential Electricity Costs

The data collection for households is based on a voluntary agreement and complements the data collection of gas and electricity prices for industrial users as specified in *Council Directive 90/377/EEC*. The methodology for collecting data on household electricity prices was also changed under the revised Directive.

For households, electricity prices include all charges payable including: energy consumed, network charges, other charges (capacity charges, commercialisation, meter rental etc) all netted for any rebates or premiums due. Initial connection charges are not included. The Member States develop and implement cost-effective procedures to ensure a representative data compilation system based on the following rules:

- Prices represent weighted average prices, using the market share of the electricity suppliers surveyed as weighting factors. Arithmetic average prices are provided only when weighted figures cannot be calculated. In either case, Member States ensure that a representative share of the national market is covered by the survey. In Ireland the weighted average price is used and represents the full market.
- Market shares are based on the quantity of electricity invoiced by electricity supply undertakings to household end-users. If possible, the market shares are calculated separately for each band. The information used for calculating weighted average prices is managed by Member States, respecting confidentiality rules.

Three levels of prices are provided:

- prices excluding taxes and levies,
- prices excluding VAT and other recoverable taxes,
- prices including all taxes, levies and VAT.

Electricity prices are surveyed for the following categories of household end-user:

**Table 17** *Categories for Residential End Use of Electricity*

Household end-user	Annual electricity consumption (kWh)		Band share of residential electricity market in Ireland S1 - 2011
	Lowest	Highest	
Very small (DA)	<1,000		1.0%
Small (DB)	1,000	2,500	6.3%
Medium (DC)	2,500	5,000	28.3%
Large (DD)	5,000	15,000	55.1%
Very large (DE)	≥15,000		9.3%

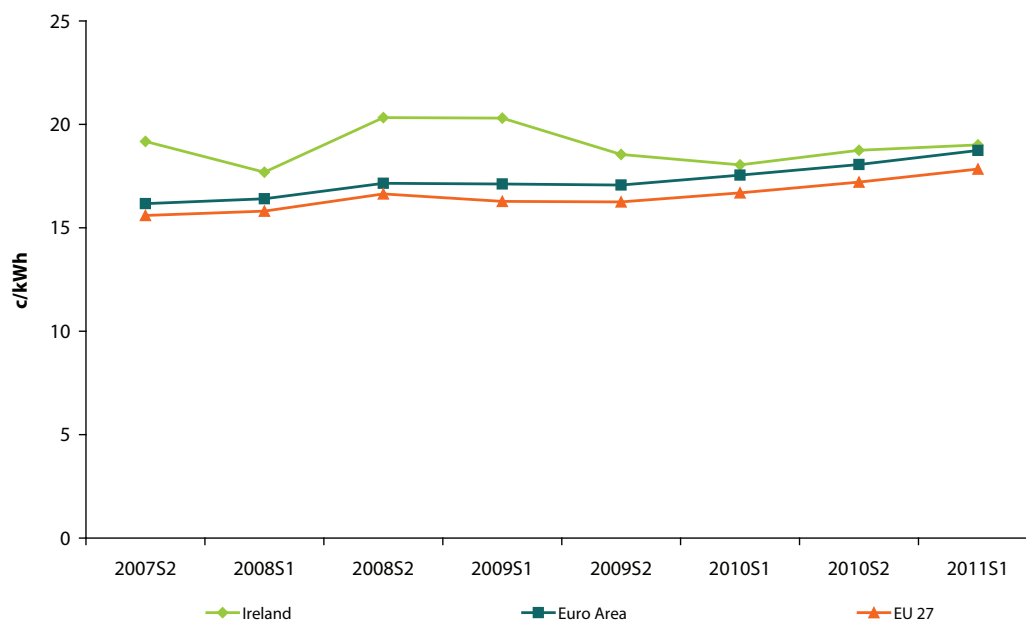
There follows a comparison of electricity costs to residential consumers in Ireland with the other EU Member States based on the returns under the revised *Gas & Electricity Price Directive* for the first semester of 2011 (January to June). The analysis looks first at a basic comparison of residential electricity costs in euro across all the countries and then refines this to more relevant comparisons based on purchasing power parities (PPP) and finally comparison based on Euro Area countries only. The price including all taxes, levies and VAT was used as this is the most relevant for residential consumers.

With regard to consumption bands, the most relevant for the majority of residential consumers are the DC band (2,500 – 5,000 kWh per annum) and the DD band (5,000 – 15,000 kWh per annum). In the lower consumption bands the average cost per kWh is higher because the standing charges and network charges form a larger proportion of the annual costs. In the case of Ireland for instance, there are significant numbers of holiday homes that may be unoccupied for most of the year yet standing charges are still incurred with little or no electricity usage. During data collection, zero usage accounts were excluded.

### 4.1.1 Residential Electricity Costs in Consumption Band DC

Figure 12 shows the trend in electricity prices in consumption band DC for Ireland, EU and Euro Area. Prices in Ireland in this band fell from the start of 2009 until mid 2010 but started to rise again during the second half of 2010 and into the first half of 2011. For reference, band DC, which is the consumption band normally reported on by Eurostat, accounted for 28% of the electricity use in the residential market in Ireland during the first half of 2011 (see Table 20).

**Figure 12** Residential Electricity Prices in band DC (2<sup>nd</sup> semester 2007 to 1<sup>st</sup> semester 2011)



Source: Eurostat

In the first semester of 2011, Ireland was 6.6% above the EU average, which is down on the previous semester figure of 8.9% and from a peak of 25% in early 2008.

Table 18 shows prices in band DC for the five semesters between the first half of 2009 and the middle of 2011 and includes data revisions published by Eurostat. Also shown is the price change for each country between the semesters and for the latest 12 months. Figure 13 shows graphically the percentage change presented in the two rightmost columns of Table 18 arranged in increasing order of price change.

Note that the percentage price change shown in Table 18 is calculated from the published Eurostat euro values for each country. Percentage price change in national currencies may differ considerably from these.

Price change in the first semester of 2011 ranged from a 12.4% increase in Finland to an 11.5% price decrease in Turkey. Ireland experienced a 1.4% increase in this consumption band during the first half of 2011. Europe as a whole experienced on average a 3.7% increase in price and the Euro Area experienced an increase of 3.8% in band DC.

Over the 12 month period S1 2010 to S1 2011 price change varied from a 16.2% increase in Finland to a 9.4% decrease in Turkey. Ireland experienced an increase of 5.4% over the 12 months, a lower increase than the 6.9% increase experienced in Europe and the 6.8% increase in the Euro Area.

Note that tables for all electricity consumption bands are published in a separate Annex which is available at [www.seai.ie/statistics](http://www.seai.ie/statistics).

**Table 18 Residential Electricity Prices in band DC in Europe (S1 2009 to S1 2011)**

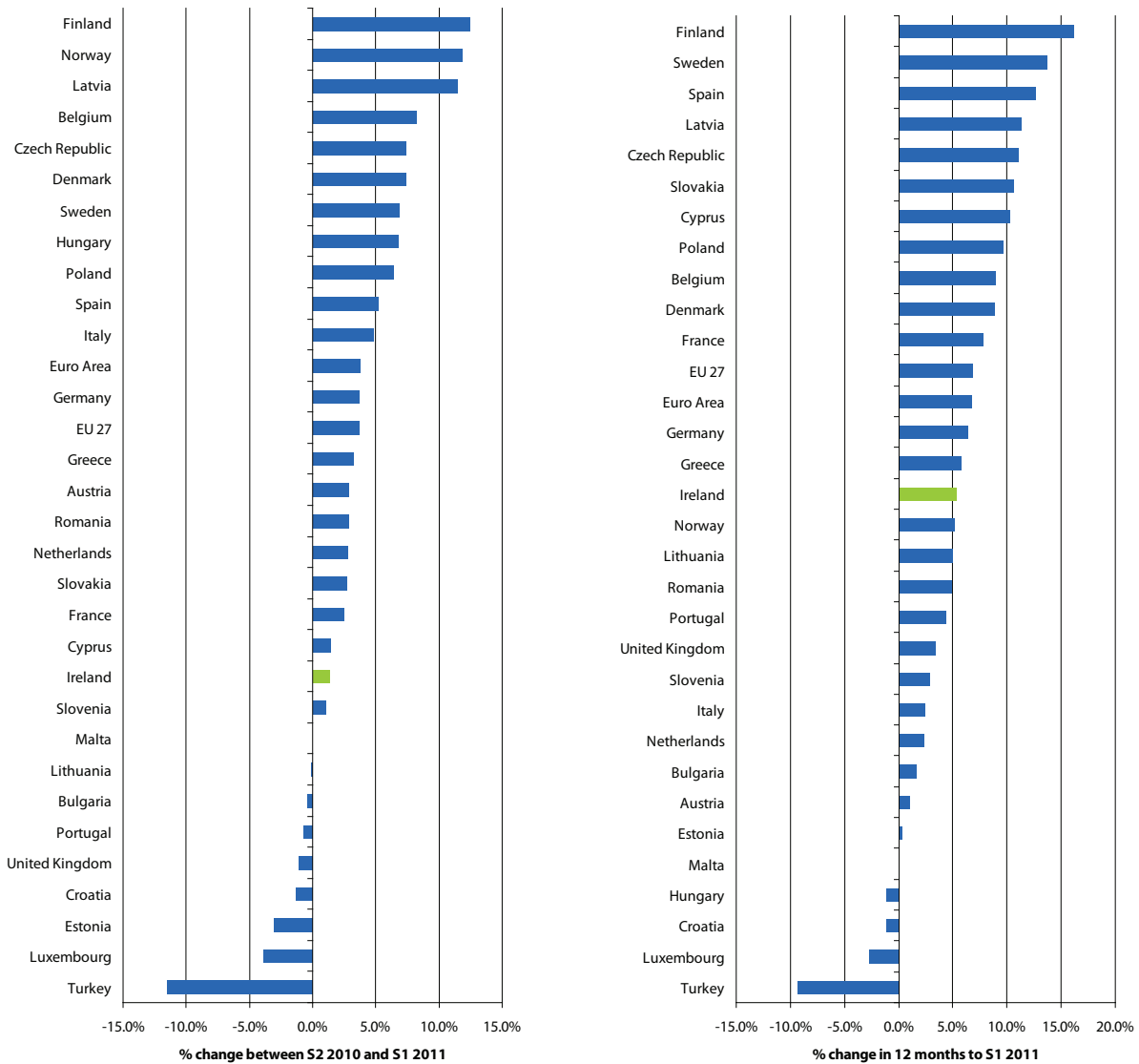
Band DC	all taxes included (c/kWh)					% change				
	Jan '09 - Jun '09	July '09 - Dec '09	Jan '10 - Jun '10	July '10 - Dec '10	Jan '11 - Jun '11	S1 '09 - S2 '09	S2 '09 - S1 '10	S1 '10 - S2 '10	S2 '10 - S1 '11	12 months to S1 '11
Austria	19.09	19.09	19.67	19.30	19.86	0.0%	3.0%	-1.9%	2.9%	1.0%
Belgium	19.16	18.64	19.59	19.74	21.36	-2.7%	5.1%	0.8%	8.2%	9.0%
Bulgaria	8.23	8.18	8.13	8.30	8.26	-0.6%	-0.6%	2.1%	-0.5%	1.6%
Croatia	11.51	11.64	11.51	11.53	11.37	1.1%	-1.1%	0.2%	-1.4%	-1.2%
Cyprus	15.58	16.42	18.58	20.21	20.50	5.4%	13.2%	8.8%	1.4%	10.3%
Czech Republic	13.23	13.94	13.45	13.92	14.95	5.4%	-3.5%	3.5%	7.4%	11.2%
Denmark	26.98	25.53	26.70	27.08	29.08	-5.4%	4.6%	1.4%	7.4%	8.9%
Estonia	9.22	9.20	9.70	10.04	9.73	-0.2%	5.4%	3.5%	-3.1%	0.3%
Finland	12.96	12.89	13.25	13.70	15.40	-0.5%	2.8%	3.4%	12.4%	16.2%
France	12.06	12.07	12.83	13.50	13.84	0.1%	6.3%	5.2%	2.5%	7.9%
Germany	22.82	22.94	23.75	24.38	25.28	0.5%	3.5%	2.7%	3.7%	6.4%
Greece	11.54	10.32	11.81	12.11	12.50	-10.6%	14.4%	2.5%	3.2%	5.8%
Hungary	14.83	16.62	17.01	15.74	16.81	12.1%	2.3%	-7.5%	6.8%	-1.2%
<b>Ireland</b>	<b>20.30</b>	<b>18.55</b>	<b>18.04</b>	<b>18.75</b>	<b>19.01</b>	<b>-8.6%</b>	<b>-2.7%</b>	<b>3.9%</b>	<b>1.4%</b>	<b>5.4%</b>
Italy	20.98	19.97	19.65	19.20	20.13	-4.8%	-1.6%	-2.3%	4.8%	2.4%
Latvia	10.52	10.54	10.49	10.48	11.68	0.2%	-0.5%	-0.1%	11.5%	11.3%
Lithuania	9.51	9.26	11.56	12.16	12.14	-2.6%	24.8%	5.2%	-0.2%	5.0%
Luxembourg	18.82	18.82	17.26	17.47	16.78	0.0%	-8.3%	1.2%	-3.9%	-2.8%
Malta	17.08	15.13	17.00	17.00	17.00	-11.4%	12.4%	0.0%	0.0%	0.0%
Netherlands	19.00	18.41	17.04	16.96	17.43	-3.1%	-7.4%	-0.5%	2.8%	2.3%
Norway	15.65	15.63	20.27	19.07	21.33	-0.1%	29.7%	-5.9%	11.9%	5.2%
Poland	11.31	12.91	13.41	13.82	14.71	14.1%	3.9%	3.1%	6.4%	9.7%
Portugal	15.08	15.94	15.84	16.66	16.54	5.7%	-0.6%	5.2%	-0.7%	4.4%
Romania	9.76	9.79	10.31	10.52	10.82	0.3%	5.3%	2.0%	2.9%	4.9%
Slovakia	15.40	15.60	15.20	16.37	16.82	1.3%	-2.6%	7.7%	2.7%	10.7%
Slovenia	13.46	13.41	14.01	14.26	14.41	-0.4%	4.5%	1.8%	1.1%	2.9%
Spain	15.77	16.84	17.28	18.51	19.47	6.8%	2.6%	7.1%	5.2%	12.7%
Sweden	16.02	16.46	18.39	19.58	20.92	2.7%	11.7%	6.5%	6.8%	13.8%
Turkey	11.44	11.79	13.42	13.74	12.16	3.1%	13.8%	2.4%	-11.5%	-9.4%
United Kingdom	14.66	14.07	13.86	14.49	14.33	-4.0%	-1.5%	4.5%	-1.1%	3.4%
<b>Euro Area</b>	<b>17.12</b>	<b>17.07</b>	<b>17.55</b>	<b>18.06</b>	<b>18.74</b>	<b>-0.3%</b>	<b>2.8%</b>	<b>2.9%</b>	<b>3.8%</b>	<b>6.8%</b>
<b>EU 27</b>	<b>16.28</b>	<b>16.25</b>	<b>16.69</b>	<b>17.21</b>	<b>17.84</b>	<b>-0.2%</b>	<b>2.7%</b>	<b>3.1%</b>	<b>3.7%</b>	<b>6.9%</b>

Ireland relative to:

Euro Area	118.6%	108.7%	102.8%	103.8%	101.4%
EU 27	124.7%	114.2%	108.1%	108.9%	106.6%

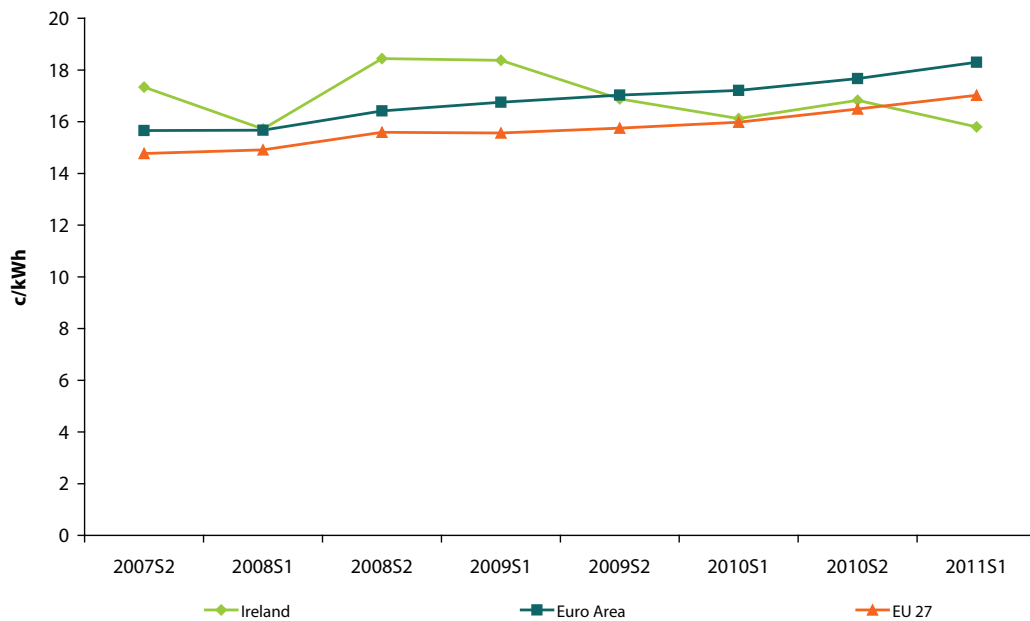
Source: Eurostat

**Figure 13** Percentage change in household electricity price (band DC) – semester and 12 months



### 4.1.2 Residential Electricity Costs in Consumption Band DD

Figure 14 shows the trend in average electricity prices (inclusive of all taxes) in consumption band DD for Ireland, EU and Euro Area. Prices in Ireland in this band also fell since the start of 2009 until mid 2010 when they increased slightly. In the first semester of 2011 it is clear from Figure 14 that prices in this band fell significantly while for the EU and Euro Area prices increased. For reference, band DD accounted for 55% of the electricity use in the residential market in Ireland during the first half of 2011.

**Figure 14** Residential Electricity Prices in band DD (2<sup>nd</sup> semester 2007 to 1<sup>st</sup> semester 2011)

Source: Eurostat

In the second semester of 2010, Ireland was 2.1% above the EU average but in the first semester 2011 this changed to be 7.2% below the average due to the price decrease in Ireland and the price increase on average in the EU. Compared with the Euro Area, prices in this band were 13.7% below the EU average in the first semester of 2011.

Table 19 shows prices in band DD for the five semesters between the first half of 2009 and the middle of 2011 and includes data revisions published by Eurostat. Also shown is the price change for each country between the semesters and for the latest 12 months. Figure 15 shows graphically the percentage change presented in the two rightmost columns of Table 19 arranged in increasing order of price change.

Note that the percentage price change shown in Table 19 is calculated from the published Eurostat euro values for each country. Percentage price change in national currencies may differ considerably from these.

Price change in the first semester of 2011 ranged from a 15.5% increase in Norway to a 11.8% price decrease in Turkey. Ireland experienced a 6.1% decrease in this consumption band during the first half of 2011. Europe as a whole experienced on average a 3.2% increase in price and the Euro Area experienced an increase of 3.6% in band DD.

Over the 12 month period S1 2010 to S1 2011 price change varied from a 15.9% increase in Finland to a 9.7% decrease in Turkey. Ireland experienced a 2.0% decrease in electricity price to households in this band and this compares with a 6.5% increase experienced in Europe and the 6.3% increase in the Euro Area during the 12 months.

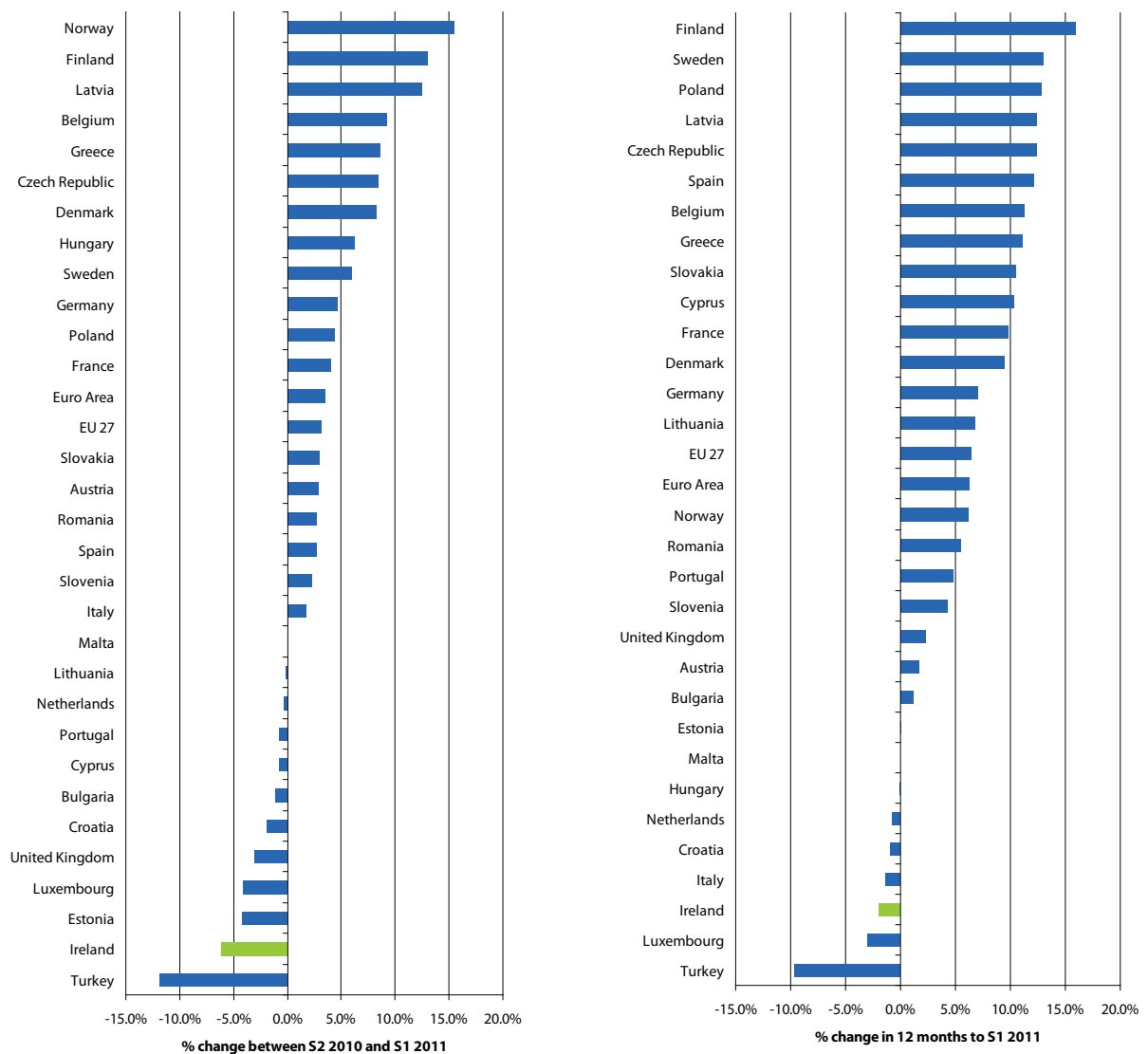
**Table 19 Residential Electricity Prices in band DD in Europe (S1 2009 to S1 2011)**

Band DD	all taxes included (c/kWh)					% change				
	Jan '09 - Jun '09	July '09 - Dec '09	Jan '10 - Jun '10	July '10 - Dec '10	Jan '11 - Jun '11	S1 '09 - S2 '09	S2 '09 - S1 '10	S1 '10 - S2 '10	S2 '10 - S1 '11	12 months to S1 '11
Austria	17.39	17.53	17.74	17.53	18.05	0.8%	1.2%	-1.2%	3.0%	1.7%
Belgium	17.02	16.45	17.32	17.65	19.28	-3.3%	5.3%	1.9%	9.2%	11.3%
Bulgaria	8.13	8.23	8.13	8.32	8.23	1.2%	-1.2%	2.3%	-1.1%	1.2%
Croatia	10.84	11.23	11.01	11.12	10.91	3.6%	-2.0%	1.0%	-1.9%	-0.9%
Cyprus	16.08	16.55	18.04	20.06	19.90	2.9%	9.0%	11.2%	-0.8%	10.3%
Czech Republic	11.02	11.61	11.15	11.55	12.53	5.4%	-4.0%	3.6%	8.5%	12.4%
Denmark	24.02	22.57	23.21	23.46	25.41	-6.0%	2.8%	1.1%	8.3%	9.5%
Estonia	8.87	8.97	9.36	9.78	9.37	1.1%	4.3%	4.5%	-4.2%	0.1%
Finland	11.47	11.43	11.68	11.98	13.54	-0.3%	2.2%	2.6%	13.0%	15.9%
France	10.57	11.39	11.55	12.19	12.69	7.8%	1.4%	5.5%	4.1%	9.9%
Germany	21.22	21.38	22.40	22.92	23.99	0.8%	4.8%	2.3%	4.7%	7.1%
Greece	13.69	12.01	13.70	14.01	15.22	-12.3%	14.1%	2.3%	8.6%	11.1%
Hungary	13.46	15.61	15.94	14.98	15.92	16.0%	2.1%	-6.0%	6.3%	-0.1%
<b>Ireland</b>	<b>18.37</b>	<b>16.88</b>	<b>16.12</b>	<b>16.83</b>	<b>15.80</b>	<b>-8.1%</b>	<b>-4.5%</b>	<b>4.4%</b>	<b>-6.1%</b>	<b>-2.0%</b>
Italy	26.09	26.15	24.92	24.14	24.57	0.2%	-4.7%	-3.1%	1.8%	-1.4%
Latvia	10.51	10.54	10.50	10.49	11.80	0.3%	-0.4%	-0.1%	12.5%	12.4%
Lithuania	8.97	8.84	11.03	11.80	11.78	-1.4%	24.8%	7.0%	-0.2%	6.8%
Luxembourg	17.00	17.00	16.11	16.29	15.63	0.0%	-5.2%	1.1%	-4.1%	-3.0%
Malta	17.70	15.85	18.00	18.00	18.00	-10.5%	13.6%	0.0%	0.0%	0.0%
Netherlands	22.90	22.30	21.05	20.94	20.88	-2.6%	-5.6%	-0.5%	-0.3%	-0.8%
Norway	11.43	11.22	15.25	14.02	16.19	-1.8%	35.9%	-8.1%	15.5%	6.2%
Poland	10.72	11.72	12.35	13.35	13.94	9.3%	5.4%	8.1%	4.4%	12.9%
Portugal	13.67	14.34	14.35	15.16	15.04	4.9%	0.1%	5.6%	-0.8%	4.8%
Romania	9.41	9.44	10.11	10.38	10.67	0.3%	7.1%	2.7%	2.8%	5.5%
Slovakia	14.84	15.58	13.59	14.58	15.02	5.0%	-12.8%	7.3%	3.0%	10.5%
Slovenia	12.66	12.31	12.77	13.02	13.32	-2.8%	3.7%	2.0%	2.3%	4.3%
Spain	14.67	15.44	15.50	16.91	17.38	5.2%	0.4%	9.1%	2.8%	12.1%
Sweden	13.72	14.25	15.94	16.99	18.01	3.9%	11.9%	6.6%	6.0%	13.0%
Turkey	11.44	11.79	13.42	13.74	12.12	3.1%	13.8%	2.4%	-11.8%	-9.7%
United Kingdom	13.09	12.50	12.38	13.07	12.67	-4.5%	-1.0%	5.6%	-3.1%	2.3%
Euro Area	16.75	17.03	17.21	17.67	18.30	1.7%	1.1%	2.7%	3.6%	6.3%
EU 27	15.56	15.75	15.98	16.49	17.02	1.2%	1.5%	3.2%	3.2%	6.5%

Ireland relative to:

Euro Area	109.7%	99.1%	93.7%	95.2%	86.3%
EU 27	118.1%	107.2%	100.9%	102.1%	92.8%

Source: Eurostat

**Figure 15** Percentage change in household electricity price (band DD) – semester and 12 months

### 4.1.3 Residential Electricity Price – EU Comparison (in €)

Table 20 shows Ireland's position compared with the EU average residential electricity prices for the first semester in 2011, with the second semester 2010 shown in grey. Ireland's position compared with the EU average improved in all consumption bands with the exception of band DB where it went from being 19% above the average to 24% above. This band accounts for 6.3% of the consumption in households.

The price level in band DA is high compared with the EU average, but this is to be expected if there are a significant number of very low-usage accounts such as holiday homes where the standing charges make up a significant portion of the bills.

Bands DC and DD account for 83% of the market here. In the first half of 2011, Ireland was 7% above the EU average in band DC, down 2% points on the previous semester, and in band DD Ireland moved to being 7% below the EU average from being 2% above the previous semester.

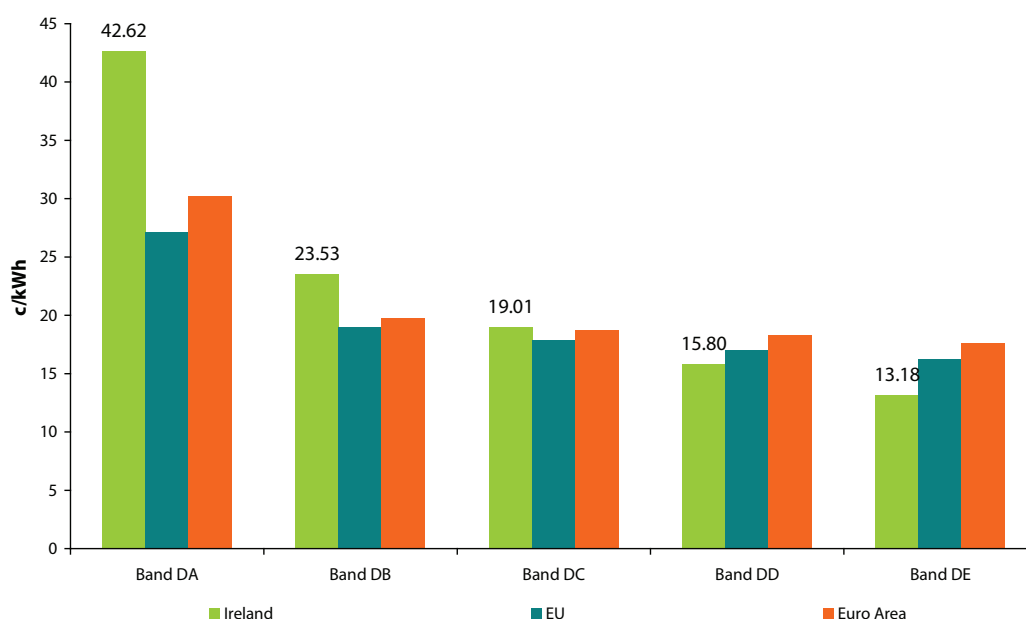
**Table 20 Residential Electricity Prices (€) in Ireland (1<sup>st</sup> Semester 2011) – EU Comparison**

Electricity prices to residential consumers (all taxes included)	Cost c/kWh	% change since last semester	Relative to EU average 2011 - S1	Relative to EU average 2010 - S2	Band share of market
Band DA	42.62	-2.8%	<b>157%</b>	165%	1.0%
Band DB	23.53	7.2%	<b>124%</b>	119%	6.3%
Band DC	19.01	1.4%	<b>107%</b>	109%	28.3%
Band DD	15.80	-6.1%	<b>93%</b>	102%	55.1%
Band DE	13.18	-7.6%	<b>81%</b>	90%	9.3%

Source: Eurostat

Also shown in Table 20 are the market shares by volume of each band. Consumers in bands DC and DD accounted for 83% of the residential electricity market with band DD being the largest at 55% of the market and DC the second largest at 28%.

Figure 16 shows graphically the position of the tax inclusive electricity price to households during the first semester of 2011.

**Figure 16 Residential Electricity Prices 1<sup>st</sup> Semester 2011**

Source: Eurostat

Table 21 shows Ireland's ranking in the EU for the tax inclusive price paid by householders for electricity. A ranking of 1 means the most expensive. The bottom row of the table shows the number of countries on which the ranking is based. Table 21 should be read in conjunction with the market share of each band as shown in Table 9.

**Table 21 Ireland's Ranking in EU for Residential Electricity Prices (all taxes included)**

Electricity prices to residential consumers (all taxes included)	Jan. '08 - June '08	July '08 - Dec. '08	Jan. '09 - June '09	July '09 - Dec. '09	Jan. '10 - June '10	July '10 - Dec. '10	Jan. '11 - June '11
Band DA	1	1	1	1	2	2	<b>2</b>
Band DB	5	5	4	4	7	5	<b>5</b>
Band DC	7	6	4	7	9	9	<b>10</b>
Band DD	8	7	5	7	9	11	<b>13</b>
Band DE	11	10	8	9	14	14	<b>18</b>
No. of Countries	30	30	30	30	30	30	<b>30</b>

Source: Eurostat

During the first semester of 2011 in band DC, the band on which Eurostat reports, Ireland was ranked 10<sup>th</sup> most expensive, an improvement of one place on the ranking in the previous semester. In consumption band DD Ireland's ranking improved to 13<sup>th</sup> most expensive of 30 countries, from 11<sup>th</sup> in the previous semester.

#### 4.1.4 Residential Electricity Prices – EU Comparison (in PPP)

Some caveats should be acknowledged in looking at these basic euro prices. Non-euro country prices are converted into euro at the prevailing exchange rates but this does not take into account the varying purchasing powers in each country. To correct for this Eurostat also publishes prices in purchasing power parities.

When purchasing power parities are applied, Ireland is cheaper than the average in all but the two lowest consumption bands. Specifically, in band DC, Ireland is 9% below the average and 21% below in band DD.

**Table 22 Residential Electricity Prices (Purchasing Power Parity) (1<sup>st</sup> Semester 2011) – EU Comparison**

Electricity prices to residential consumers (all taxes included)	Cost $c_{PPP}$ /kWh	Relative to EU average 2011 - S1	Relative to EU average 2010 - S2
Band DA (Consumption < 1 000 kWh)	38.34	139%	144%
Band DB (1,000 kWh < Consumption < 2,500 kWh)	21.17	105%	99%
Band DC (2,500 kWh < Consumption < 5,000 kWh)	17.10	91%	91%
Band DD (5,000 kWh < Consumption < 15,000 kWh)	14.21	79%	85%
Band DE (Consumption > 15,000 kWh)	11.86	67%	72%

Source: Eurostat

Table 22 shows Ireland's position, relative to the European average electricity prices to households in purchasing power parities for the first semester 2011, with the second semester 2010 shown in grey. Using a straight euro comparison Ireland (see Table 20) was 7% above the EU in band DC; however, using purchasing power parities to compare shows Ireland 9% below the average.

#### 4.1.5 Residential Electricity Prices – Euro Area Comparison (in €)

Table 23 shows Ireland's position, relative to the Euro Area average electricity prices to households for the first semester 2011, with the second semester 2010 shown in grey. Focusing on just the Euro Area countries and excluding band DA, Ireland was 19% and 1% above the Euro Area average in bands DB and DC, respectively, and in the higher consumption bands DD and DE Ireland was 14% and 25% cheaper respectively.

**Table 23 Residential Electricity Prices (€) in Ireland (1<sup>st</sup> Semester 2011) – Euro Area Comparison**

Electricity prices to residential consumers (all taxes included)	Cost c/kWh	Relative to Euro Area average 2011 - S1	Relative to Euro Area average 2010 - S2
Band DA (Consumption < 1 000 kWh)	42.62	141%	148%
Band DB (1,000 kWh < Consumption < 2,500 kWh)	23.53	119%	114%
Band DC (2,500 kWh < Consumption < 5,000 kWh)	19.01	101%	104%
Band DD (5,000 kWh < Consumption < 15,000 kWh)	15.80	86%	95%
Band DE (Consumption > 15,000 kWh)	13.18	75%	83%

Source: Eurostat

#### 4.1.6 Residential Electricity Prices – Euro Area Comparison (in PPP)

Table 24 shows Ireland's position, in purchasing power parity terms, relative to the Euro Area average electricity prices to households for the first semester 2011, with the second semester 2010 shown in grey. Using purchasing power parities, Ireland is 6% above the average for the Euro Area in band DB and between 10% and 36% below for annual consumption in excess of 2,500 kWh.

**Table 24 Residential Electricity Prices (Purchasing Power Parity) (1<sup>st</sup> Semester 2011) – Euro Area**

Electricity prices to residential consumers (all taxes included)	Cost $c_{PPP}$ /kWh	Relative to Euro Area average 2011 - S1	Relative to Euro Area average 2010 - S2
Band DA (Consumption < 1 000 kWh)	38.34	126%	130%
Band DB (1,000 kWh < Consumption < 2,500 kWh)	21.17	106%	100%
Band DC (2,500 kWh < Consumption < 5,000 kWh)	17.10	90%	91%
Band DD (5,000 kWh < Consumption < 15,000 kWh)	14.21	78%	84%
Band DE (Consumption > 15,000 kWh)	11.86	64%	69%

Source: Eurostat

## 4.2 Residential Gas Costs

The data collection for households is based on a voluntary agreement and complements the data collection of gas and electricity prices for industrial users as specified in *Council Directive 90/377/EEC*. The methodology for collecting household data was also changed so the prices under the revised Directive are not directly comparable with those collected under the previous methodology.

For households, gas prices include all charges payable including: energy consumed, network charges, other charges (capacity charges, commercialisation, meter rental, etc.), all netted for any rebates or premiums due. Initial connection charges are not included. The Member States develop and implement cost-effective procedures to ensure a representative data compilation system based on the following rules:

- Prices represent weighted average prices, using the market share of the natural gas supply undertakings surveyed as weighting factors. Arithmetic average prices will be provided only when weighted figures cannot be calculated. In either case, Member States will ensure that a representative share of the national market is covered by the survey. In Ireland the weighted average price is used and represents the full market.
- Market shares are based on the quantity of gas invoiced by gas supply undertakings to household end-users. If possible, the market shares are calculated separately for each band. The information used for calculating weighted average prices is managed by Member States, respecting confidentiality rules.

Three levels of prices are to be provided:

- prices excluding taxes and levies,
- prices excluding VAT and other recoverable taxes,
- prices including all taxes, levies and VAT.

Gas prices are surveyed for the following categories of household end-user:

**Table 25** *Categories for Residential End Use of Natural Gas*

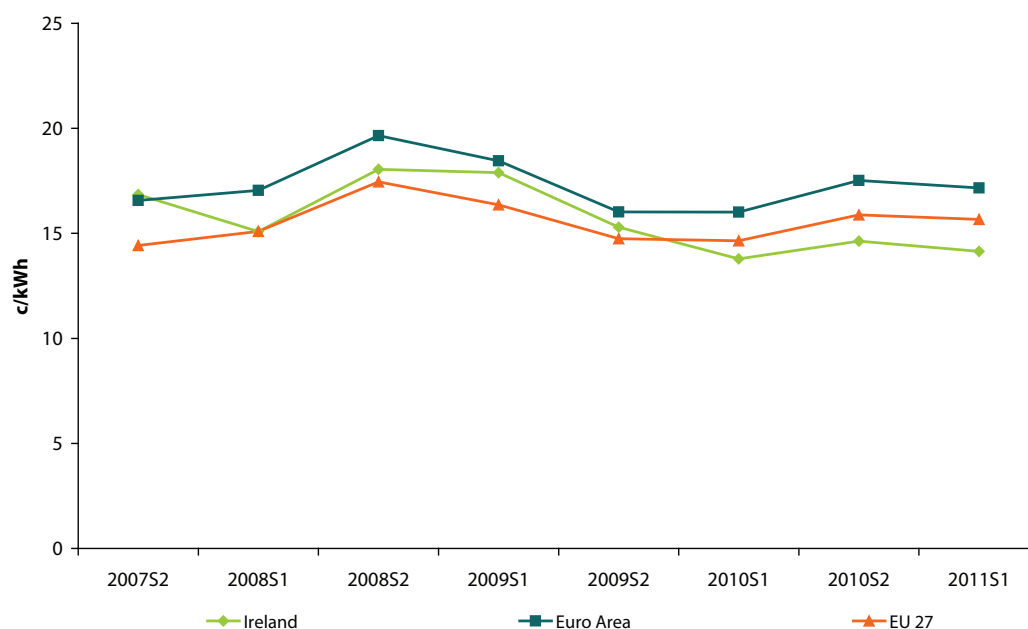
Residential end-users	Annual gas consumption (GJ)		Band share of residential gas market in Ireland S1 - 2011
	Lowest	Highest	
D1 - Small	0	<20	2.9%
D2 - Medium	20	<200	95.1%
D3 - Large		≥200	2.0%

There follows a comparison of gas costs to residential consumers in Ireland compared with the other EU Member States based on the returns under the revised *Gas & Electricity Price Directive* for the first semester of 2011 (January to June). The analysis looks first at a basic comparison of residential gas costs in euro across all the countries and then refines this down to more relevant comparisons based on purchasing power parities and finally comparison based on Euro Area countries only. The price including all taxes, levies and VAT was used as this is the most relevant for residential consumers.

## 4.2.1 Residential Gas Prices – EU Comparison (in €)

With regard to consumption bands the most relevant for the majority of residential consumers is the medium band (20 – 200 GJ per annum) referred to as D2. In the lower consumption bands the average cost per kWh is higher because the standing charges and network charges form a larger proportion of the annual costs.

**Figure 17** Residential Gas Prices in band D2 (2<sup>nd</sup> semester 2007 to 1<sup>st</sup> semester 2011)



Source: Eurostat

Figure 17 shows the trend in average gas prices (inclusive of all taxes) to households in Ireland and Europe. The gas prices to Irish households were higher than the EU average over the period from the second semester 2007 to the second semester 2009 with the exception of the first semester of 2008 when they were at the EU average. In the first semester 2010 gas prices in Ireland in this consumption band were 5.9% lower than the EU average and 14% lower than the Euro Area average. Since then the price of gas to Irish householders has continued to fall below the EU and Euro Area average and was 9.7% and 17.6% below respectively in the first half of 2011.

Table 26 shows prices in band D2 for the five semesters between the first half of 2009 and the middle of 2011 and includes data revisions published by Eurostat. Also shown in Table 26 is the price change for each country between the semesters and for the latest 12 months. Figure 18 shows graphically the percentage change presented in the two rightmost columns of Table 26 arranged in increasing order of price change.

Note that the percentage price change shown in Table 26 is calculated from the published Eurostat euro values for each country. Percentage price change in national currencies may differ considerably from these.

Price change in the first semester of 2011 ranged from a 15.4% increase in Austria to a 13.9% price decrease in Turkey. Ireland experienced a 3.3% decrease in the first semester 2011 compared with the previous semester. Europe as a whole experienced a 1.4% decrease in gas price in band D2 and the Euro Area a 2.0% decrease.

Over the 12 month period S1 2010 to S1 2011 price changes varied from a 23.2% increase in Latvia to a 10.7% decrease in Turkey. Ireland experienced an increase of 2.5% over the 12 month period. This increase for Ireland compares with the 6.9% increase experienced in Europe and the 7.2% increase in the Euro Area.

Note that tables for all gas consumption bands are published in a separate Annex which is available at [www.seai.ie/statistics](http://www.seai.ie/statistics).

**Table 26 Residential Gas Prices in band D2 in Europe (S1 2009 to S1 2011)**

Band D2	all taxes included (€/GJ)					% change				
	Jan '09 - Jun '09	July '09 - Dec '09	Jan '10 - Jun '10	July '10 - Dec '10	Jan '11 - Jun '11	S1 '09 - S2 '09	S2 '09 - S1 '10	S1 '10 - S2 '10	S2 '10 - S1 '11	12 months to S1 '11
Austria	18.03	17.23	17.29	16.71	19.29	-4.4%	0.3%	-3.4%	15.4%	11.6%
Belgium	16.82	14.33	14.70	16.78	15.86	-14.8%	2.6%	14.1%	-5.5%	7.9%
Bulgaria	13.14	9.67	10.21	11.98	11.94	-26.4%	5.6%	17.3%	-0.3%	17.0%
Croatia	8.86	9.10	10.63	10.54	10.42	2.7%	16.8%	-0.8%	-1.2%	-2.0%
Czech Republic	13.75	13.11	13.04	14.35	15.12	-4.6%	-0.6%	10.1%	5.4%	16.0%
Denmark	25.55	26.77	29.70	30.11	32.26	4.8%	10.9%	1.4%	7.1%	8.6%
Estonia	10.96	10.07	10.07	11.14	11.64	-8.1%	0.0%	10.6%	4.5%	15.6%
France	15.29	16.20	14.46	15.98	16.11	6.0%	-10.7%	10.5%	0.8%	11.4%
Germany	18.00	16.35	15.70	15.86	16.34	-9.2%	-4.0%	1.0%	3.0%	4.1%
Hungary	13.38	13.23	14.87	15.38	15.57	-1.1%	12.4%	3.4%	1.3%	4.7%
<b>Ireland</b>	<b>17.89</b>	<b>15.29</b>	<b>13.79</b>	<b>14.63</b>	<b>14.14</b>	<b>-14.5%</b>	<b>-9.8%</b>	<b>6.1%</b>	<b>-3.3%</b>	<b>2.5%</b>
Italy	21.04	14.84	17.15	21.87	19.27	-29.5%	15.5%	27.5%	-11.9%	12.4%
Latvia	14.54	10.52	8.73	11.28	10.75	-27.6%	-17.1%	29.3%	-4.7%	23.2%
Lithuania	11.80	11.29	10.43	12.59	12.07	-4.4%	-7.6%	20.7%	-4.1%	15.8%
Luxembourg	13.68	12.82	12.07	13.13	14.19	-6.3%	-5.9%	8.8%	8.1%	17.6%
Netherlands	23.13	18.67	19.46	19.84	19.90	-19.3%	4.2%	1.9%	0.3%	2.3%
Poland	10.80	12.78	11.81	14.04	12.87	18.3%	-7.6%	18.9%	-8.3%	9.0%
Portugal	16.78	16.52	16.49	17.49	16.95	-1.6%	-0.2%	6.1%	-3.1%	2.8%
Romania	8.11	7.45	7.64	7.73	7.90	-8.1%	2.5%	1.2%	2.2%	3.4%
Slovakia	12.83	13.21	12.11	12.39	12.93	3.0%	-8.3%	2.3%	4.4%	6.8%
Slovenia	18.28	14.96	16.18	18.68	18.56	-18.2%	8.1%	15.5%	-0.7%	14.7%
Spain	16.98	14.88	14.83	15.00	14.89	-12.4%	-0.3%	1.1%	-0.7%	0.4%
Sweden	24.77	26.86	28.71	30.33	34.01	8.4%	6.9%	5.7%	12.1%	18.5%
Turkey	10.84	8.55	8.98	9.31	8.02	-21.2%	5.1%	3.7%	-13.9%	-10.7%
United Kingdom	11.84	11.84	11.26	11.72	11.80	0.0%	-4.9%	4.1%	0.7%	4.8%
Euro Area	18.46	16.02	16.01	17.52	17.16	-13.2%	0.0%	9.4%	-2.0%	7.2%
EU 27	16.36	14.75	14.65	15.88	15.66	-9.9%	-0.7%	8.4%	-1.4%	6.9%

Ireland relative to:

Euro Area	96.9%	95.5%	86.1%	83.5%	82.4%
EU 27	109.3%	103.7%	94.1%	92.1%	90.3%

Source: Eurostat

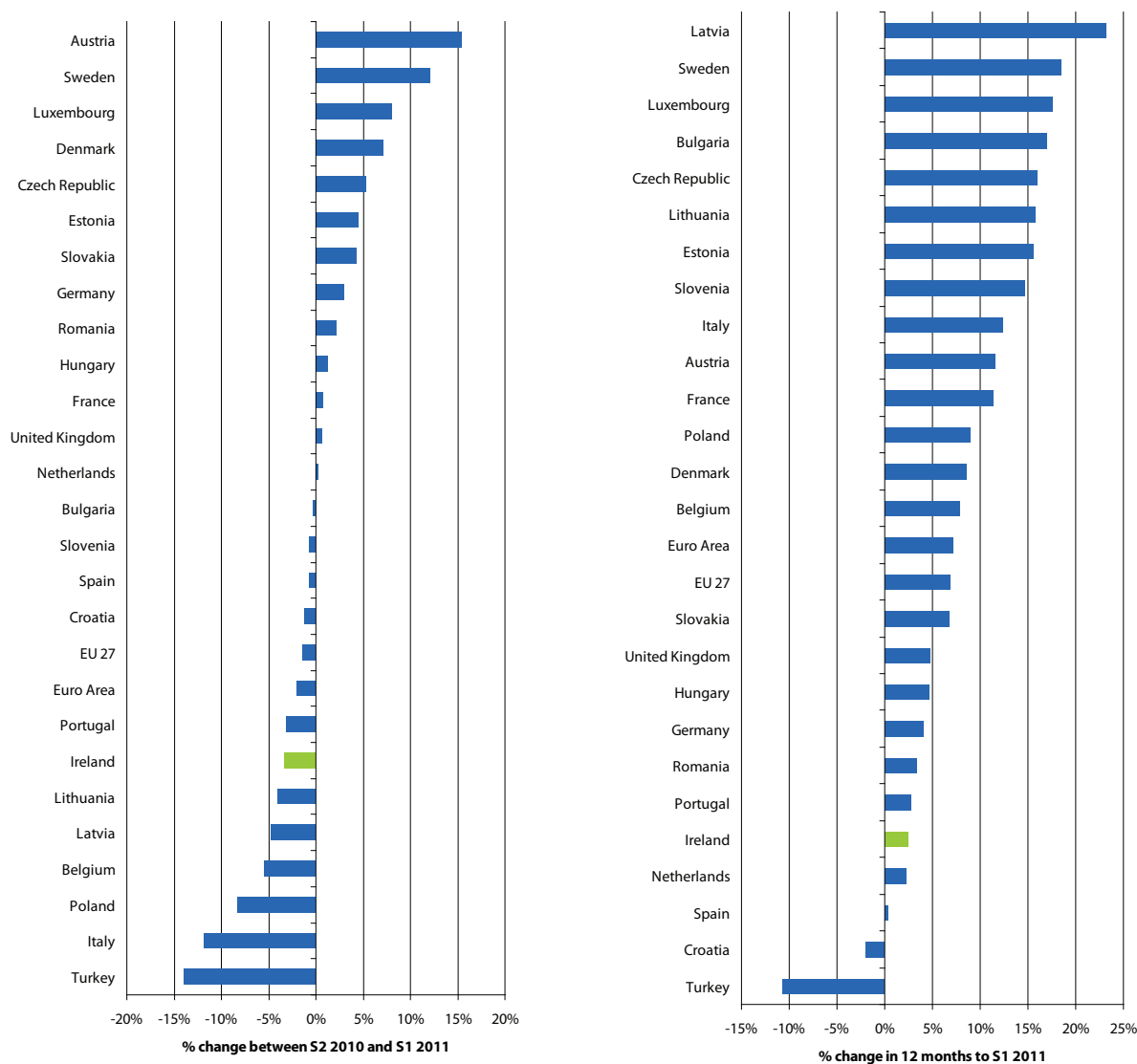
**Figure 18** Percentage change in household gas price (band D2) – semester and 12 months

Table 27 shows Ireland's position, relative to the EU average gas prices to householders for the first semester 2011 with the second semester 2010 shown in grey. Also shown in Table 27 are the market shares by volume of each band.

**Table 27** Residential Gas Prices (€) in Ireland (1<sup>st</sup> Semester 2011) – EU Comparison

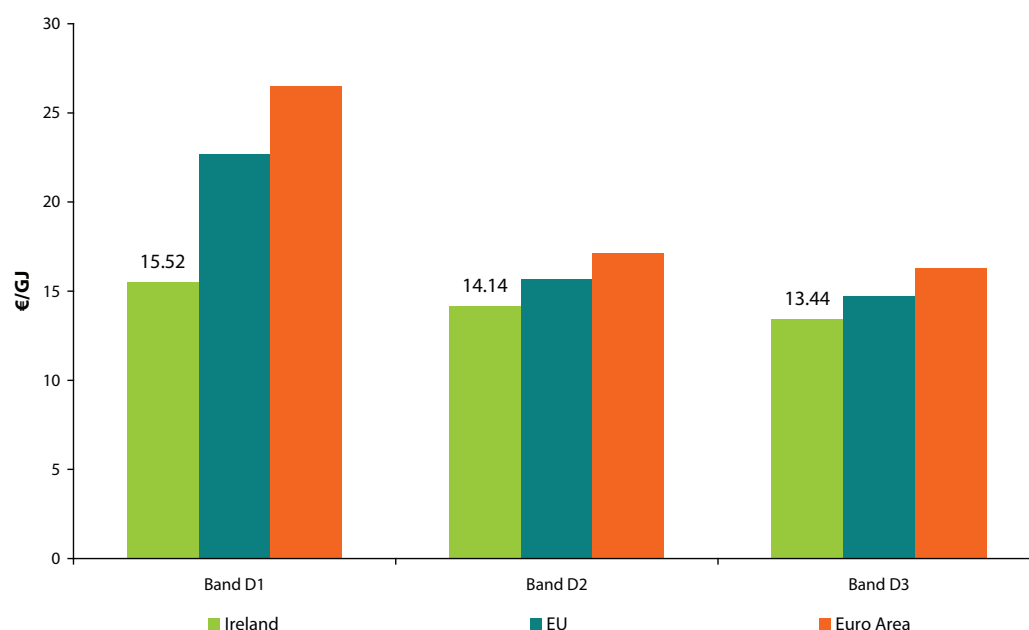
Gas prices to residential consumers (all taxes included)	Cost €/GJ	Cost €/kWh	% change since last semester	Relative to EU average 2011 - S1	Relative to EU average 2010 - S2	Band share of market
Band D1 - Small	15.52	0.056	-6.8%	<b>68%</b>	71%	2.9%
Band D2 - Medium	14.14	0.051	-3.3%	<b>90%</b>	92%	95.1%
Band D3 - Large	13.44	0.048	-0.1%	<b>91%</b>	93%	2.0%

Source: Eurostat

In the D1 band Ireland is 32% below the average for the EU as a whole, while in consumption band D2 Ireland is 10% below and in D3, 9% below during the first semester of 2011.

With reference to Table 27, Ireland's position, compared with the EU average residential gas prices, improved in all bands compared with the second semester in 2010 and specifically by 2% points in band D2.

Figure 19 shows graphically the position of the tax inclusive gas price to households during the first semester of 2011.

**Figure 19 Residential Gas Prices 1<sup>st</sup> Semester 2011**

Source: Eurostat

Table 28 shows Ireland's ranking in the EU for the tax inclusive price paid by residential consumers for gas. A ranking of 1 means the most expensive. The bottom row of the table shows the number of countries on which the ranking is based. Table 28 should be read in conjunction with the market share of each band as shown in Table 27.

**Table 28 Ireland's Ranking in EU for Residential Gas Prices (all taxes included)**

Gas prices to residential consumers (all taxes included)	Jan. '08 - June '08	July '08 - Dec. '08	Jan. '09 - June '09	July '09 - Dec. '09	Jan. '10 - June '10	July. '10 - Dec. '10	Jan. '11 - June '11
Band D1	10	14	17	16	18	17	<b>19</b>
Band D2	11	9	8	8	13	13	<b>15</b>
Band D3	8	8	6	9	11	14	<b>15</b>
No. of Countries	24	25	25	25	25	25	<b>25</b>

Source: Eurostat

Ireland's ranking with respect to gas prices has improved in all residential gas consumption bands since the second half of 2007.

During the first semester of 2011 in band D2, the band on which Eurostat reports and the band that represents 95% of residential gas use here, Ireland was ranked 15<sup>th</sup> most expensive of 25 countries, an improvement of 2 places on the previous semester.

## 4.2.2 Residential Gas Prices – EU Comparison (in PPP)

As with electricity, the purchasing power parity indexed prices give a better basis for comparison of gas prices to residential consumers across Europe. Non-euro countries' prices are converted into euro at the prevailing exchange rates but don't take into account the varying purchasing powers in each country. To correct for this Eurostat also publishes prices in purchasing power parities.

**Table 29 Residential Gas Prices (Purchasing Power Parity) (1<sup>st</sup> Semester 2011) – EU Comparison**

Gas prices to residential consumers at purchasing power parities (all taxes included)	Cost €/GJ PPP	Cost €/kWh PPP	Relative to EU average 2011 - S1	Relative to EU average 2010 - S2
Band D1 - Small	13.96	0.054	56%	60%
Band D2 - Medium	12.72	0.047	69%	71%
Band D3 - Large	12.09	0.043	69%	70%

Source: Eurostat

Table 29 shows Ireland's position, expressed in purchasing power parity, relative to the European average gas prices to households for the first semester 2011, with the second semester 2010 shown in grey.

When purchasing power parities are applied, Ireland is below the EU average in all gas consumption bands for residential consumers, ranging from 31% to 44% below. In band D2 Ireland was 31% below the EU average in the first semester of 2011 in purchasing power parity terms.

### 4.2.3 Residential Gas Prices – Euro Area Comparison (in €)

Table 30 shows Ireland's position, relative to the Euro Area average gas prices to households for the first semester 2011, with the second semester 2010 shown in grey. When the focus is on just the Euro Area countries, Ireland is below the average in all bands, ranging from 17% to 41% below. In band D2 Ireland was 18% below the Euro Area average.

**Table 30** Residential Gas Prices (€) in Ireland (1<sup>st</sup> Semester 2011) – Euro Area Comparison

Gas prices to residential consumers (all taxes included)	Cost €/GJ	Cost €/kWh	Relative to Euro Area average 2011 - S1	Relative to Euro Area average 2010 - S2
Band D1 - Small	15.52	0.056	59%	59%
Band D2 - Medium	14.14	0.051	82%	84%
Band D3 - Large	13.44	0.048	83%	84%

Source: Eurostat

### 4.2.4 Residential Gas Prices – Euro Area Comparison (in PPP)

Table 31 shows Ireland's position, expressed in purchasing power parity, relative to the Euro Area average gas prices to households for the first semester 2011, with the second semester 2010 shown in grey. Based on purchasing power parities, gas costs to residential consumers ranged from 27% below to 41% below the average for the Euro Area countries.

**Table 31** Residential Gas Prices (Purchasing Power Parity) (1<sup>st</sup> Semester 2011) – Euro Area Comparison

Gas prices to residential consumers at purchasing power parities (all taxes included)	Cost € <sub>PPP</sub> /GJ	Cost € <sub>PPP</sub> /kWh	Relative to Euro Area average 2011 - S1	Relative to Euro Area average 2010 - S2
Band D1 - Small	13.96	0.054	59%	63%
Band D2 - Medium	12.72	0.047	73%	75%
Band D3 - Large	12.09	0.043	73%	74%

Source: Eurostat

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## Appendix 1 – Electricity & Gas Prices in Ireland

**Table 32 Business Electricity Prices (€) – 1<sup>st</sup> Semester 2011**

Business electricity prices (ex VAT) weighted average across all suppliers	c/kWh 2011 - S1	Change since 2010 - S2	Change in 12 months
Band IA Consumption < 20 MWh	18.45	5.3%	17.6%
Band IB 20 MWh < Consumption < 500 MWh	13.42	-1.0%	-1.8%
Band IC 500 MWh < Consumption < 2,000 MWh	11.55	2.1%	2.8%
Band ID 2,000 MWh < Consumption < 20,000 MWh	8.73	0.8%	4.2%
Band IE 20,000 MWh < Consumption < 70,000 MWh	7.69	-3.8%	0.9%
Band IF 70,000 MWh < Consumption < 150,000 MWh	6.87	..	22.2%

Source: Eurostat

**Table 33 Business Gas Prices (€) – 1<sup>st</sup> Semester 2011**

Business gas prices (ex VAT) weighted average across all suppliers	€/GJ 2011 - S1	€/kWh 2011 - S1	Change since 2010 - S2	Change in 12 months
Band I1 Consumption < 1,000 GJ	10.61	0.038	-8.3%	2.6%
Band I2 1,000 GJ < Consumption < 10,000 GJ	10.32	0.037	-2.5%	24.3%
Band I3 10,000 GJ < Consumption < 100,000 GJ	10.61	0.038	20.6%	35.5%
Band I4 100,000 GJ < Consumption < 1,000,000 GJ	7.95	0.029	14.6%	23.6%
Band I5 1,000,000 GJ < Consumption < 4,000,000 GJ	..	..	..	..

Source: Eurostat

**Table 34 Residential Electricity Prices (€) – 1<sup>st</sup> Semester 2011**

Household electricity prices (all taxes included) weighted average across all suppliers	c/kWh 2011 - S1	Change since 2010 - S2	Change in 12 months
Band DA Consumption < 1,000 kWh	42.62	-2.8%	5.7%
Band DB 1,000 kWh < Consumption < 2,500 kWh	23.53	7.2%	11.7%
Band DC 2,500 kWh < Consumption < 5,000 kWh	19.01	1.4%	5.4%
Band DD 5,000 kWh < Consumption < 15,000 kWh	15.80	-6.1%	-2.0%
Band DE Consumption > 15,000 kWh	13.18	-7.6%	-5.9%

Source: Eurostat

**Table 35 Residential Electricity Prices (Purchasing Power Parities) – 1<sup>st</sup> Semester 2011**

Household electricity prices (all taxes included) weighted average across all suppliers	€ <sub>PPP</sub> /kWh 2011 - S1	Change since 2010 - S2	Change in 12 months
Band DA Consumption < 1,000 kWh	38.34	-2.0%	6.5%
Band DB 1,000 kWh < Consumption < 2,500 kWh	21.17	8.2%	12.6%
Band DC 2,500 kWh < Consumption < 5,000 kWh	17.10	2.2%	6.3%
Band DD 5,000 kWh < Consumption < 15,000 kWh	14.21	-5.3%	-1.2%
Band DE Consumption > 15,000 kWh	11.86	-6.8%	-5.0%

Source: Eurostat

**Table 36 Residential Gas Prices (€) – 1<sup>st</sup> Semester 2011**

Household gas prices (all taxes included) weighted average across all suppliers	€/GJ 2011 - S1	€/kWh 2011 - S1	Change since 2010 - S2	Change in 12 months
Band D1 Consumption < 20 GJ	15.52	0.056	-6.8%	1.8%
Band D2 20 GJ < Consumption < 200 GJ	14.14	0.051	-3.3%	2.5%
Band D3 Consumption > 200 GJ	13.44	0.048	-0.1%	2.4%

Source: Eurostat

**Table 37 Residential Gas Prices (Purchasing Power Parities) – 1<sup>st</sup> Semester 2011**

Household gas prices (all taxes included) weighted average across all suppliers	€ <sub>PPP</sub> /GJ 2011 - S1	€/kWh 2011 - S1	Change since 2010 - S2	Change in 12 months
Band D1 Consumption < 20 GJ	13.96	0.054	-6.0%	2.7%
Band D2 20 GJ < Consumption < 200 GJ	12.72	0.047	-2.5%	3.4%
Band D3 Consumption > 200 GJ	12.09	0.043	0.7%	3.3%

Source: Eurostat

## Appendix 2 – Methodologies for Assessing Prices

The International Energy Agency (IEA) is responsible for a major international compilation of energy prices at all market levels: import prices, industry prices and consumer prices. A large portion of the data is drawn from a quarterly reporting system of end-use energy prices initiated in 1981.

While this provides an extensive databank of energy prices, making comparisons between countries is not a trivial task. Definitions for prices shown for a particular energy source used in a given sector may differ from country to country. At one extreme, gasoline prices are closely comparable between countries; at the other extreme, only broad order of magnitude comparisons between coal prices may be possible.

Data collected in Ireland for *IEA's Energy Prices & Taxes* surveys are overall average prices for a given sector and therefore represent an aggregate price for small, medium and large consumers.

Eurostat collects electricity and gas prices under *Council Directive 90/377/EEC* of 29 June 1990 concerning a Community procedure to improve the transparency of gas and electricity prices charged to business end-users. This Directive obliges Member States to ensure that undertakings that supply electricity and gas to business end-users provide statistical data on an annual basis. Data must be provided to Eurostat on the price and terms of sale of gas and electricity to business end-users, the price systems in use and the breakdown of consumers and the corresponding volumes by category of consumption. Sustainable Energy Authority of Ireland (SEAI) has responsibility for the collection, collation and reporting of data on Ireland's behalf.

In 2002 Eurostat's Energy Statistics Committee meeting gave the mandate to set up a task force to study improvements in the existing data collection and methodology to take account in particular of market liberalization that changed the context for the methodology applied. *Directive 90/377/EEC* was recast in the interests of clarity and as a result the revised methodology, *European Commission Decision (2007/394/EC)*, has been applied since 1st January 2008. The electricity and gas price comparisons assessed in sections 3 and 4 of this report are drawn from the first set of results arising from this new methodology.

This new methodology reflects more accurately the actual cost of gas and electricity to final consumers as it incorporates all the factors in the cost of their use. The methodology is comprehensive and transparent and in each customer category, information is sought from each supplier regarding the volume of sales and the associated revenue. This allows computation of a national sales weighted unit price for electricity and gas for each customer category. It facilitates the comparison of costs across the EU but care must be taken in choosing the relevant costs to compare and to allow for currency and purchasing power differences.