

Electricity & Gas Prices in Ireland

1st Semester (January – June) 2010



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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 2010.

Highlights – Business Customers

- The ex-VAT price for electricity for medium to large business consumers in Ireland was below the EU average during the first half of 2010. For these consumers the average price was also below the UK equivalent.
- Following price decreases ranging from 3% to 29% across all sizes of business consumers in the first half of 2010, 56% of electricity sold to Ireland's business customers was priced below the EU average.
- Ranking EU electricity prices from highest to lowest, Ireland was in the middle (15th out of 27) for medium business consumers and in the lowest (least expensive) third for the largest business consumers.
- Smaller business electricity consumers' prices fell in the first half of 2010, moving closer to the EU average but remaining above the EU average in some size categories.
- After falling by 34% in the previous 18 months, gas prices to medium business consumers rose by 7.1% in the first half of 2010. However, Irish prices for such consumers were 7% below the EU average.
- For smaller business users, gas prices fell by between 13% and 19% in the first half of 2010, and were 11% to 18% below the EU average.
- The majority of EU states had higher prices than Ireland for all business gas users.

Highlights – Residential Customers

- For residential electricity consumers in the consumption size band that represents more than half the market, overall price fell by 12% in the period June 2009 to June 2010.
- For this consumption group, the Irish price was equal to the EU average in the first half of 2010.
- For smaller electricity consumers (30% of the market), prices were 7.6% above the EU average, down from 13% above in the previous semester, and Ireland now ranks 9th in price out of 24 EU states.
- Gas prices to residential customers in Ireland fell by almost 10% in the first half of 2010. Irish prices were below the EU average in all size categories.
- If absolute price is adjusted to purchasing power parity (PPP) to allow for relative costs of living, typical residential electricity price in Ireland was 14% below the EU average. In the same terms typical gas price was 26% 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 to 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 to 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 add to that analysis and thereby increase the understanding of energy price changes in Ireland.

This report draws on the results of the EU methodology for gathering energy price data that came into effect on January 1st 2008. Significant changes have occurred recently in the international oil and gas market prices. 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 2010, i.e. the first semester 2010.

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 1st semester 2010.

Four separate Annexes are available in pdf from 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)* 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 and to allow this analysis to be carried out.

This is the sixth 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 epsu@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 – 2008* tracks changes in aggregated energy prices from 2000. The report *Energy in Industry 2007* assesses how significant energy costs are 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.

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).

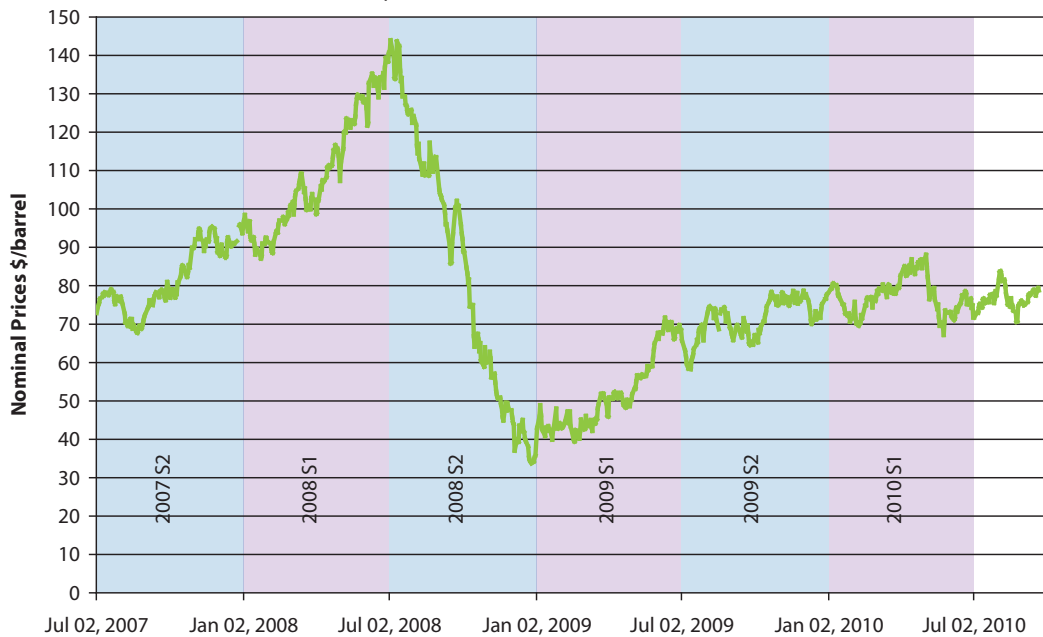
2.1 Global Energy Prices

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 2009¹ energy balance, oil accounts for 62% of Total Final Consumption (TFC)² in Ireland, 98% in transport TFC, 39% of residential TFC, 32% of industry TFC and 29% of services TFC and 52% of Ireland's primary energy supply³. According to EU statistics⁴, Ireland's oil dependence (as a proportion of primary energy supply) is higher than that of any other Euro Area State except Luxembourg (63% primary energy in 2007).

Figure 1 tracks the nominal crude oil prices⁵ over the period 2007 – 2010. 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 during the first half of 2010 were around 77\$/barrel.

Figure 1 Crude Oil Price Trend 2007 – to Sept 21st 2010



Source: EIA⁶

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

1 For the latest energy balance see www.seai.ie/statistics

2 Total Final Consumption represents all energy that end users are billed for directly.

3 Primary Energy Supply is the TFC plus primary energy used in transformation (electricity generation, oil refining, peat briquetting, etc.)

4 European Commission Directorate General for Energy and Transport, 2008, *EU Energy and Transport in Figures. Statistical Pocketbook 2007/2008*. ISBN 978-92-79-07082-2

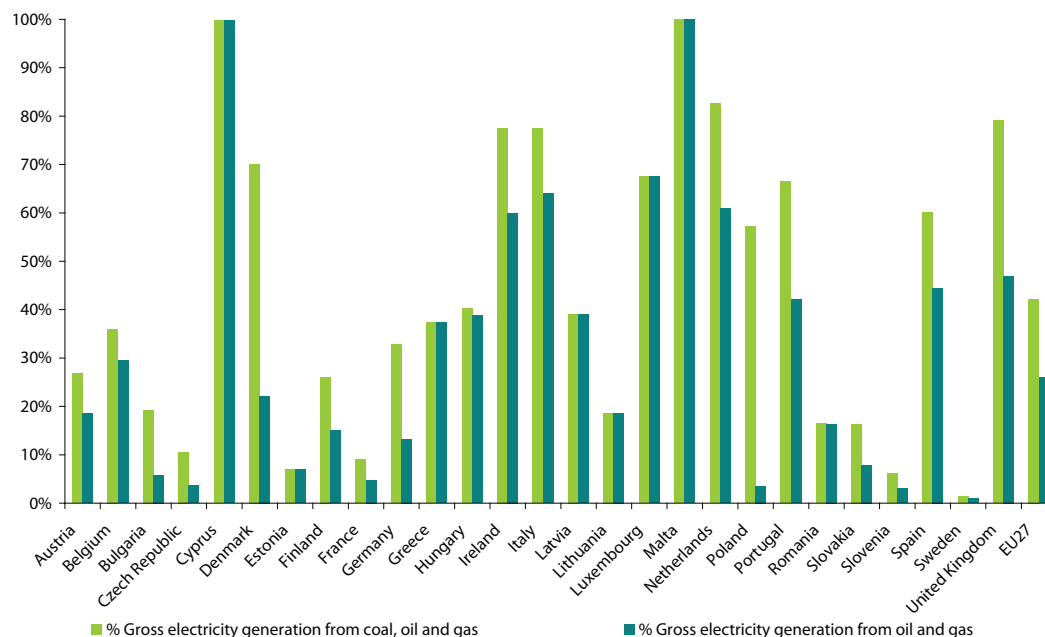
5 These prices are daily spot prices of Brent crude oil, which is sourced from the North Sea, and are used as a benchmark to price European, African and Middle Eastern oil that is exported to the West.

6 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

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 (2008)



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 78% (down from 81% in 2007) behind the UK at 79%, the Netherlands at 83% and Cyprus and Malta both at 100%. Ireland also has a high dependency on oil and gas generation at 60%. Apart from Malta and Cyprus, only Italy and Luxembourg have higher gas and oil generation dependency than Ireland at 64% and 68% respectively.

For gas dependency in electricity generation, Ireland and Italy share the third highest share at 54% behind Netherlands at 59% and Luxembourg at 68%.

Table 1 Percentage of Gross Electricity Generation from Fossil Fuels (excl. peat) in Europe (2008)

Percentage Electricity Generated from:	Austria	Belgium	Bulgaria	Czech Republic	Cyprus	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Ireland	Italy
Coal, Oil & Gas	27%	36%	19%	11%	100%	70%	7%	26%	9%	33%	37%	40%	78%	77%
Gas & Oil	19%	29%	6%	4%	100%	22%	7%	15%	5%	13%	37%	39%	60%	64%
Gas	17%	29%	5%	3%	..	19%	7%	15%	4%	12%	22%	38%	54%	54%

Percentage Electricity Generated from:	Latvia	Lithuania	Luxembourg	Malta	Netherlands	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	United Kingdom	EU27
Coal, Oil & Gas	39%	19%	68%	100%	83%	57%	66%	17%	16%	6%	60%	1%	79%	42%
Gas & Oil	39%	19%	68%	100%	61%	4%	42%	16%	8%	3%	44%	1%	47%	26%
Gas	39%	15%	68%	..	59%	2%	33%	15%	6%	3%	39%	0%	45%	23%

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 electricity transmission and distribution network led to a network investment programme since 2000, in both transmission and distribution networks.

For the period 2006 – 2010, the Commission for Energy Regulation approved an expenditure of €1.4 billion for the transmission system and €4.2 billion for the distribution system. This resulted in transmission use of system charge of 0.9 c/kWh (€0.9/100 kWh) for the period September 2009 to September 2010 and distribution use of system charge of 2.79 c/kWh for the period October 2009 to September 2010.

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 gas⁷ for industry up to the 2nd semester 2009 but from the 1st May 2010 carbon tax has been levied. There is a small level of excise duty levied on non-household use of electricity⁸ 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.

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 MWh⁹. The non-recoverable tax varies from zero for two Member States to Germany at 1.99 c/kWh, the latter representing 18% of ex-VAT price of electricity (data for the *all taxes excluded* price for Italy was not available for this semester). 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 0.05 c/kWh or 0.4% of the ex-VAT price – the lowest level of non-zero non-recoverable tax applied in Europe.

7 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.

8 In accordance with the EU Energy Tax Directive, Chapter 1 of Part 2 of 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.

9 Based on industrial electricity consumption band IC.

Table 2 Electricity Prices and Taxes for Industrial Consumers in band IC (1st semester 2010)

	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	6.49	6.39	0.10	1.5%
Finland	6.93	6.67	0.26	3.8%
Estonia	6.94	5.73	1.21	17.4%
France	7.46	6.87	0.59	7.9%
Sweden	8.05	8.00	0.05	0.6%
Romania	8.50	8.50	0.00	0.0%
Latvia	8.90	8.90	0.00	0.0%
Portugal	9.35	8.96	0.39	4.2%
Croatia	9.39	9.32	0.07	0.7%
Denmark	9.42	8.48	0.94	10.0%
France	9.46	8.55	0.91	9.6%
Poland	9.79	9.29	0.50	5.1%
United Kingdom	9.89	9.47	0.42	4.2%
Lithuania	9.95	9.91	0.04	0.4%
Slovenia	10.03	9.26	0.77	7.7%
Luxembourg	10.17	9.56	0.61	6.0%
Norway	10.30	8.93	1.37	13.3%
Czech Republic	10.33	10.22	0.11	1.1%
Netherlands	10.36	8.53	1.83	17.7%
Belgium	10.54	9.43	1.11	10.5%
Germany	11.20	9.21	1.99	17.8%
Ireland	11.23	11.18	0.05	0.4%
Spain	11.67	11.10	0.57	4.9%
Slovakia	11.74	11.61	0.13	1.1%
Italy	13.89	..	..	..
Cyprus	15.05	14.83	0.22	1.5%
Austria	..	..	..	..
Hungary	..	..	..	..
Malta	..	..	..	..
Euro Area	10.72	9.20	1.52	14.2%
EU-27	10.37	9.18	1.19	11.5%

Source: Eurostat

In the case of gas prices to industrial customers, there are six 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 annum¹⁰. The non-recoverable taxes vary from zero to €9.16 per GJ in Denmark, the latter representing 58% of ex-VAT price of gas.

Table 3 Gas Prices and Taxes for Industrial Consumers in band I3 (1st semester 2010)

	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
United Kingdom	5.94	5.63	0.31	5.2%
Romania	6.19	4.12	2.08	33.5%
Bulgaria	6.66	6.66	0.00	0.0%
Latvia	7.17	7.16	0.01	0.2%
Portugal	7.62	7.62	0.00	0.0%
Spain	7.70	7.70	0.00	0.0%
Ireland	7.83	7.67	0.16	2.0%
Belgium	7.93	7.64	0.29	3.7%
Estonia	8.00	7.50	0.50	6.2%
Italy	8.24	7.78	0.46	5.6%
Finland	8.40	7.90	0.50	6.0%
Poland	8.40	8.40	0.00	0.0%
Czech Republic	8.56	8.23	0.33	3.9%
Lithuania	8.91	8.91	0.00	0.0%
Netherlands	8.96	7.31	1.65	18.4%
Slovakia	9.11	8.74	0.37	4.0%
France	9.19	8.95	0.24	2.6%
Croatia	9.45	9.45	0.00	0.0%
Germany	10.10	8.98	1.12	11.1%
Luxembourg	10.26	10.13	0.13	1.3%
Slovenia	10.53	9.61	0.92	8.7%
Sweden	12.26	10.32	1.94	15.8%
Denmark	15.81	6.65	9.16	57.9%
Austria	..	..	..	..
Hungary	..	..	..	..
Euro Area	8.90	8.28	0.62	0.1
EU-27	8.44	7.76	0.68	0.1

Source: Eurostat

¹⁰ Based on industrial gas consumption band I3

Table 4 Electricity Prices and Taxes for Residential Consumers in band DC (1st semester 2010)

	Price including all Taxes in € per 100 kWh	Basic Price in € per 100 kWh	Other Taxes (excl. VAT) in € per 100 kWh	VAT	All Taxes as % of total price
Bulgaria	8.13	6.75	0.00	1.38	17.0%
Estonia	9.70	6.95	1.15	1.60	28.4%
Romania	10.31	8.56	0.00	1.75	17.0%
Latvia	10.49	9.54	0.00	0.95	9.1%
Croatia	11.51	9.34	0.05	2.12	18.9%
Lithuania	11.56	9.55	0.00	2.01	17.4%
Greece	11.81	9.75	1.04	1.02	17.4%
France	12.56	9.22	1.54	1.80	26.6%
Finland	13.25	9.98	0.88	2.39	24.7%
Poland	13.41	10.49	0.50	2.42	21.8%
Czech Republic	13.45	11.08	0.11	2.26	17.6%
United Kingdom	13.86	13.21	0.00	0.65	4.7%
Slovenia	14.01	10.57	1.10	2.34	24.6%
Slovakia	15.20	12.77	0.00	2.43	16.0%
Portugal	15.84	10.93	4.11	0.80	31.0%
Netherlands	17.04	12.66	1.66	2.72	25.7%
Luxembourg	17.26	14.33	1.95	0.98	17.0%
Spain	17.28	14.17	0.73	2.38	18.0%
Ireland	18.04	15.89	0.00	2.15	11.9%
Sweden	18.39	11.95	2.76	3.68	35.0%
Cyprus	18.58	15.97	0.22	2.39	14.0%
Austria	19.56	14.31	2.11	3.14	26.8%
Italy	19.67	..	..	1.76	..
Norway	20.27	14.84	1.39	4.04	26.8%
Belgium	20.32	15.49	1.25	3.58	23.8%
Germany	23.75	13.81	6.15	3.79	41.9%
Denmark	26.70	11.68	9.68	5.34	56.3%
Hungary	..	..	..	..	..
Malta	..	..	..	..	..
Euro Area	17.65	12.34	2.83	2.48	30.1%
EU-27	16.76	12.23	2.24	2.29	27.0%

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 annum¹¹. The VAT charges are shown separately from other taxes for the purposes of comparison. There are seven Member States listed above (including Ireland) which apply VAT charges only to residential customers. Total taxes (VAT plus other taxes) vary from 0.65 c/kWh (UK) to 15.02 c/kWh (Denmark), or between 4.7% and 56% of total prices. For Ireland, taxes account for 11.9% of the final electricity and gas prices to household consumers.

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 annum¹². 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 that apply zero non-VAT tax to gas prices. The amounts of total tax vary from 53 c/GJ (UK) to €15.09/GJ (Denmark) or 4.7% to 51% 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 1st May 2010 so this now shows as a pro-rata amount of 12 c/GJ for the first semester of 2010.

¹¹ Based on household electricity consumption band DC

¹² Based on household gas consumption band D2

Table 5 Gas Prices and Taxes for Residential Consumers in band D2 (1st semester 2010)

	Price including all Taxes in € per GJ	Basic Price	Other Taxes (excl. VAT) in € per GJ	VAT	All Taxes as % of total price
Romania	7.64	4.18	2.24	1.22	45.3%
Latvia	8.73	7.92	0.01	0.79	9.2%
Estonia	10.07	7.71	0.66	1.69	23.4%
Bulgaria	10.21	8.51	0.00	1.70	16.7%
Lithuania	10.43	8.62	0.00	1.81	17.4%
Croatia	10.63	8.65	0.00	1.99	18.7%
United Kingdom	11.26	10.73	0.00	0.53	4.7%
Poland	11.81	9.68	0.00	2.13	18.0%
Luxembourg	12.07	10.60	0.63	0.84	12.2%
Slovakia	12.11	10.18	0.00	1.93	16.0%
Czech Republic	13.04	10.87	0.00	2.17	16.7%
Ireland	13.79	12.07	0.12	1.60	12.5%
France	14.46	12.25	0.05	2.16	15.3%
Belgium	14.70	11.75	0.41	2.54	20.1%
Spain	14.83	12.79	0.00	2.05	13.8%
Germany	15.70	11.54	1.65	2.51	26.5%
Slovenia	16.00	12.41	0.92	2.67	22.4%
Portugal	16.49	15.71	0.00	0.79	4.8%
Italy	17.15	10.45	4.29	2.41	39.1%
Austria	17.29	12.54	1.87	2.88	27.5%
Netherlands	19.46	11.19	5.17	3.10	42.5%
Sweden	28.71	16.45	6.44	5.82	42.7%
Denmark	29.70	14.60	9.15	5.94	50.8%
Hungary	..	..	..	..	..
Euro Area	15.98	11.49	2.06	2.44	28.1%
EU-27	14.54	11.12	1.45	1.97	23.5%

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 4.1.3, 4.1.5, 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 - 2010
	Lowest	Highest	
Band - IA		< 20	5.8%
Band - IB	20	< 500	28.2%
Band - IC	500	< 2,000	15.9%
Band - ID	2,000	< 20,000	30.4%
Band - IE	20,000	< 70,000	12.6%
Band - IF	70,000	<= 150,000	7.1%

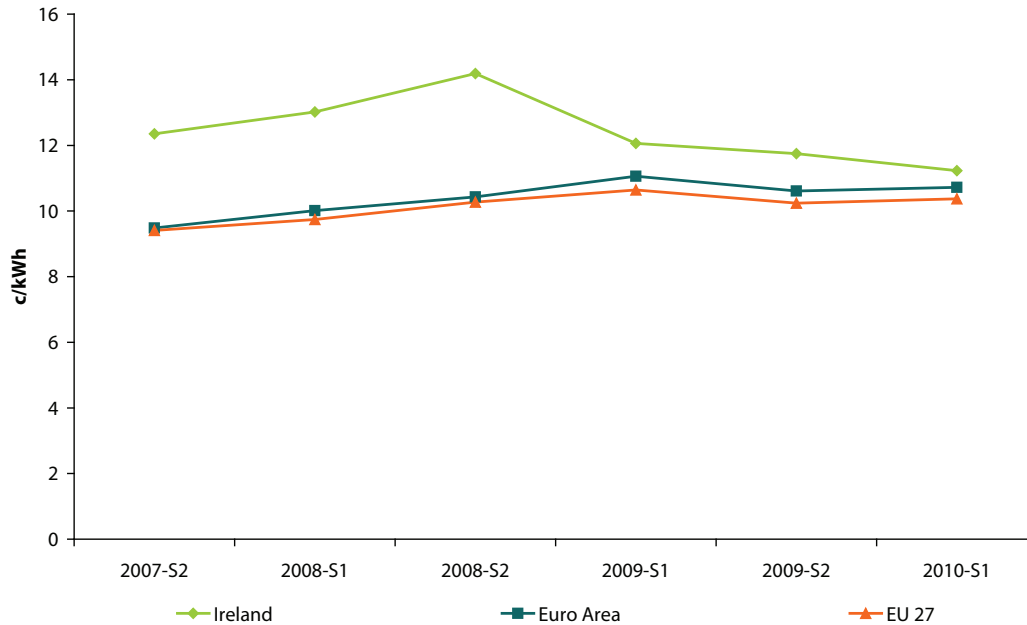
Data and analysis on electricity costs in this section are based on the returns from the revised *Gas & Electricity Price Directive* for the first semester of 2010. Analysis here is confined to the average electricity price *excluding VAT and other recoverable taxes* as this is the most relevant for 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 includes 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 is 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 3 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 2010. For reference, band IC, which is the consumption band normally reported on by Eurostat, accounted for 16% of the electricity use in the business market in Ireland during the first half of 2010 (see Table 9).

Figure 3 Business Electricity Prices in band IC (2nd semester 2007 to 1st semester 2010)



Source: Eurostat

Following rising prices in consumption band IC up to the end of 2008, which coincided with high global energy prices, the price of electricity to business in this band fell sharply in the first half of 2009 and has continued to fall since. Business sector electricity prices in this consumption band in Ireland for the first half of 2010 remained above the EU and Euro Area in this band at 8.3% and 4.8% above respectively. This is an improvement on the previous semester when they were 15% and 11% above.

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 2008 and the middle of 2010 for all countries. Also shown is the price change for each country between the semesters and for the latest 12 months. Price change in the first semester of 2010 ranged from a 30% increase in Norway to a 16% price decrease in Slovakia. Ireland experienced a 4.4% decrease in the semester and 6.9% for the year overall. Europe as a whole experienced a 1.3% increase in the first half of 2010 and the Euro Area a 1% increase.

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.

Over the 12 month period from July 2009 to June 2010 price change varied from a 30% increase in Norway to a 17% decrease in Slovakia. Ireland experienced a decrease of 6.9% over the 12 month period. This decrease for Ireland compares with a 2.5% decrease experienced in Europe and the 3.1% decrease 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.

Table 7 Business Electricity Prices in band IC in Europe (S1 2008 to S1 2010)

Band IC	without VAT (c/kWh)					% change				
	Jan 08 - June 08	July 08 - Dec 08	Jan 09 - Jun 09	July 09 - Dec 09	Jan 10 - Jun 10	S1 '08 - S2 '08	S2 '08 - S1 '09	S1 '09 - S2 '09	S2 '09 - S1 '10	12 months to S1 '10
Austria	10.64	10.72	..	..	..	0.8%	..	..	..	..
Belgium	10.69	10.96	11.11	11.05	10.54	2.5%	1.4%	-0.5%	-4.6%	-5.1%
Bulgaria	5.62	6.49	6.49	6.39	6.49	15.5%	0.0%	-1.5%	1.6%	0.0%
Croatia	7.56	9.47	8.67	9.04	9.39	25.3%	-8.4%	4.3%	3.9%	8.3%
Cyprus	14.27	18.07	11.86	14.94	15.05	26.6%	-34.4%	26.0%	0.7%	26.9%
Czech Republic	11.07	11.21	10.69	11.22	10.33	1.3%	-4.6%	5.0%	-7.9%	-3.4%
Germany	10.53	10.78	11.32	11.34	11.20	2.4%	5.0%	0.2%	-1.2%	-1.1%
Denmark	9.13	10.19	8.59	9.27	9.42	11.6%	-15.7%	7.9%	1.6%	9.7%
Estonia	5.67	6.01	6.43	6.45	6.94	6.0%	7.0%	0.3%	7.6%	7.9%
Finland	6.40	6.74	6.89	6.83	6.93	5.3%	2.2%	-0.9%	1.5%	0.6%
France	6.51	6.17	7.25	6.56	7.46	-5.2%	17.5%	-9.5%	13.7%	2.9%
Greece	8.61	9.20	9.48	9.36	9.46	6.9%	3.0%	-1.3%	1.1%	-0.2%
Hungary	11.42	12.18	12.41	12.97	..	6.7%	1.9%	4.5%	..	..
Ireland	13.02	14.19	12.06	11.75	11.23	9.0%	-15.0%	-2.6%	-4.4%	-6.9%
Italy	13.85	15.00	15.31	13.70	13.89	8.3%	2.1%	-10.5%	1.4%	-9.3%
Latvia	6.60	7.96	8.96	8.93	8.90	20.6%	12.6%	-0.3%	-0.3%	-0.7%
Lithuania	8.29	8.38	9.24	7.90	9.95	1.1%	10.3%	-14.5%	25.9%	7.7%
Luxembourg	9.76	9.79	11.57	11.58	10.17	0.3%	18.2%	0.1%	-12.2%	-12.1%
Malta	12.21	16.19	15.06	12.91	..	32.6%	-7.0%	-14.3%	..	..
Netherlands	9.90	10.20	11.30	11.07	10.36	3.0%	10.8%	-2.0%	-6.4%	-8.3%
Norway	7.84	8.71	7.90	7.95	10.30	11.1%	-9.3%	0.6%	29.6%	30.4%
Poland	8.81	9.10	9.02	9.33	9.79	3.3%	-0.9%	3.4%	4.9%	8.5%
Portugal	8.95	9.01	9.43	9.44	9.35	0.7%	4.7%	0.1%	-1.0%	-0.8%
Romania	8.86	9.50	8.11	8.28	8.50	7.2%	-14.6%	2.1%	2.7%	4.8%
Slovakia	11.51	12.90	14.23	14.03	11.74	12.1%	10.3%	-1.4%	-16.3%	-17.5%
Slovenia	9.32	9.85	10.29	9.62	10.03	5.7%	4.5%	-6.5%	4.3%	-2.5%
Spain	9.61	10.68	11.54	11.20	11.67	11.1%	8.1%	-2.9%	4.2%	1.1%
Sweden	6.93	7.73	6.67	6.89	8.05	11.5%	-13.7%	3.3%	16.8%	20.7%
Turkey	6.88	8.48	7.80	7.89	8.93	23.3%	-8.0%	1.2%	13.2%	14.5%
United Kingdom	9.77	10.88	11.17	10.12	9.89	11.4%	2.7%	-9.4%	-2.3%	-11.5%
Euro Area	10.01	10.43	11.06	10.61	10.72	4.2%	6.0%	-4.1%	1.0%	-3.1%
EU 27	9.74	10.27	10.64	10.24	10.37	5.4%	3.6%	-3.8%	1.3%	-2.5%

Ireland relative to:

Euro Area	130.1%	136.0%	109.0%	110.7%	104.8%
EU 27	133.7%	138.2%	113.3%	114.7%	108.3%

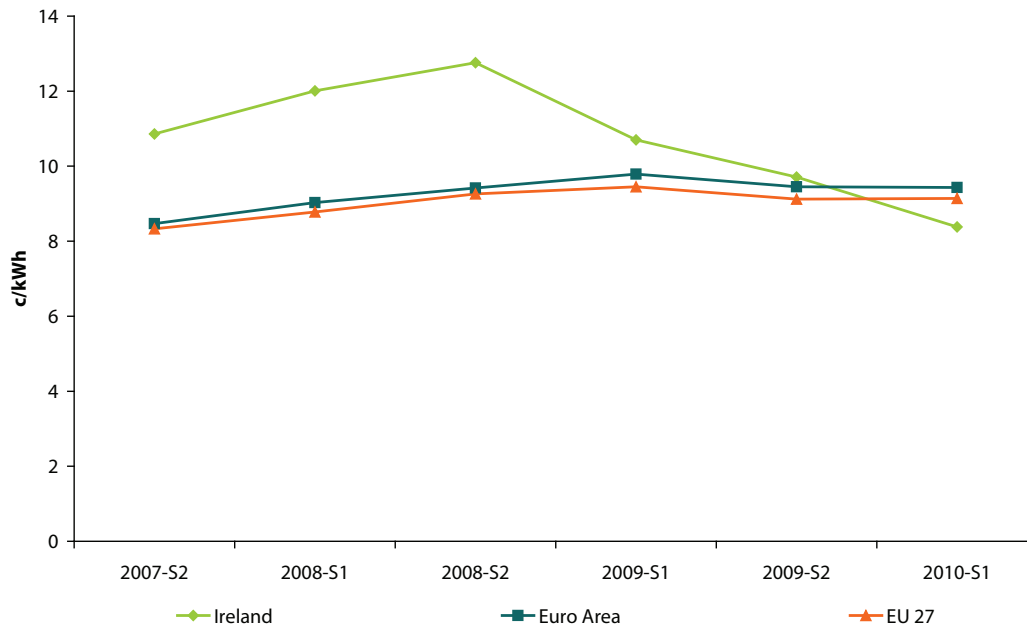
Source: Eurostat

3.1.2 Business Electricity Costs in Consumption Band ID

Figure 4 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 2010. For reference, band ID accounted for 30% of the electricity use in the business market in Ireland during the first half of 2010.

From 2009, a rebate on electricity charges has been offered to all Large Energy Users (LEUs)¹³, 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 LEUs substantial contribution to employment.” The impact of the rebate is reflected in the price for business electricity customers in bands ID, IE and IF.

Figure 4 Business Electricity Prices in band ID (2nd semester 2007 to 1st semester 2010)



Source: Eurostat

As can be seen in Figure 4, 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 has been falling steadily while at the same time average prices in the EU and the Euro Area have been relatively stable. This has resulted in prices to business in this consumption band being 8.3% below the EU average and 11.1% below the Euro Area average in the first half of 2010.

There is a similar picture for the larger consumption bands IE and IF. In the first semester of 2010 these were 9.4% and 26.6% below the EU respectively. Interestingly, ex-VAT electricity prices for medium to large business consumers in Ireland (bands ID, IE & IF) were lower than in the UK in the first half of 2010.

Table 8 shows the ex-VAT electricity prices in band ID (2,000 – 20,000 MWh per annum) for the five semesters between the second half of 2007 and the first half of 2010 for all countries. Also shown is the price change for each country between the semesters and for the latest 12 months. Price change in the first semester of 2010 ranged from a 38% increase in Lithuania to a 16.6% price decrease in Luxembourg. Ireland experienced a 13.7% decrease in the semester and a 21.7% decrease for the 12 months to June 2010. Europe as a whole experienced a 0.2% increase in the first half of 2010 and the Euro Area a 0.2% decrease.

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.

Over the 12 month period from July to June 2010 price change varied from a 29% increase in Cyprus to a 21.7% decrease in Ireland. Ireland experienced the largest decrease, not only in this consumption band, but also in the larger bands IE and IF with falls of 20.4% and 35.7% respectively over the 12 month period. The decrease in band

¹³ CER, August 2009, *Bill Impacts of LEU Customer Credits to apply from the 1st October 2009*, <http://www.cer.ie/en/electricity-retail-market-decision-documents.aspx?article=e7ddb81e-0bec-477f-8dee-960e0b7aed77>.

ID for Ireland compares with an average 3.3% decrease experienced in Europe and an average 3.7% decrease 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.

Table 8 Business Electricity Prices in band ID in Europe (S1 2008 to S1 2010)

Band ID	without VAT (c/kWh)					% change				
	Jan 08 - June 08	July 08 - Dec 08	Jan 09 - Jun 09	July 09 - Dec 09	Jan 10 - Jun 10	S1 '08 - S2 '08	S2 '08 - S1 '09	S1 '09 - S2 '09	S2 '09 - S1 '10	12 months to S1 '10
Austria	9.26	9.65	..	..	..	4.2%	..	..	..	..
Belgium	9.34	9.83	10.09	9.84	9.36	5.2%	2.6%	-2.5%	-4.9%	-7.2%
Bulgaria	4.96	5.93	5.98	5.83	5.78	19.6%	0.8%	-2.5%	-0.9%	-3.3%
Croatia	6.19	8.08	7.31	7.81	8.00	30.5%	-9.5%	6.8%	2.4%	9.4%
Cyprus	13.17	17.16	10.83	13.62	14.00	30.3%	-36.9%	25.8%	2.8%	29.3%
Czech Republic	9.25	9.39	9.40	9.78	9.40	1.5%	0.1%	4.0%	-3.9%	0.0%
Germany	9.59	9.57	10.02	10.07	9.93	-0.2%	4.7%	0.5%	-1.4%	-0.9%
Denmark	8.98	10.06	8.46	9.00	9.28	12.0%	-15.9%	6.4%	3.1%	9.7%
Estonia	4.83	5.23	5.63	5.72	6.68	8.3%	7.6%	1.6%	16.8%	18.7%
Finland	6.10	6.42	6.57	6.64	6.79	5.2%	2.3%	1.1%	2.3%	3.3%
France	5.84	5.61	6.86	6.21	7.05	-3.9%	22.3%	-9.5%	13.5%	2.8%
Greece	7.37	7.98	8.29	8.11	8.25	8.3%	3.9%	-2.2%	1.7%	-0.5%
Hungary	9.99	10.88	11.03	11.46	..	8.9%	1.4%	3.9%	..	..
Ireland	12.01	12.76	10.70	9.71	8.38	6.2%	-16.1%	-9.3%	-13.7%	-21.7%
Italy	12.48	14.21	13.33	12.24	12.11	13.9%	-6.2%	-8.2%	-1.1%	-9.2%
Latvia	5.85	7.11	8.49	8.35	8.26	21.5%	19.4%	-1.6%	-1.1%	-2.7%
Lithuania	7.01	7.04	7.81	6.66	9.17	0.4%	10.9%	-14.7%	37.7%	17.4%
Luxembourg	..	..	9.35	9.36	7.81	..	..	0.1%	-16.6%	-16.5%
Malta	9.18	13.23	12.30	8.60	..	44.1%	-7.0%	-30.1%	..	..
Netherlands	9.60	9.50	10.20	10.08	9.29	-1.0%	7.4%	-1.2%	-7.8%	-8.9%
Norway	6.57	6.78	6.87	6.72	8.87	3.2%	1.3%	-2.2%	32.0%	29.1%
Poland	8.34	7.94	8.05	8.42	8.53	-4.8%	1.4%	4.6%	1.3%	6.0%
Portugal	8.07	8.17	8.44	8.27	8.01	1.2%	3.3%	-2.0%	-3.1%	-5.1%
Romania	7.83	7.99	7.34	7.14	7.16	2.0%	-8.1%	-2.7%	0.3%	-2.5%
Slovakia	10.40	11.71	12.70	12.63	10.58	12.6%	8.5%	-0.6%	-16.2%	-16.7%
Slovenia	7.67	8.03	8.10	7.98	8.60	4.7%	0.9%	-1.5%	7.8%	6.2%
Spain	8.38	8.91	9.53	9.34	9.27	6.3%	7.0%	-2.0%	-0.7%	-2.7%
Sweden	6.20	6.86	5.91	6.01	7.18	10.6%	-13.8%	1.7%	19.5%	21.5%
Turkey	6.43	7.96	7.24	7.21	8.24	23.8%	-9.0%	-0.4%	14.3%	13.8%
United Kingdom	8.80	10.10	10.18	9.00	8.74	14.8%	0.8%	-11.6%	-2.9%	-14.1%
Euro Area	9.03	9.42	9.79	9.45	9.43	4.3%	3.9%	-3.5%	-0.2%	-3.7%
EU 27	8.78	9.26	9.45	9.12	9.14	5.5%	2.1%	-3.5%	0.2%	-3.3%

Ireland relative to:

Euro Area	133.0%	135.5%	109.3%	102.8%	88.9%
EU 27	136.8%	137.8%	113.2%	106.5%	91.7%

Source: Eurostat

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 2010 with the second semester 2009 shown in grey. Also shown in Table 9 are the market shares by volume of each band.

Table 9 Business Electricity Prices (€) in Ireland (1st Semester 2010) – EU Comparison

Electricity Prices to Business Consumers (excluding VAT)	Cost €/kWh	% change since last semester	Relative to EU Average 2010-S1	Relative to EU Average 2009-S2	Band share of market
Band IA	0.157	-7.0%	96%	103%	5.8%
Band IB	0.137	-2.9%	111%	117%	28.2%
Band IC	0.112	-4.5%	108%	115%	15.9%
Band ID	0.084	-13.8%	92%	106%	30.4%
Band IE	0.076	-14.1%	91%	106%	12.6%
Band IF	0.056	-28.7%	73%	104%	7.1%

Source: Eurostat

There continued to be significant price reductions and improvement in Ireland's ranking compared with the EU average electricity prices in all business consumption bands during the first half of 2010. Price reductions ranged from 2.9% in band IB and almost 29% in consumption band IF.

The ex-VAT price for business in Ireland is now below the EU average in all bands except IB and IC where we are 11% and 8% above respectively. This is an improvement on the previous semester when we were 17% and 15% above respectively. In the largest band for which we have data, Ireland is now 27% below the EU. For consumption in band ID and above we are below the UK price.

In terms of market share, band ID is the most significant, accounting for 30% of the business electricity market. Second most significant is band IB at 28% of the market. When reporting on electricity prices for Europe, Eurostat normally uses band IC to report and compare prices between countries. This consumption band has a 16% share of the Irish business electricity market.

Table 10 shows Ireland's ranking in the EU for the ex-VAT price paid by business 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 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)	July '07 - Dec. '07	Jan. '08 - June '08	July '08 - Dec. '08	Jan. '09 - June '09	July '09 - Dec. '09	Jan. '10 - June '10
Band IA	6	12	8	7	9	12
Band IB	2	4	4	4	6	6
Band IC	2	3	4	5	6	5
Band ID	2	3	4	6	9	15
Band IE	2	2	4	8	8	14
Band IF	2	..	4	9	11	22
No. of Countries	28	29	29	29	29	27

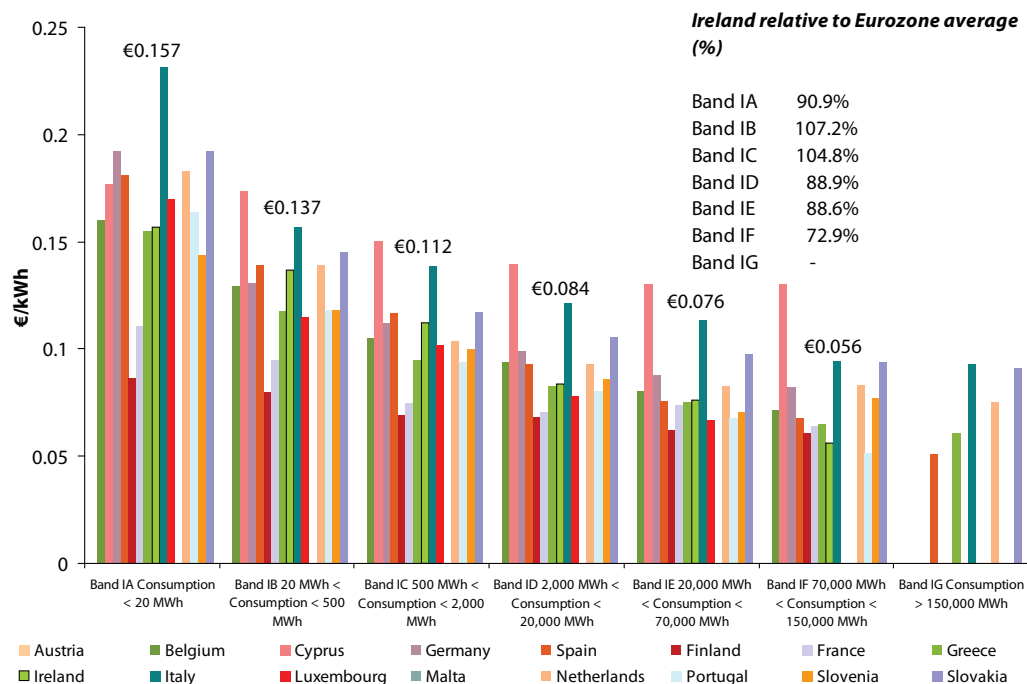
Source: Eurostat

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 has been improving in almost all consumption bands since the second half of 2007.

During the first semester of 2010 in band IC, the band in which Eurostat reports, Ireland was ranked 5th most expensive. This band represents 16% of the business market in Ireland. However, in the larger consumption bands ID, IE and IF representing 50% of the business electricity market, Ireland is now ranked 15th, 14th and 22nd most expensive respectively of the 27 countries.

3.2 Business Electricity Prices in the Euro Area

Figure 5 Business Electricity Prices in Euro Area (1st Semester 2010)



Source: Eurostat

Within the Euro Area countries, business electricity prices in Ireland for the first half of 2010 were below the average with the exception of bands IB and IC where they were 7.2% and 4.8% above respectively. In bands ID and IE Ireland was 11% below the Euro Area average and 27% below for the largest consumers in band IF.

There was a continuing improvement in ranking in all bands, especially in the medium to large consumption bands ID to IF where we moved to below the Euro Area average in this semester. There was a 13% point improvement in band ID, 15% point improvement in IE and a 30% point improvement in band IF.

Table 11 Business Electricity Prices (€) (1st Semester 2010) – Euro Area Comparison

Electricity Prices to Business Consumers (excluding VAT)	Cost €/kWh	Relative to Euro Area Average 2010 - S1	Relative to Euro Area Average 2009 - S2
Band IA (Consumption < 20 MWh)	0.157	91%	97%
Band IB (20 MWh < Consumption < 500 MWh)	0.137	107%	112%
Band IC (500 MWh < Consumption < 2,000 MWh)	0.112	105%	111%
Band ID (2,000 MWh < Consumption < 20,000 MWh)	0.084	89%	102%
Band IE (20,000 MWh < Consumption < 70,000 MWh)	0.076	89%	104%
Band IF (70,000 MWh < Consumption < 150,000 MWh)	0.056	73%	103%

Source: Eurostat

3.3 Business Gas Prices

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:

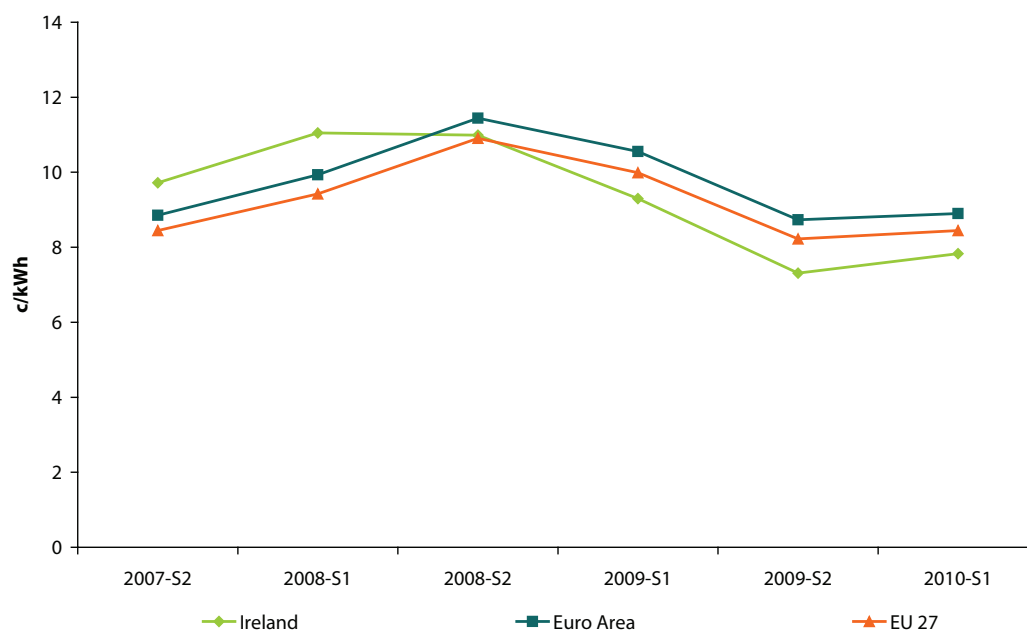
- prices excluding taxes and levies,
- prices excluding VAT and other recoverable taxes,
- prices including all taxes, levies and VAT.

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 - 2010
	Lowest	Highest	
Band - I1		< 1 000	16.4%
Band - I2	1,000	< 10,000	29.6%
Band - I3	10,000	< 100,000	28.7%
Band - I4	100,000	< 1,000,000	
Band - I5	1,000,000	<= 4,000,000	25.3%

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 2010. As for 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 includes data revisions published by Eurostat.

Figure 6 Business Gas Prices in band I3 (2nd semester 2007 to 1st semester 2010)

Source: Eurostat

As shown in Figure 6 gas prices to business in consumption band I3 have been falling since the first semester of 2008 and dropped by 34% over the 18 month period to the end of 2009. In the first semester of 2010, gas price in this consumption band increased by 7.1% while prices on average in the EU increased by 2.7%. Prices in Ireland, however, remain below the EU average.

A price increase of 0.2% was experienced in the larger consumption band I4, but for the smaller business gas consumers in bands I1 and I2 there were significant price decreases of 19.3% and 12.9% respectively. These combined price movements in Ireland and related price movements in the EU resulted in the cost of gas to business in Ireland being below the EU average for all levels of consumption (see Table 14).

Table 13 shows prices in band I3 for the five semesters between the first half of 2007 and the start of 2010. Also shown is the price change for each country between the semesters and for the latest 12 months. Price changes in the first semester of 2010 ranged from a 27% increase in Croatia to a 13% price decrease in the Netherlands. Gas prices increased by 7% in this consumption band in Ireland. Europe as a whole experienced a 2.7% price increase in band I3 and the Euro Area a 1.9% increase.

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.

Over the 12 month period S1 2009 to S1 2010 price change varied from a 29% increase in Croatia to a 34% decrease in Latvia. Ireland experienced a decrease of 15.8% over the 12 month period. This decrease for Ireland was slightly higher than the 15.5% decrease experienced in Europe and the 15.6% decrease in the Euro Area.

Table 13 Business Gas Prices in band I3 in Europe (S1 2008 to S1 2010)

Band I3	without VAT (€/GJ)					% change				
	Jan 08 - June 08	July 08 - Dec 08	Jan 09 - Jun 09	July 09 - Dec 09	Jan 10 - June 10	S1 '08 - S2 '08	S2 '08 - S1 '09	S1 '09 - S2 '09	S2 '09 - S1 '10	12 months to S1 '10
Austria	..	..	..	..	..	..	..	..	..	..
Belgium	9.15	10.79	9.04	8.50	7.93	17.9%	-16.2%	-6.0%	-6.7%	-12.3%
Bulgaria	5.72	7.43	8.74	5.96	6.66	30.0%	17.7%	-31.9%	11.8%	-23.8%
Croatia	6.37	6.41	7.32	7.43	9.45	0.6%	14.2%	1.6%	27.1%	29.1%
Czech Republic	8.87	10.95	9.29	7.56	8.56	23.4%	-15.1%	-18.7%	13.2%	-7.9%
Germany	12.40	13.81	11.98	9.61	10.10	11.4%	-13.3%	-19.8%	5.1%	-15.7%
Denmark	..	16.90	15.43	13.56	15.81	..	-8.7%	-12.1%	16.6%	2.5%
Estonia	6.97	8.76	7.50	6.39	8.00	25.7%	-14.4%	-14.8%	25.3%	6.7%
Finland	7.90	9.30	8.50	8.00	8.40	17.7%	-8.6%	-5.9%	5.0%	-1.2%
France	9.23	10.85	10.01	8.80	9.19	17.6%	-7.8%	-12.1%	4.4%	-8.2%
Hungary	9.69	11.71	10.31	7.79	..	20.9%	-12.0%	-24.4%	..	..
Ireland	11.05	10.99	9.30	7.31	7.83	-0.5%	-15.4%	-21.4%	7.1%	-15.8%
Italy	9.34	11.32	11.08	7.83	8.24	21.2%	-2.1%	-29.3%	5.2%	-25.6%
Latvia	7.92	11.01	10.87	7.69	7.17	39.0%	-1.2%	-29.3%	-6.7%	-34.0%
Lithuania	8.79	12.14	8.73	7.55	8.91	38.2%	-28.1%	-13.5%	18.0%	2.1%
Luxembourg	10.49	11.33	11.21	10.03	10.26	8.0%	-1.1%	-10.5%	2.3%	-8.5%
Netherlands	9.61	10.64	10.64	10.35	8.96	10.7%	0.0%	-2.7%	-13.4%	-15.8%
Poland	8.36	9.33	7.73	8.36	8.40	11.6%	-17.1%	8.1%	0.5%	8.6%
Portugal	8.69	9.21	9.81	7.22	7.62	6.0%	6.5%	-26.4%	5.5%	-22.3%
Romania	7.79	7.76	6.52	5.93	6.19	-0.3%	-16.0%	-9.1%	4.4%	-5.0%
Slovakia	8.92	13.12	11.30	8.91	9.11	47.2%	-13.9%	-21.2%	2.2%	-19.4%
Slovenia	10.12	12.66	12.13	9.61	10.53	25.1%	-4.2%	-20.8%	9.6%	-13.2%
Spain	7.64	9.03	8.70	7.53	7.70	18.2%	-3.7%	-13.5%	2.3%	-11.5%
Sweden	14.37	14.72	10.96	12.61	12.26	2.4%	-25.5%	15.1%	-2.8%	11.9%
Turkey	7.04	9.31	7.99	6.28	6.66	32.2%	-14.2%	-21.5%	6.2%	-16.6%
United Kingdom	7.73	8.69	8.35	5.82	5.94	12.4%	-4.0%	-30.3%	2.1%	-28.8%
Euro Area	9.93	11.44	10.55	8.73	8.90	15.2%	-7.8%	-17.2%	1.9%	-15.6%
EU 27	9.42	10.91	9.99	8.22	8.44	15.8%	-8.4%	-17.7%	2.7%	-15.5%

Ireland relative to:

Euro Area	111.2%	96.0%	88.1%	83.7%	88.0%
EU 27	117.3%	100.8%	93.1%	88.9%	92.7%

Source: Eurostat

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

3.3.1 Business Gas Price – EU Comparison

Table 14 *Business Gas Prices (€) in Ireland (1st Semester 2010) – EU Comparison*

Gas Prices to Business Consumers (excluding VAT)	Cost €/GJ	% change since last semester	Relative to EU Average 2010 - S1	Relative to EU Average 2009 - S2	Band share of market
Band I1	10.34	-19.3%	89%	106%	16.4%
Band I2	8.30	-12.9%	82%	95%	29.6%
Band I3	7.83	7.1%	93%	89%	28.7%
Band I4	6.43	0.2%	86%	87%	25.3%
Band I5	..	..	..	..

Source: Eurostat

Table 14 shows Ireland's position relative to the EU average gas prices to business for the first semester 2010 with the second semester 2009 (revised) shown in grey. Table 14 also shows the market shares by volume of each band. For confidentiality reasons the market share of bands I4 and I5 are combined.

With reference to Table 14, Ireland's position, compared with the EU average gas prices to industry, improved in all consumption bands compared with the first semester 2009 with the exception of band I3, although all bands are below the EU average, ranging from 7% below in band I3 to 18% below in band I2.

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 also 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)	July '07 - Dec. '07	Jan. '08 - June '08	July '08 - Dec. '08	Jan. '09 - June '09	July '09 - Dec. '09	Jan. '10 - June '10
Band I1	6	6	7	6	7	15
Band I2	8	9	10	14	13	18
Band I3	3	3	11	13	19	17
Band I4	12	11	14	10	18	20
Band I5	..	..	..	..	..	..
No. of Countries	25	24	25	25	25	24

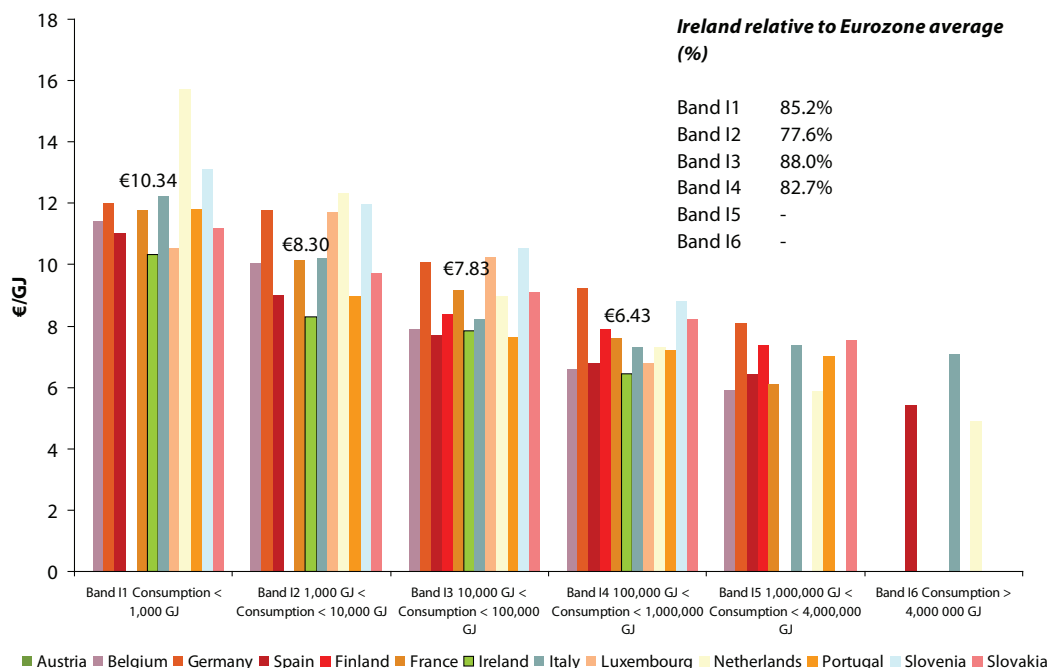
Source: Eurostat

Since the peak of the global energy prices in mid 2008 Ireland's ranking has been improving in all gas consumption bands.

During the first semester of 2010 in band I3, the band in which Eurostat reports, Ireland was ranked 17th most expensive. This band represents 29% of the business gas market in Ireland. In the higher consumption bands I4, representing 29% of the market, Ireland is now ranked 20th of 27.

3.4 Business Gas Prices in the Euro Area

Figure 7 Business Gas Prices (€) in Euro Area (1st Semester 2010)



Source: Eurostat

Business gas prices in Ireland for the first half of 2010 were below the average for Euro Area countries in all bands: 15%, 22%, 12% and 17% below in bands I1, I2, I3 and I4 respectively, see Table 16.

Table 16 Business Gas Prices (€) in Ireland (1st Semester 2010) – Euro Area Comparison

Gas Prices to Business Consumers (excluding VAT)	Cost €/GJ	Relative to Euro Area Average 2010 - S1	Relative to Euro Area Average 2009 - S2
Band I1 (Consumption < 1,000 GJ)	10.34	85%	100%
Band I2 (1,000 GJ < Consumption < 10,000 GJ)	8.30	78%	89%
Band I3 (10,000 GJ < Consumption < 100,000 GJ)	7.83	88%	84%
Band I4 (100,000 GJ < Consumption < 1,000,000 GJ)	6.43	83%	83%
Band I5 (1,000,000 GJ < Consumption < 4,000,000 GJ)	..	..	..

Source: Eurostat

With reference to Table 16, Ireland’s position, compared with the Euro Area average gas prices to industry, improved in bands I1 and I2, remained the same in band I4 and disimproved in band I3 (although still 12% below average) compared with the second semester in 2009.

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 - 2010
	Lowest	Highest	
Very small (DA)	<1,000		0.9%
Small (DB)	1,000	2,500	6.8%
Medium (DC)	2,500	5,000	30.1%
Large (DD)	5,000	15,000	53.6%
Very large (DE)	≥15,000		8.7%

There follows a comparison of electricity 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 2010 (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.

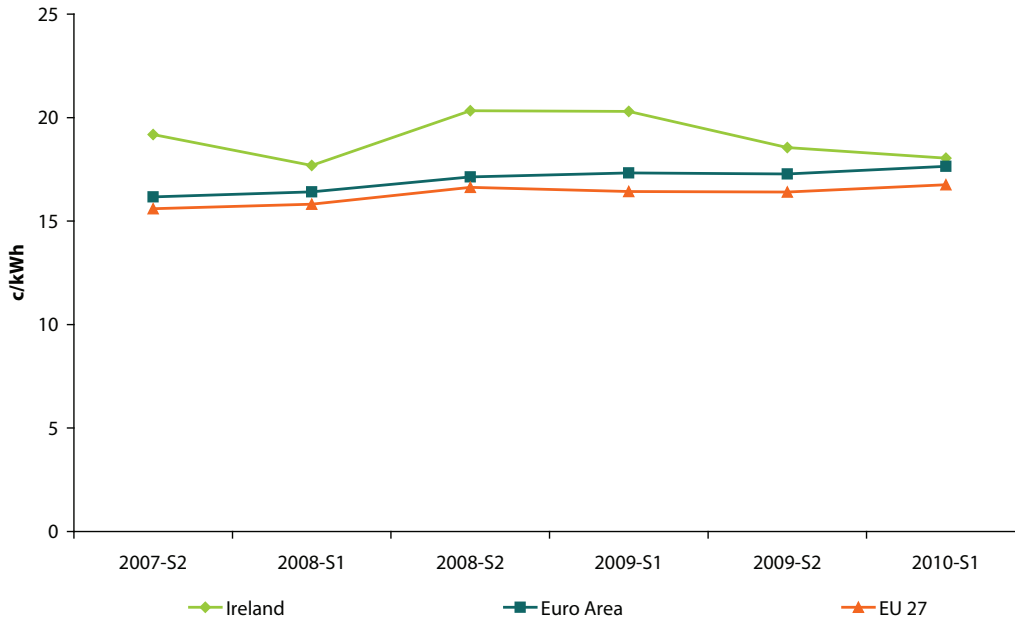
4.1.1 Residential Electricity Prices – EU Comparison (in €)

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.

4.1.1.1 Residential Electricity Costs in Consumption Band DC

Figure 8 shows the trend in electricity prices in consumption band DC for Ireland, EU and Euro Area. Prices in Ireland in this band have been falling since the start of 2009. For reference, band DC, which is the consumption band normally reported on by Eurostat, accounts for 30% of the electricity use in the residential market in Ireland during the first half of 2010 (see Table 20).

Figure 8 Residential Electricity Prices in band DC (2nd semester 2007 to 1st semester 2010)



Source: Eurostat

Figure 8 shows the trend in average electricity prices (inclusive of all taxes) to households in Ireland and Europe in consumption band DC. In the second semester of 2009, Ireland was approximately 13% above the EU-27 average, down from 23% in the previous semester. In the first semester of 2010 this gap has narrowed to 7.6% above.

Table 18 shows prices in band DC for the five semesters between the first half of 2008 and the middle of 2010 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. Price change in the first semester of 2010 ranged from a 30% increase in Norway to an 8.3% price decrease in Luxembourg. Ireland experienced a 2.7% decrease in this consumption band during the first half of 2010. Europe as a whole experience on average a 2.2% increase in price and the Euro Area experienced an increases of 2.1% in band DC.

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.

Over the 12 month period S1 2009 to S1 2010 price change varied from a 30% increase in Norway (again) to an 11.1% decrease in Ireland. This decrease for Ireland was greater than the 2% increase experienced in Europe and the 1.8% 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.

Table 18 Residential Electricity Prices in band DC in Europe (S1 2008 to S1 2010)

Band DC	all taxes included (c/kWh)					% change				
	Jan 08 - June 08	July 08 - Dec 08	Jan 09 - June 09	July 09 - Dec 09	Jan 10 - June 10	S1 '08 - S2 '08	S2 '08 - S1 '09	S1 '09 - S2 '09	S2 '09 - S1 '10	12 months to S1 '10
Austria	17.79	17.72	19.09	19.09	19.56	-0.4%	7.7%	0.0%	2.5%	2.5%
Belgium	19.72	20.81	19.16	18.82	20.32	5.5%	-7.9%	-1.8%	8.0%	6.1%
Bulgaria	7.11	8.23	8.23	8.18	8.13	15.8%	0.0%	-0.6%	-0.6%	-1.2%
Croatia	9.90	11.84	11.51	11.64	11.51	19.6%	-2.8%	1.1%	-1.1%	0.0%
Cyprus	17.80	20.40	15.58	16.42	18.58	14.6%	-23.6%	5.4%	13.2%	19.3%
Czech Republic	12.74	12.99	13.23	13.94	13.45	2.0%	1.8%	5.4%	-3.5%	1.7%
Germany	21.48	21.95	22.82	22.94	23.75	2.2%	4.0%	0.5%	3.5%	4.1%
Denmark	26.35	27.85	26.98	25.53	26.70	5.7%	-3.1%	-5.4%	4.6%	-1.0%
Estonia	8.14	8.50	9.22	9.20	9.70	4.4%	8.5%	-0.2%	5.4%	5.2%
Finland	12.23	12.73	12.96	12.89	13.25	4.1%	1.8%	-0.5%	2.8%	2.2%
France	12.13	12.03	12.28	12.25	12.56	-0.8%	2.1%	-0.2%	2.5%	2.3%
Greece	10.47	10.99	11.54	10.32	11.81	5.0%	5.0%	-10.6%	14.4%	2.3%
Hungary	15.48	15.53	14.83	16.62	..	0.3%	-4.5%	12.1%	..	..
Ireland	17.69	20.33	20.30	18.55	18.04	14.9%	-0.1%	-8.6%	-2.7%	-11.1%
Italy	20.31	22.27	20.98	19.97	19.67	9.7%	-5.8%	-4.8%	-1.5%	-6.2%
Latvia	8.42	10.03	10.52	10.54	10.49	19.1%	4.9%	0.2%	-0.5%	-0.3%
Lithuania	8.60	8.65	9.51	9.26	11.56	0.6%	9.9%	-2.6%	24.8%	21.6%
Luxembourg	16.45	16.09	18.82	18.82	17.26	-2.2%	17.0%	0.0%	-8.3%	-8.3%
Malta	9.93	15.36	17.08	15.13	..	54.7%	11.2%	-11.4%	..	..
Netherlands	17.30	17.80	19.00	18.41	17.04	2.9%	6.7%	-3.1%	-7.4%	-10.3%
Norway	16.39	17.00	15.65	15.63	20.27	3.7%	-7.9%	-0.1%	29.7%	29.5%
Poland	12.59	12.95	11.31	12.91	13.41	2.9%	-12.7%	14.1%	3.9%	18.6%
Portugal	14.82	15.25	15.08	15.94	15.84	2.9%	-1.1%	5.7%	-0.6%	5.0%
Romania	10.61	11.03	9.76	9.79	10.31	4.0%	-11.5%	0.3%	5.3%	5.6%
Slovakia	13.65	15.27	15.40	15.60	15.20	11.9%	0.9%	1.3%	-2.6%	-1.3%
Slovenia	11.47	11.56	13.46	13.41	14.01	0.8%	16.4%	-0.4%	4.5%	4.1%
Spain	13.66	15.57	15.77	16.84	17.28	14.0%	1.3%	6.8%	2.6%	9.6%
Sweden	16.98	17.46	16.02	16.46	18.39	2.8%	-8.2%	2.7%	11.7%	14.8%
Turkey	9.98	12.22	11.44	11.79	13.42	22.4%	-6.4%	3.1%	13.8%	17.3%
United Kingdom	14.58	16.03	14.66	14.07	13.86	9.9%	-8.5%	-4.0%	-1.5%	-5.5%
Euro Area	16.41	17.13	17.33	17.28	17.65	4.4%	1.2%	-0.3%	2.1%	1.8%
EU 27	15.82	16.63	16.43	16.40	16.76	5.1%	-1.2%	-0.2%	2.2%	2.0%

Ireland relative to:

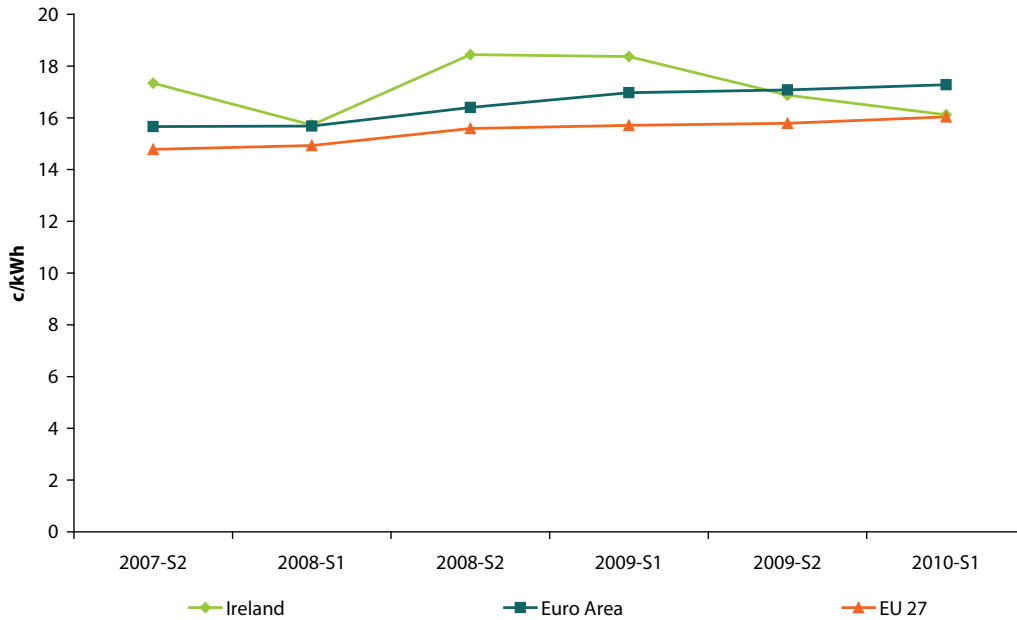
Euro Area	107.8%	118.7%	117.1%	107.3%	102.2%
EU 27	111.8%	122.2%	123.6%	113.1%	107.6%

Source: Eurostat

4.1.1.2 Residential Electricity Costs in Consumption Band DD

Figure 9 shows the trend in electricity prices in consumption band DD for Ireland, EU and Euro Area. Prices in Ireland in this band have been falling since the start of 2009. For reference, band IC accounted for 54% of the electricity use in the residential market in Ireland during the first half of 2010.

Figure 9 Residential Electricity Prices in band DD (2nd semester 2007 to 1st semester 2010)



Source: Eurostat

Figure 9 shows the trend in average electricity prices (inclusive of all taxes) to households in Ireland and Europe in consumption band DD. In the second semester of 2009, Ireland was 6.9% above the EU-27 average, down from 17% in the previous semester. In the first semester of 2010 this gap narrowed to just 0.5% above, or in other words, was at the EU average.

Table 19 shows prices in band DD for the five semesters between the first half of 2008 and the middle of 2010 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. Price change in the first semester of 2010 ranged from a 36% increase in Norway to a 13% price decrease in Slovakia. Ireland experienced a 4.5% decrease in this consumption band during the first half of 2010. Europe as a whole experienced on average a 1.6% increase in price and the Euro Area experienced an increase of 1.2% in band DD.

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.

Over the 12 month period S1 2009 to S1 2010 price change varied from a 33% increase in Norway to a 12% decrease in Ireland. This decrease for Ireland contrasts with the 2.1% increase experienced in Europe and the 1.8% increase in the Euro Area.

Table 19 Residential Electricity Prices in band DD in Europe (S1 2008 to S1 2010)

Band DD	all taxes included (c/kWh)					% change				
	Jan 08 - June 08	July 08 - Dec 08	Jan 09 - June 09	July 09 - Dec 09	Jan 10 - June 10	S1 '08 - S2 '08	S2 '08 - S1 '09	S1 '09 - S2 '09	S2 '09 - S1 '10	12 months to S1 '10
Austria	16.38	16.57	17.39	17.53	17.73	1.2%	4.9%	0.8%	1.1%	2.0%
Belgium	17.68	18.67	17.02	16.77	17.56	5.6%	-8.8%	-1.5%	4.7%	3.2%
Bulgaria	7.06	8.18	8.13	8.23	8.13	15.9%	-0.6%	1.2%	-1.2%	0.0%
Croatia	9.22	11.28	10.84	11.23	11.01	22.3%	-3.9%	3.6%	-2.0%	1.6%
Cyprus	17.85	21.02	16.08	16.55	18.04	17.8%	-23.5%	2.9%	9.0%	12.2%
Czech Republic	10.48	10.68	11.02	11.61	11.15	1.9%	3.2%	5.4%	-4.0%	1.2%
Germany	19.88	20.39	21.22	21.38	22.40	2.6%	4.1%	0.8%	4.8%	5.6%
Denmark	23.44	24.94	24.02	22.57	23.21	6.4%	-3.7%	-6.0%	2.8%	-3.4%
Estonia	7.77	8.27	8.87	8.97	9.36	6.4%	7.3%	1.1%	4.3%	5.5%
Finland	10.58	11.11	11.47	11.43	11.68	5.0%	3.2%	-0.3%	2.2%	1.8%
France	10.58	10.54	10.70	10.93	11.15	-0.4%	1.5%	2.1%	2.0%	4.2%
Greece	12.45	13.47	13.69	12.01	13.70	8.2%	1.6%	-12.3%	14.1%	0.1%
Hungary	15.41	15.30	13.46	15.61	..	-0.7%	-12.0%	16.0%	..	..
Ireland	15.72	18.44	18.37	16.88	16.12	17.3%	-0.4%	-8.1%	-4.5%	-12.2%
Italy	23.08	24.05	26.09	26.15	24.93	4.2%	8.5%	0.2%	-4.7%	-4.4%
Latvia	8.21	10.02	10.51	10.54	10.50	22.0%	4.9%	0.3%	-0.4%	-0.1%
Lithuania	8.08	8.23	8.97	8.84	11.03	1.9%	9.0%	-1.4%	24.8%	23.0%
Luxembourg	14.77	14.69	17.00	17.00	16.11	-0.5%	15.7%	0.0%	-5.2%	-5.2%
Malta	13.09	18.05	17.70	15.85	..	37.9%	-1.9%	-10.5%	..	..
Netherlands	19.70	19.90	22.90	22.30	21.05	1.0%	15.1%	-2.6%	-5.6%	-8.1%
Norway	11.86	12.77	11.43	11.22	15.25	7.7%	-10.5%	-1.8%	35.9%	33.4%
Poland	11.14	12.29	10.72	11.72	12.35	10.3%	-12.8%	9.3%	5.4%	15.2%
Portugal	13.23	13.66	13.67	14.34	14.35	3.3%	0.1%	4.9%	0.1%	5.0%
Romania	10.43	11.03	9.41	9.44	10.11	5.8%	-14.7%	0.3%	7.1%	7.4%
Slovakia	11.45	13.03	14.84	15.58	13.59	13.8%	13.9%	5.0%	-12.8%	-8.4%
Slovenia	10.66	10.92	12.66	12.31	12.77	2.4%	15.9%	-2.8%	3.7%	0.9%
Spain	12.41	14.86	14.67	15.44	15.50	19.7%	-1.3%	5.2%	0.4%	5.7%
Sweden	14.85	15.12	13.72	14.25	15.94	1.8%	-9.3%	3.9%	11.9%	16.2%
Turkey	9.98	12.22	11.44	11.79	13.42	22.4%	-6.4%	3.1%	13.8%	17.3%
United Kingdom	13.55	13.95	13.09	12.50	12.38	3.0%	-6.2%	-4.5%	-1.0%	-5.4%
Euro Area	15.68	16.40	16.97	17.08	17.28	4.6%	3.5%	0.6%	1.2%	1.8%
EU 27	14.93	15.59	15.71	15.79	16.04	4.4%	0.8%	0.5%	1.6%	2.1%

Ireland relative to:

Euro Area	100.3%	112.4%	108.2%	98.8%	93.3%
EU 27	105.3%	118.3%	116.9%	106.9%	100.5%

Source: Eurostat

4.1.2 Residential Electricity Price – EU Comparison

Table 20 shows Ireland's position compared with the EU average residential electricity prices for the first semester in 2010, with the second semester 2009 shown in grey. Ireland moved closer to the EU average in consumption bands DA to DD and went further below in the highest consumption band DE. 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. In the two bands that account for 84% of the market, bands DC and DD, Ireland was between 8% above the EU average for electricity price to households in band DC and equalled the average in band DD.

Table 20 Residential Electricity Prices (€) in Ireland (1st Semester 2010) – EU Comparison

Electricity Prices to Residential Consumers (all taxes included)	Cost €/kWh	% change since last semester	Relative to EU Average 2010 - S1	Relative to EU Average 2009 - S2	Band share of market
Band DA	0.403	-3.1%	163%	173%	0.9%
Band DB	0.211	-2.0%	118%	117%	6.8%
Band DC	0.180	-2.8%	108%	113%	30.1%
Band DD	0.161	-4.5%	100%	107%	53.6%
Band DE	0.140	-4.6%	90%	94%	8.7%

Source: Eurostat

Also shown in Table 20 are the market shares by volume of each band. Consumers in bands DC and DD accounted for 84% of the residential electricity market with band DD being the largest at 54% of the market.

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 also 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 (ex-VAT)

Electricity Prices to Residential Consumers (all taxes included)	July '07 - Dec. '07	Jan. '08 - June '08	July '08 - Dec. '08	Jan. '09 - June '09	July '09 - Dec. '09	Jan. '10 - June '10
Band DA	1	1	1	1	1	2
Band DB	4	5	4	4	4	7
Band DC	3	7	6	4	7	9
Band DD	4	8	7	5	7	8
Band DE	7	11	10	8	9	12
No. of Countries	28	29	29	29	29	27

Source: Eurostat

During the first semester of 2010 in band DC, the band in which Eurostat reports, Ireland was ranked 9th most expensive. This band represents 30% of the residential market in Ireland. Consumption band DD which represents 54% of the market was ranked 8th most expensive respectively of 27 countries.

4.1.3 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 don't take into account the varying purchasing powers in each country. To correct for this Eurostat also publish prices in purchasing power parities.

When purchasing power parities are applied, Ireland is cheaper than the average in all but the lowest consumption band and specifically in band DC is 8% below the average and in band DD is 14% below.

Table 22 Residential Electricity Prices (Purchasing Power Parity) (1st Semester 2010) – EU Comparison

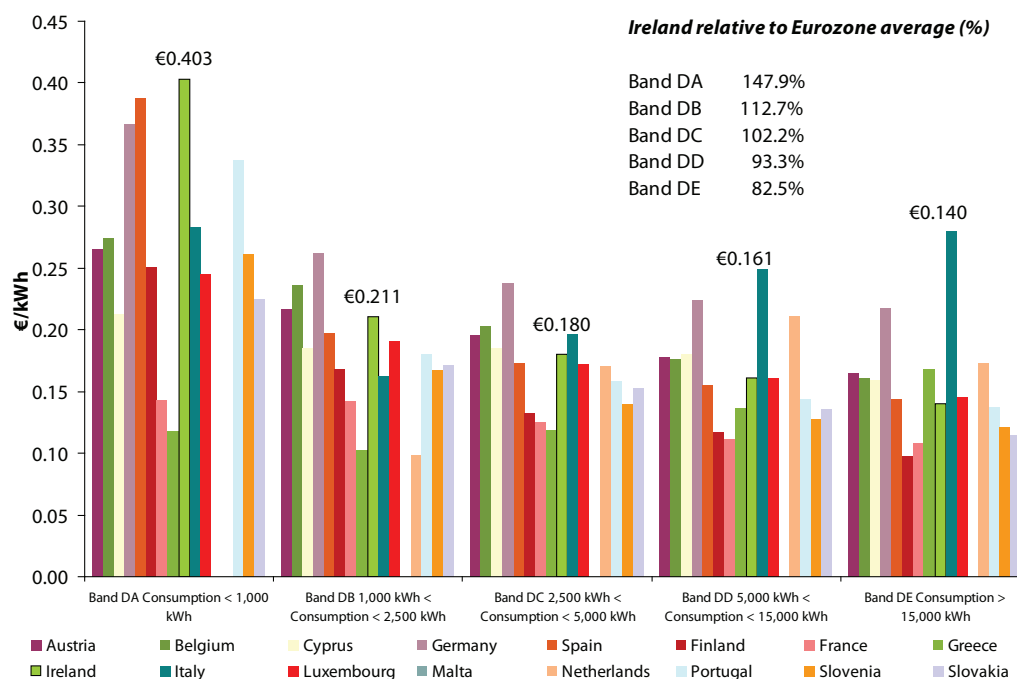
Electricity Prices to Residential Consumers (all taxes included)	Cost (PPP) €/kWh	Relative to EU Average 2010 - S1	Relative to EU Average 2009 - S2
Band DA (Consumption < 1 000 kWh)	0.354	141%	144%
Band DB (1,000 kWh < Consumption < 2,500 kWh)	0.185	100%	100%
Band DC (2,500 kWh < Consumption < 5,000 kWh)	0.158	92%	92%
Band DD (5,000 kWh < Consumption < 15,000 kWh)	0.142	86%	86%
Band DE (Consumption > 15,000 kWh)	0.123	79%	77%

Source: Eurostat

Table 22 shows Ireland's position, relative to the Europe average electricity prices to households in purchasing power parities for the first semester 2010, with the second semester 2009 shown in grey. Using a straight euro comparison Ireland (see Table 20) was 8% above the EU in band DC; however, using purchasing power parities to compare shows Ireland 8% below the average.

4.1.4 Residential Electricity Prices – Euro Area Comparison (in €)

Figure 10 Residential Electricity Prices (€) in Euro Area (1st Semester 2010)



Source: Eurostat

Focusing on just the Euro Area countries and again excluding band DA, Ireland was between 2% and 13% above the Euro Area average in bands DC and DB respectively. In the higher consumption bands DD and DE Ireland was 7% and 17% cheaper respectively.

Table 23 Residential Electricity Prices (€) in Ireland (1st Semester 2010) – Euro Area Comparison

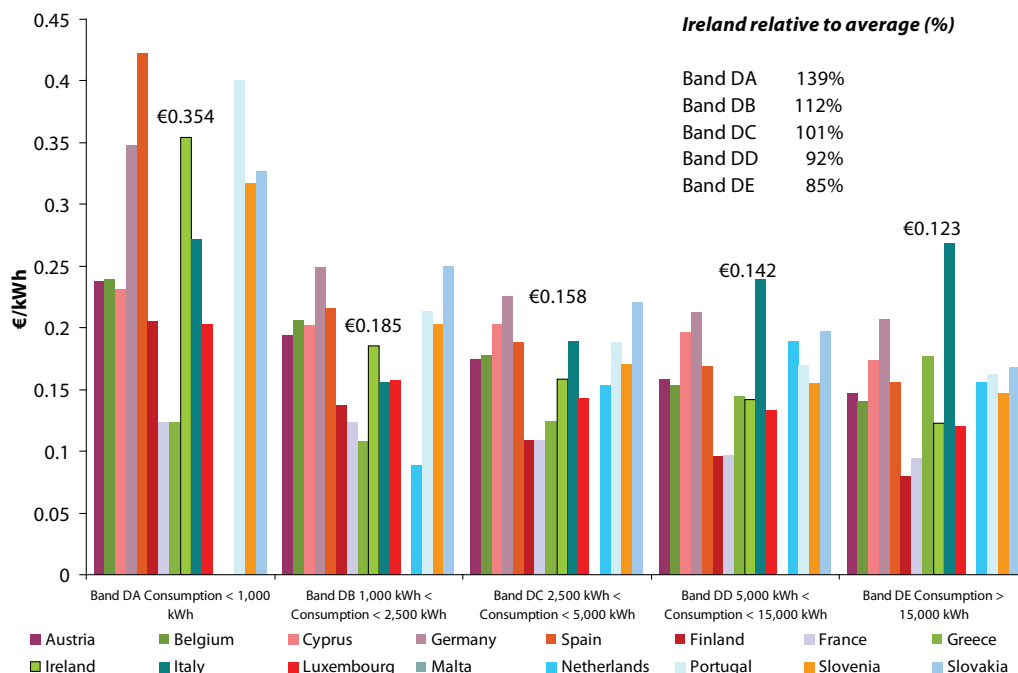
Electricity Prices to Residential Consumers (all taxes included)	Cost €/kWh	Relative to Euro Area Average 2010 - S1	Relative to Euro Area Average 2009 - S2
Band DA (Consumption < 1 000 kWh)	0.403	148%	158%
Band DB (1,000 kWh < Consumption < 2,500 kWh)	0.211	113%	112%
Band DC (2,500 kWh < Consumption < 5,000 kWh)	0.180	102%	107%
Band DD (5,000 kWh < Consumption < 15,000 kWh)	0.161	93%	98%
Band DE (Consumption > 15,000 kWh)	0.140	83%	86%

Source: Eurostat

Table 23 shows Ireland's position, relative to the Euro Area average electricity prices to households for the first semester 2010, with the second semester 2009 shown in grey.

4.1.5 Residential Electricity Prices – Euro Area Comparison (in PPP)

Figure 11 Residential Electricity Prices in Euro Area at Purchasing Power Parities (1st Semester 2010)



Source: Eurostat

Using purchasing power parities, Ireland is 1% above the average for the Euro Area in band DC and 8% below in band DD.

Table 24 Residential Electricity Prices (Purchasing Power Parity) (2nd Semester 2009) – Euro Area

Electricity Prices to Residential Consumers (all taxes included)	Cost €/kWh	Relative to Euro Area Average 2010 - S1	Relative to Euro Area Average 2009 - S2
Band DA (Consumption < 1 000 kWh)	0.354	139%	135%
Band DB (1,000 kWh < Consumption < 2,500 kWh)	0.185	112%	102%
Band DC (2,500 kWh < Consumption < 5,000 kWh)	0.158	101%	96%
Band DD (5,000 kWh < Consumption < 15,000 kWh)	0.142	92%	88%
Band DE (Consumption > 15,000 kWh)	0.123	85%	77%

Source: Eurostat

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 2010, with the second semester 2009 shown in grey.

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*

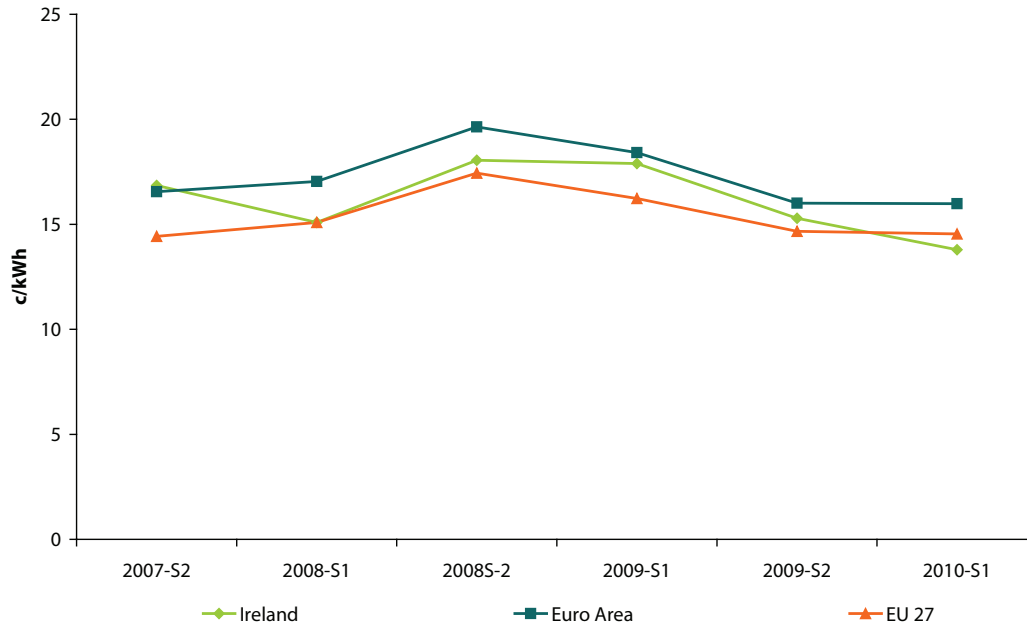
Residential end-users	Annual gas consumption (GJ)		Band share of residential gas market in Ireland S1 - 2010
	Lowest	Highest	
D1 - Small	0	<20	2.3%
D2 - Medium	20	<200	95.3%
D3 - Large		≥200	2.4%

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 2010 (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 12 Residential Gas Prices in band D2 (2nd semester 2007 to 1st semester 2010)



Source: Eurostat

Figure 12 shows the trend in average gas prices (inclusive of all taxes) to households in Ireland and Europe. Gas price to Irish households was higher than the EU-27 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 0.1% lower. In the second semester 2009 prices were just 4.2% higher than the EU average and 4.4% lower than the Euro Area average. During the first semester 2010 the price for gas to Irish householders dropped to 5.2% below the EU average.

Table 26 shows prices in band D2 for the five semesters between the first half of 2008 and the middle of 2010 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. Price change in the first semester of 2010 ranged from a 17% increase in Croatia to a 17% price decrease in Latvia. Ireland experienced a 9.8% decrease in the first semester 2010 compared with the previous semester. Europe as a whole experienced a 0.9% decrease in band D2 and the Euro Area a 0.2% decrease.

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.

Over the 12 month period S1 2001 to S1 2010 price changes varied from a 20% increase in Croatia to a 40% decrease in Latvia. Ireland experienced a decrease of 23% over the 12 month period. This decrease for Ireland was more than the 10.4% decrease experienced in Europe and the 13% decrease 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.

Table 26 Residential Gas Prices in band D2 in Europe (S1 2008 to S1 2010)

Band D2	all taxes included (€/GJ)					% change				
	Jan 08 - June 08	July 08 - Dec 08	Jan 09 - June 09	July 09 - Dec 09	Jan 10 - June 10	S1 '08 - S2 '08	S2 '08 - S1 '09	S1 '09 - S2 '09	S2 '09 - S1 '10	12 months to S1 '10
Austria	16.27	17.11	18.03	17.23	17.29	5.2%	5.4%	-4.4%	0.3%	-4.1%
Belgium	16.26	20.24	16.82	14.33	14.70	24.5%	-16.9%	-14.8%	2.6%	-12.6%
Bulgaria	9.85	10.86	13.14	9.67	10.21	10.3%	21.0%	-26.4%	5.6%	-22.3%
Croatia	7.59	7.70	8.86	9.10	10.63	1.5%	15.0%	2.7%	16.8%	20.0%
Czech Republic	12.20	14.69	13.75	13.11	13.04	20.4%	-6.4%	-4.6%	-0.6%	-5.2%
Germany	17.81	21.17	18.00	16.35	15.70	18.9%	-15.0%	-9.2%	-4.0%	-12.8%
Denmark	..	26.57	25.55	26.77	29.70	..	-3.8%	4.8%	10.9%	16.2%
Estonia	9.30	10.30	10.96	10.07	10.07	10.8%	6.4%	-8.1%	0.0%	-8.1%
France	14.46	16.06	15.29	16.20	14.46	11.0%	-4.8%	6.0%	-10.7%	-5.4%
Hungary	11.24	12.93	13.38	13.23	..	15.0%	3.5%	-1.1%	..	..
Ireland	15.09	18.05	17.89	15.29	13.79	19.6%	-0.9%	-14.5%	-9.8%	-22.9%
Italy	17.47	19.99	21.04	14.84	17.15	14.4%	5.3%	-29.5%	15.5%	-18.5%
Latvia	8.70	13.88	14.54	10.52	8.73	59.5%	4.8%	-27.6%	-17.1%	-40.0%
Lithuania	9.15	10.63	11.80	11.29	10.43	16.2%	11.0%	-4.4%	-7.6%	-11.6%
Luxembourg	15.48	14.28	13.68	12.82	12.07	-7.8%	-4.2%	-6.3%	-5.9%	-11.8%
Netherlands	19.37	21.03	23.13	18.67	19.46	8.6%	10.0%	-19.3%	4.2%	-15.9%
Poland	11.56	14.30	10.80	12.78	11.81	23.7%	-24.5%	18.3%	-7.6%	9.3%
Portugal	17.37	17.48	16.78	16.52	16.49	0.6%	-4.0%	-1.6%	-0.2%	-1.7%
Romania	9.21	9.33	8.11	7.45	7.64	1.3%	-13.0%	-8.1%	2.5%	-5.9%
Slovakia	11.42	12.92	12.83	13.21	12.11	13.1%	-0.7%	3.0%	-8.3%	-5.6%
Slovenia	15.51	19.77	18.28	14.96	16.00	27.5%	-7.5%	-18.2%	6.9%	-12.5%
Spain	15.98	18.14	16.98	14.88	14.83	13.5%	-6.4%	-12.4%	-0.3%	-12.6%
Sweden	26.53	28.82	24.77	26.86	28.71	8.7%	-14.1%	8.4%	6.9%	15.9%
Turkey	9.04	12.96	10.84	8.55	8.98	43.3%	-16.3%	-21.2%	5.1%	-17.2%
United Kingdom	10.99	13.29	11.84	11.84	11.26	20.9%	-10.9%	0.0%	-4.9%	-4.9%
Euro Area	17.05	19.64	18.41	16.01	15.98	15.2%	-6.2%	-13.1%	-0.2%	-13.2%
EU 27	15.09	17.44	16.23	14.67	14.54	15.6%	-7.0%	-9.6%	-0.9%	-10.4%

Ireland relative to:

Euro Area	88.5%	91.9%	97.2%	95.5%	86.3%
EU 27	100.0%	103.5%	110.2%	104.2%	94.8%

Source: Eurostat

Table 27 shows Ireland's position, relative to the EU average gas prices to householders for the first semester 2010, with the second semester 2009 shown in grey. Also shown in Table 27 are the market shares by volume of each band.

Table 27 Residential Gas Prices (€) in Ireland (1st Semester 2010) – EU Comparison

Gas Prices to Residential Consumers (all taxes included)	Cost €/GJ	Cost €/kWh	% change since last semester	Relative to EU Average 2010 - S1	Relative to EU Average 2009 - S2	Band share of market
Band D1 - Small	15.24	0.055	-13.2%	75%	83%	2.3%
Band D2 - Medium	13.79	0.050	-9.8%	95%	104%	95.3%
Band D3 - Large	13.12	0.047	-7.1%	97%	104%	2.4%

Source: Eurostat

In the D1 band Ireland is 25% below the average for the EU as a whole, while in consumption band D2 Ireland is 5% below and in D3, 3% below during the first semester of 2010.

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 2009 and specifically by 9% points in band D2.

Table 28 shows Ireland's ranking in the EU for the ex-VAT 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 also 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 (ex-VAT)

Gas Prices to Residential Consumers (all taxes included)	July '07 - Dec. '07	Jan. '08 - June '08	July '08 - Dec. '08	Jan. '09 - June '09	July '09 - Dec. '09	Jan. '10 - June '10
Band D1	3	10	14	17	16	17
Band D2	8	11	9	8	8	12
Band D3	8	8	8	6	9	10
No. of Countries	25	24	25	25	25	24

Source: Eurostat

Since the peak of the global energy prices in mid 2008 Ireland's ranking has improved in all residential gas consumption bands since the second half of 2007.

During the first semester of 2010 in band D2, the band in which Eurostat reports and the band that represents 95% of residential gas use here, Ireland was ranked 12th most expensive of 24 countries.

4.2.2 Residential Gas Prices – EU Comparison (in PPP)

Some caveats should be acknowledged in looking at these basic euro prices. 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) (1st Semester 2010) – EU Comparison

Gas Prices to Residential Consumers at purchasing power parities (all taxes included)	Cost €/GJ	Cost €/kWh	Relative to EU Average 2010 - S1	Relative to EU Average 2009 - S2
Band D1 - Small	13.38	0.048	59%	65%
Band D2 - Medium	12.11	0.044	74%	78%
Band D3 - Large	11.52	0.041	74%	76%

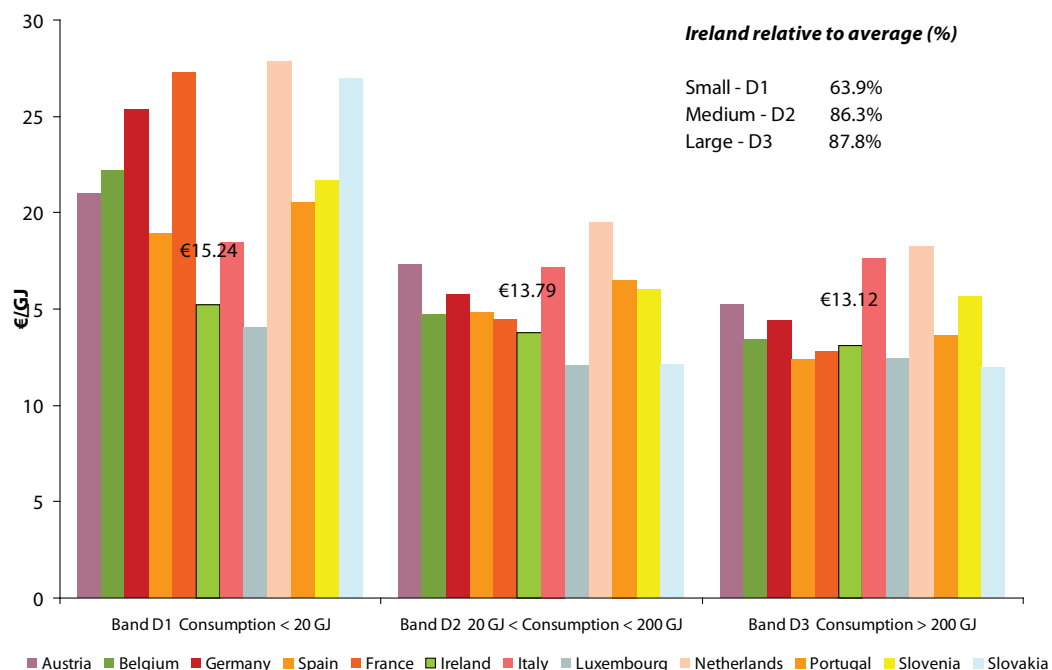
Source: Eurostat

Table 29 shows Ireland's position, expressed in purchasing power parity, relative to the Europe average gas prices to households for the first semester 2010, with the second semester 2009 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 41% to 26% below. In band D2 Ireland was 26% below the EU average in the first semester of 2010.

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

Figure 13 Residential Gas Prices (€) in Euro Area (1st Semester 2010)



Source: Eurostat

When the focus is on just the Euro Area countries, Ireland is below the average in all bands, ranging from 12% to 36% below. In band D2 Ireland was 14% below the Euro Area average.

Table 30 Residential Gas Prices (€) in Ireland (1st Semester 2010) – Euro Area Comparison

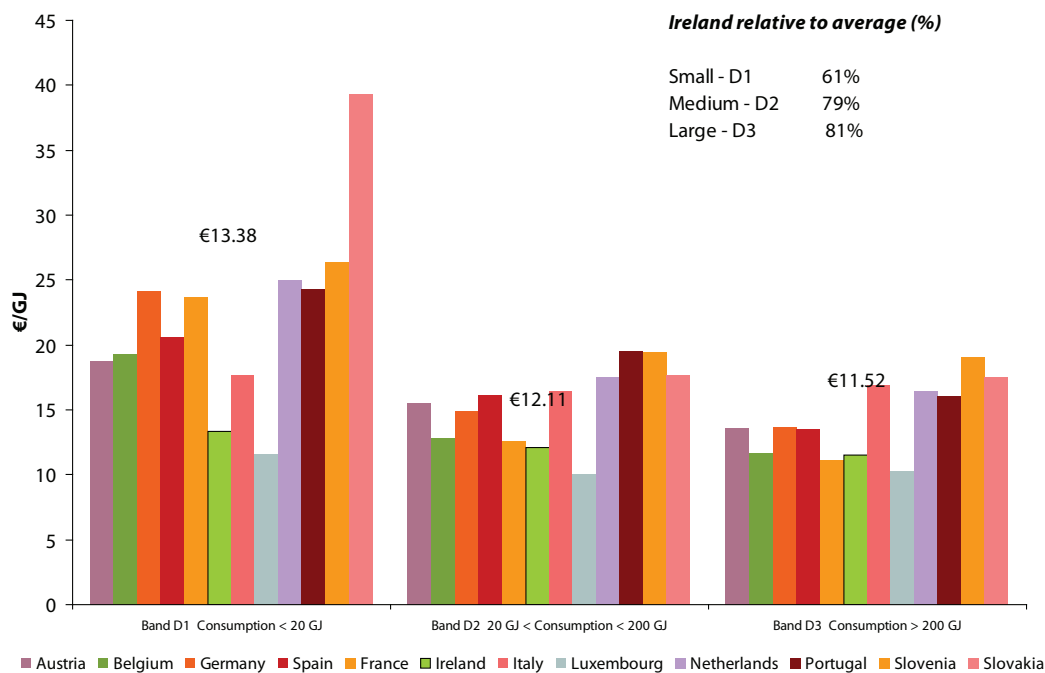
Gas Prices to Residential Consumers (all taxes included)	Cost €/GJ	Cost €/kWh	Relative to Euro Area Average 2010 - S1	Relative to Euro Area Average 2009 - S2
Band D1 - Small	15.24	0.055	64%	71%
Band D2 - Medium	13.79	0.050	86%	96%
Band D3 - Large	13.12	0.047	88%	95%

Source: Eurostat

Table 30 shows Ireland's position, relative to the Euro Area average gas prices to households for the first semester 2010, with the second semester 2009 shown in grey.

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

Figure 14 Residential Gas Prices in Euro Area at Purchasing Power Parities (1st Semester 2010)



Source: Eurostat

Based on purchasing power parities, gas costs to residential consumers ranged from 21% below to 39% below the average for the Euro Area countries.

Table 31 Residential Gas Prices (Purchasing Power Parity) (1st Semester 2010) – Euro Area Comparison

Gas Prices to Residential Consumers at purchasing power parities (all taxes included)	Cost €/GJ	Cost €/kWh	Relative to Euro Area Average 2010 - S1	Relative to Euro Area Average 2009 - S2
Band D1 - Small	13.38	0.048	61%	65%
Band D2 - Medium	12.11	0.044	79%	85%
Band D3 - Large	11.52	0.041	81%	84%

Source: Eurostat

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 2010, with the second semester 2010 shown in grey.

References

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Appendix 1 – Electricity & Gas Prices in Ireland

Table 32 Business Electricity Prices (€) – 1st Semester 2010

Business Electricity Prices (ex VAT) weighted average across all suppliers	€/kWh 2010 - S1	Change since 2009 - S2	Change in 12 months
Band IA Consumption < 20 MWh	0.157	-7.0%	-11.7%
Band IB 20 MWh < Consumption < 500 MWh	0.137	-2.8%	-8.8%
Band IC 500 MWh < Consumption < 2,000 MWh	0.112	-4.4%	-6.9%
Band ID 2,000 MWh < Consumption < 20,000 MWh	0.084	-13.7%	-21.7%
Band IE 20,000 MWh < Consumption < 70,000 MWh	0.076	-14.2%	-20.4%
Band IF 70,000 MWh < Consumption < 150,000 MWh	0.056	-28.7%	-35.7%

Source: Eurostat

Table 33 Business Gas Prices (€) – 1st Semester 2010

Business Gas Prices (ex VAT) weighted average across all suppliers	€/GJ 2010 - S1	€/kWh 2010 - S1	Change since 2009 - S2	Change in 12 months
Band I1 Consumption < 1,000 GJ	10.34	0.037	-19.3%	-28.2%
Band I2 1,000 GJ < Consumption < 10,000 GJ	8.30	0.030	-12.9%	-21.0%
Band I3 10,000 GJ < Consumption < 100,000 GJ	7.83	0.028	7.1%	-15.8%
Band I4 100,000 GJ < Consumption < 1,000,000 GJ	6.43	0.023	0.2%	-26.3%
Band I5 1,000,000 GJ < Consumption < 4,000,000 GJ	..	..	..	..

Source: Eurostat

Table 34 Residential Electricity Prices (€) – 1st Semester 2010

Household Electricity Prices (all taxes included) weighted average across all suppliers	€/kWh 2010 - S1	Change since 2009 - S2	Change in 12 months
Band DA Consumption < 1,000 kWh	0.403	-3.1%	-6.8%
Band DB 1,000 kWh < Consumption < 2,500 kWh	0.211	-2.0%	-9.6%
Band DC 2,500 kWh < Consumption < 5,000 kWh	0.180	-2.8%	-11.2%
Band DD 5,000 kWh < Consumption < 15,000 kWh	0.161	-4.5%	-12.3%
Band DE Consumption > 15,000 kWh	0.140	-4.6%	-13.1%

Source: Eurostat

Table 35 Residential Electricity Prices (Purchasing Power Parities) – 1st Semester 2010

Household Electricity Prices (all taxes included) weighted average across all suppliers	€ _{PPP} /kWh 2010 - S1	Change since 2009 - S2	Change in 12 months
Band DA Consumption < 1,000 kWh	0.354	0.8%	-3.1%
Band DB 1,000 kWh < Consumption < 2,500 kWh	0.185	1.9%	-6.0%
Band DC 2,500 kWh < Consumption < 5,000 kWh	0.158	1.1%	-7.6%
Band DD 5,000 kWh < Consumption < 15,000 kWh	0.142	-0.6%	-8.7%
Band DE Consumption > 15,000 kWh	0.123	-0.8%	-9.7%

Source: Eurostat

Table 36 Residential Gas Prices (€) – 1st Semester 2010

Household Gas Prices (all taxes included) weighted average across all suppliers	€/GJ 2010 - S1	€/kWh 2010 - S1	Change since 2009 - S2	Change in 12 months
Band D1 Consumption < 20 GJ	15.24	0.055	-13.2%	-20.6%
Band D2 20 GJ < Consumption < 200 GJ	13.79	0.050	-9.8%	-22.9%
Band D3 Consumption > 200 GJ	13.12	0.047	-7.1%	-23.7%

Source: Eurostat

Table 37 Residential Gas Prices (Purchasing Power Parities) – 1st Semester 2010

Household Gas Prices (all taxes included) weighted average across all suppliers	€ _{PPP} /GJ 2010 - S1	€/kWh 2010 - S1	Change since 2009 - S2	Change in 12 months
Band D1 Consumption < 20 GJ	13.38	0.048	-9.7%	-17.5%
Band D2 20 GJ < Consumption < 200 GJ	12.11	0.044	-6.2%	-19.8%
Band D3 Consumption > 200 GJ	11.52	0.041	-3.4%	-20.7%

Source: Eurostat

Appendix 2 – Methodologies for Assessing Prices

The International Energy Agency (IEA) are 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 Ireland 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.



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