

Media Release

CER Publishes Energy Retail Market Report for Q1 2016

- **High Numbers of Customers Now Renegotiating With Existing Suppliers for Better Deals**
- **Switching Levels Increased for Electricity Customers, with a Decrease in Gas Switching**
- **Continued Movement in Market Share for Domestic Electricity and Gas Suppliers**

Friday, 29 July 2016: The Commission for Energy Regulation (CER) today published its Electricity and Gas Retail Market Report for the first quarter of 2016. The Report, which provides insights into consumer behaviour in the Irish energy market, highlights an evolving and increasingly consumer driven sector that is exerting downward pressure on prices and delivering enhanced supplier offerings.

Prices, Switching and Renegotiations

In the recent CER Energy Retail Markets Annual Report for 2015, Ireland trended as the highest gas and second highest electricity switching rates within the European Union*. In Q1 2016, switching rates in electricity increased by 1.2% when compared to Q1 2015, with a total of 79,380 switches. Switching in gas saw a decrease of 6% from Q1 2015, with a total of 25,305 customers changing suppliers in Q1 2016.

While customer switching continues to be a key indicator of retail competition and supplier activity within the retail market, an increasing number of customers are negotiating better terms and prices with their existing suppliers. The levels of renegotiation in the domestic electricity and gas markets saw continued growth every month from November 2015, when data was first recorded, until February 2016.

This peak saw over 17,728 electricity customers and 4,085 gas customers negotiate a better deal with their suppliers, with levels remaining strong in the final month of Q1 2016. This data complements that which is collected on switching rates and provides a more complete picture of customer engagement levels and evidence of options that are open to customers.

In an open market in which the CER no longer regulates prices, increasing competition along with falling wholesale prices drove down retail prices for electricity and gas. In this environment, suppliers began to announce improved offers to existing and new customers with significant reductions to standing charges and new discounted plans. The largest decrease in the standard price in 2016 was SSE Airtricity's 5% reduction to its standard unit rate and standing charge. In addition, between Q1

and Q2 of 2016, Electric Ireland reduced its electricity standard unit rate by 6%, PrePayPower reduced its standard unit rate by 4.1%.

Market Share

In the domestic electricity market, Electric Ireland held the greatest market share in terms of consumption levels with 54.26%, followed by SSE Airtricity with 17.89%, Bord Gáis Energy with 16.43%, PrePayPower with 4.91% and Energia with 4.72%.

However, there were losses of market share for the two largest suppliers in the domestic market, Electric Ireland and SSE Airtricity, with Electric Ireland showing the greatest decrease in both consumption and customer numbers of 2.8% and 2.5% respectively in comparison to Q1 2015. Bord Gáis Energy, Energia, Pinergy and PrePayPower all experienced growth during this period, with Bord Gáis Energy showing the greatest gains of 1.71% and 1.43% in consumption and customer numbers.

In the domestic gas market, Bord Gáis had the largest overall increase in market share of any of the suppliers over the first three months of the year compared to Q1 2015, with a 0.36% growth in its customer numbers and 9.21% in consumption. SSE Airtricity also showed a significant positive increase of 9.38% in consumption from Q4 2015 and 11.46% in comparison to Q1 2016, with a slight customer number drop of 2.12%.

Electric Ireland experienced the greatest level of decrease in consumption compared to the other suppliers, with a 16.23% drop compared to Q4 2015 and a 15.73% decrease on Q1 2015. Overall, Bord Gáis Energy held the largest market share of 51.63%, followed by Electric Ireland with 23.22%, SSE Airtricity with 14.33%, Energia with 5.42% and Flogas with 5.4%.

A full copy of the CER Q1 2016 Energy Retail Market Report is available [here](http://www.cer.ie) on www.cer.ie.

The CER Commissioner with responsibility for the retail sector, **Aoife MacEvilly**, said: *“The recent series of price reductions by a number of suppliers is welcomed although we are still waiting for price announcements from some suppliers. Customers should check whether their own supplier has already lowered their prices and if not, remember that there has never been a better time for consumers to benefit from a competitive energy market. Active customers, who are willing to switch or negotiate with their suppliers are benefitting from significant savings through the discounted plans that are being offered in the open market.*

While switching levels of consumers remain amongst the highest in Europe, the CER is now able to monitor the rate of negotiations that customers are initiating with their existing supplier as it becomes a stronger indicator of activity within the retail market. Market share is vital for suppliers and the consumer can benefit from their suppliers own desire to retain customers rather than simply recruiting new customers through marketing efforts and discounted deals.

The CER is seeing that a high number of customers are actively engaging with their current suppliers to renegotiate and extract better value deals. While we may see future fluctuation in customer switching numbers due to greater numbers of renegotiation, this is a positive development for the Irish energy consumer.”

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Notes to Editors

**According to the ACER/CEER Market Monitoring Report which compared country data for 2014*

- The CER is Ireland's independent energy regulator with a wide range of economic, customer and safety functions. The CER is also the economic regulator of Ireland's public water system. The CER protects energy customers by working for a safe, secure and sustainable supply of electricity and natural gas, as well as a competitive market which delivers reasonable prices and a good quality service to customers. For further details please see www.cer.ie.
- It is the CER's statutory obligation to ensure a high standard of protection for energy customers. The [Supplier Handbook](#) sets out the minimum service levels that electricity and gas suppliers must provide to their customers. The CER has an important related function in customer protection by resolving complaints that customers have with an energy company - please see www.energycustomers.ie for further information.
- The CER has overseen the liberalisation of both the electricity and gas retail markets. With the continued development of competition, all electricity and gas markets have been price deregulated. Retail prices for all electricity customers were price deregulated by the CER by April 2011. Gas business prices were then price deregulated by the CER in October 2011, and domestic gas prices were deregulated in July 2014.
- The CER has accredits two price comparison websites, www.bonkers.ie and www.switcher.ie, to help customers easily compare the competing tariffs on offer from energy suppliers.