Covid-19 Impact on Retail Electricity and Gas Markets

The Covid-19 pandemic has impacted on the behavioural trends of energy customers in relation to how they engage with the marketplace and their consumption levels. The CRU Energy and Water Monitoring Report for the first Half (H1) of 2020 shows how this impact has been measured.

Switching

The total number of electricity customer switches in the first half of 2019 was 161,833, representing a 7% switching rate, compared to 137,860 customer switches in the first half of 2020, representing a 6% switching rate.

The number of electricity customer switches in H1 2020 was 14.8% lower compared to H1 2019.

The total number of gas customer switches in the first half of 2019 was 63,168, representing a 9% switching rate, compared to 51,201 customer switches in the first half of 2020, representing a 7% switching rate.

The number of gas customer switches in H1 2020 was 18.9% lower compared to H1 2019.

The number of electricity and gas switches in April 2020 reached the lowest level recorded since December 2013.

It is considered likely that the year-on-year reduction in switching numbers is at least in part related to the onset of the Covid-19 health emergency in Ireland in March 2020. Low levels of switching activity were observed in April, May and June 2020. The number of electricity and gas switches in April 2020 reached the lowest level recorded since December 2013 when there were 16,204 electricity switches (17,843 in April 2020) and 6,308 gas switches (6,141 in April 2020).

Electricity and Gas Consumption

Increase in domestic electricity consumption and decrease in small and medium business electricity consumption

It is considered likely that this is at least in part related to the onset of the Covid-19 health emergency in Ireland in March 2020, with people working and spending more time at home and businesses decreasing or suspending their activities for a period of time during H1 2020.

Decrease in gas consumption in the domestic and business segments

It is considered likely that this is at least in part related to the onset of the Covid-19 health emergency in Ireland in March 2020, with businesses decreasing or suspending their activities for a period of time. Better weather conditions are likely to have also contributed to the decreased consumption in all market segments.

Pay As You Go (PAYG) Meters

In H1 2020 there were 531 new installs of PAYG financial hardship meters in electricity and 86 in gas, which represent 0.03% and 0.01% of total domestic electricity and total domestic gas customers respectively.

There was a reduction in the installation of new financial hardship PAYG meters from H2 2019 of 43% in electricity and 47% in gas.

This reduction was affected by the suspension of most PAYG meter installations by ESBN and GNI during the Covid-19 lockdown period.

Non Payment of Account (NPA) Disconnections

NPA disconnections decreased by 67% in electricity and by 68% in gas in H1 2020 compared to H1 2019.

In H1 2020 there were 815 electricity and 302 gas NPA disconnections. This represents 0.03% electricity customers and 0.04% gas customers disconnected due to NPA, compared to 0.10% electricity customers and 0.13% gas customers disconnected in H1 2019. The decrease in the number of NPA disconnections in H1 2020 was largely due to the suspension of disconnections due to Covid-19, with no NPA disconnections carried out in Q2 2020.