



ENERGY PRICE OUTLOOK-2025

For the last couple of years the main concern for energy prices has been the Russian invasion of the Ukraine and the activities of China.

Our concern today is the UK Government's plans for Zero Carbon Electricity by 2030 (now revised down to 95% carbon free).

The UK currently relies on gas to generate electricity, often with over 60% of the electricity generated from that source at any particular time.

Whilst the Government's plans to increase wind generation will help when the wind blows, the Gas is needed when it doesn't. Having more wind generation only increases the problem when it doesn't.

The UK cannot currently move electricity from where it is generated to where it is needed. To rectify that will require a vast and expensive upgrade to the National Grid. Can that happen before 2030?



Department for
Energy Security
& Net Zero



At the time of writing (6th January 2025) over 10% of the UK's electricity consumption is from imports via Interconnectors (under sea cables). Russia has publicly threatened to sabotage undersea cables and pipelines. A report last month claimed China deliberately severed two critical cables in the Baltic Sea, and a cable between Finland and Estonia suffered damage on Christmas day.

Without gas to generate electricity and an alternative method of generation or storage we cannot at present see why the UK won't become more dependent on imports, with the obvious risks to supply and increased costs.



SCAM WARNING

We are aware of providers receiving calls that purport to be from their energy suppliers. The caller requests details of supply numbers (MPAN's & MPRN's) on the basis of a data breach/error.

These calls are collecting data for dodgy energy brokers to try and obtain your business .

As you can imagine any broker/advisor acting on this stolen data won't be acting in your best interests.

Energy suppliers will never ask for your supply data. If you are in any doubt ask the caller to call back in 5 minutes as you are busy, giving you time to do an internet search of the phone number they are calling from.

If you receive one of these calls please let us know the date, time, energy provider they are purporting to work for and the telephone number as we are collating this data for the Police and OFGEM

BESPOKE QUOTES —V— QUOTING PLATFORMS

Many brokers/advisors use quoting platforms to quote, they are quick and easy and give access to a large range of energy suppliers. The downside with platforms is that the same product direct from the energy supplier is often cheaper than platforms.

Focus obtain bespoke quotes 100% of the time. Every energy quote is based upon you being a care provider (who use more energy at night and weekends when the wholesale price is lower), you aren't grouped with hairdressers etc and placed in the personal services category of platforms.

Energy suppliers are rightly fussy about who they will deal directly with, as such many brokers/advisors only have access to platforms or 1 or 2 suppliers.

Brokers that fully understand the care sector and the energy market can reduce providers energy costs, reduce your administration burden and provide informed advice tailored to your particular needs.

Why not test your broker by asking :-

- 1) Roughly how much did wholesale gas prices rise 1st January 2024 to 31st December 2024— **Answer**— Just under 50%
- 2) Is a 30p a day standing charge better than £5.20 a day?—**Answer**- Impossible to answer as the rate for the £5.20 is likely to be a lot lower, with a lower overall annual cost.
- 3) Are energy prices likely to rise in 2025?—**Answer** nobody knows. An informed broker/ advisor that isn't commission orientated will advise you of the pros and cons of contracting at any particular time.
- 4) Do you check our bills without our requesting you to do so?—**Answer**-? (Focus do.)

DIFFERENT POSTCODE –DIFFERENT ELECTRICITY PRICE?

Government plans aim to triple offshore wind capacity, reaching up to 50 gigawatts by 2030. However, this rapid expansion is causing grid congestion, particularly in wind-rich regions, where generation is being curtailed because the power cannot be delivered to areas with higher demand.

To address this, an ongoing review of the electricity market could introduce regional zones within the UK, each with its own pricing based on supply, demand, and grid capacity. The review is expected to conclude in early 2025.

It would be fair to conclude from the above that areas with the highest demand could pay more. Unless an area is mostly industrial the highest demand will be areas with the largest population, thus the highest demand for care.

(50 gigawatts is more than the highest demand over the last 4 weeks and we assume the Government's figure is the maximum output for the proposed increase in wind turbines)

JANUARY GAS CONSUMPTION-BUDGET



At the time of writing (11am 7th January), considering the cold start to the year and predicted exceptionally cold days/nights this Wednesday and Thursday, we have revised our gas consumption usage prediction up by 13% higher than normal for homes with mains gas and homes with electricity only by 8%.

The change in normal usage will vary across the UK but overall gas bills reflecting January consumption will be higher across the whole of the UK, unless the rest of January is warmer than normal.

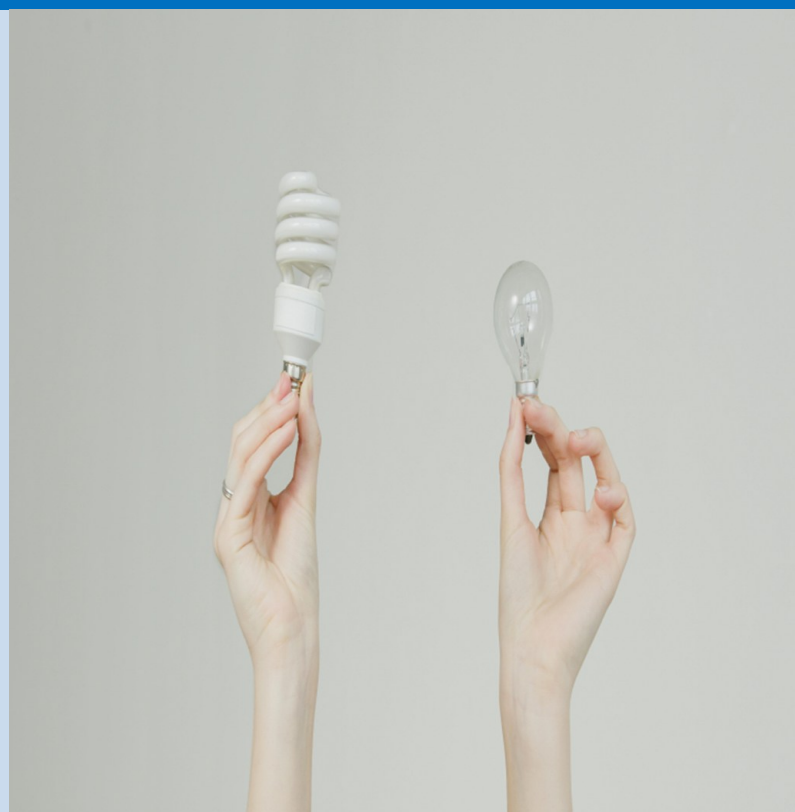
HOW MUCH DOES A LIGHT BULB COST?

A 100 Watt bulb left on 24/7 costs around 48p a day or £15 a month.

A 60 Watt bulb left on 24/7 costs around 29p a day or £9 a month.

With LED bulbs costing as little as £2, you can recover the cost of the bulb in as little as 4 days and then save £15 or £9 a month.

A good broker can reduce your costs at renewal, replacing bulbs can reduce your costs this week.



QUESTIONS FROM PROVIDERS

From DS West Midlands-We have bought a former care home and are making a number of alterations. Our builders need the electricity supply reconnecting soon, but we have no idea of the consumption.

Reply- With no accurate past consumption figures to go by, care must be taken that you don't enter a contract with large tolerance penalties (if you use less or more than the contract consumption), these can be as tight as under 90% or over 110%. Our advice is to obtain a short term contract to cover the period up to and just after residents move in, based on a small consumption and with a larger (75%-125%) tolerance penalty. This will enable a more informed estimate of consumption after you are up and running.

A good broker/advisor will be able to advise and arrange the above.

From M A London- Our electricity meter isn't a half hour meter, should we upgrade it and what should it cost?

Reply-Upgrading your meter will enable you to obtain a larger range of quotes-Day/Night, Day/Night/Weekend etc. These can be cheaper than a single rate meter, although some suppliers will still quote a single rate, which can be lower than a Day/Night quote etc.

An upgraded meter should also enable accurate meter readings, thus accurate bills.

Your energy supplier should offer the upgrade without charge, although it is essential that the engineer is aware in advance that the site is a care facility and turning off the electricity supply causes issues .

From D T. Devon

What is an AMR device?



Reply An AMR (Automated Meter Reading) device automatically collects data on energy consumption, diagnostics, and status from metering devices. This data is then transmitted to a central database for billing and analysis purposes. By automating the reading process, AMR eliminates the need for manual meter readings and avoids relying on estimates based on previous or predicted usage.

Are we eligible for an AMR device?

Reply AMR devices operate using SIM card technology, much like mobile phones, so any location with a reliable signal can typically support AMR installation.

If you have a question please send it to info@focusenergyservices.co.uk

Your questions are often the same as other providers, so asking and getting a response can answer many providers .

Our website www.focusenergyservices.co.uk has regular updates and testimonials.