

# Energy Industry - UK - 2022

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## This report looks at the following areas:

- Recent market developments
- The impact of surging wholesale costs on UK energy generators and suppliers
- Future energy mix and demand
- The UK's progress to transition to a cleaner energy mix
- Key developments in the retail energy market
- Consumer attitudes and behaviours towards suppliers and wider energy issues

Energy supplier switching rates have plummeted since the second half of 2021. Latest data by Ofgem shows that in May 2022, the total number of switches was down 83% relative to May 2021. Low switching rates are due to the current upheaval in the retail market leading to price-capped default tariffs becoming the cheapest deals available – removing the prime reason for many customers switching supplier.

Recent energy price increases, driven by global gas prices, are strongly impacting the UK operating environment. Whilst creating affordability challenges for customers and significant financial pressures on energy suppliers, the crisis has also triggered an unprecedented level of supplier exits. Wholesale costs are expected to remain elevated in 2023 and into 2024 which will pose continued financial challenges for suppliers and could put more firms at risk of collapse.

Soaring bills and a rise in supplier failures has reduced customer trust in energy suppliers. A key challenge for suppliers is therefore building trust and long-term relationships with customers, with this area requiring a great deal of attention.

Increased consumer awareness of their energy usage and climate change offers opportunities for suppliers to engage more with customers to help them live more sustainably in their homes and reduce their bills. This includes the



“Consumer interest in energy bills, as a result of rising prices and business failures and their increased awareness of their energy usage offers opportunities for suppliers to more actively engage with customers to help them lower their energy bills and carbon emissions. This includes the rollout of smart meters, installing energy efficiency measures and offering smart products, such as smart thermostats and more

dynamic time-of-use tariffs.”

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 Claudia Preedy, Senior B2B Analyst, August 2022  
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rollout of smart meters, installing energy efficiency measures and offering smart home products. Suppliers can also offer green technology solutions like heat pumps, EV charging, solar PV, or batteries in their homes. However, with upfront costs remaining a key barrier to homeowners adopting energy efficiency measures and green technologies, more attractive financing options are required to boost domestic green upgrades.

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- **Office of Gas and Electricity Markets (Ofgem)**
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- Renewable Energy Association
- Solar Trade Association
- Trade magazines
- Modern Power Systems
- Utility Week
- Energy Now
- Renewable Energy Focus
- Resource
- Smart Solar
- Wind Energy Network
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- Trade events
- All-Energy Exhibition & Conference
- RWM & Letsrecycle Live 2022
- Solar & Storage Live
- SPE Offshore Europe Conference and Exhibition

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