

11 August 2023

To: Angus MacNeil MP, Chair, Energy Security & Net Zero Committee Catherine McKinnell MP, Chair, Petitions Committee Rt Hon Sir Lindsay Hoyle MP, Speaker of the House of Commons

House of Commons Westminster London SW1A 0AA

Ministers must clarify statements relating to energy tariff reform

Dear Members of Parliament.

We urgently need to reform the way households pay for our energy and ensure that everyone can afford to use the energy they need.

This is especially important for older people, disabled, those with health conditions, families with young children, unpaid carers, those on lower incomes and fuel poor households. There are <u>various proposals for this reform</u> (often called a social tariff) which are supported by members of the End Fuel Poverty Coalition.

We are writing to you as the Coalition is concerned that the Government has abandoned its promises to consult on the introduction of such reforms.

On <u>18 January 2023</u>, the Prime Minister told the House of Commons that: "...we are also consulting on the best thing to do [on energy bills] going forward, including options... such as a social tariff, as part of our wider reforms of the retail energy market."

On <u>25 January 2023</u>, the Minister for Energy stated to the House, in relation to energy bills, that: "We have said that we will look at a social tariff and at how vulnerable people are looked after, but we have to look at it in a considered manner."

On <u>18 April 2023</u>, the Secretary of State for Energy Security and Net Zero told the House that: "We do think that things like a social tariff could be very helpful..." when the Energy Price Guarantee ends in April 2024.

On 11 May 2023, the Government <u>responded to petition 624795</u> "Introduce an unmetered monthly tariff for energy for the elderly and disabled" to state:

"The Government is considering potential approaches to consumer energy protection post-April 2024. The Government intends to consult on options in summer 2023...

"Government officials are considering potential options, including discounted tariffs, for a new approach to consumer protection in energy markets that will apply from April 2024 as part of wider retail market reforms. As part of this work, the Government is working with disability organisations, assessing the need for specific support for vulnerable people."

This was consistent with the <u>2022 Autumn Statement</u> where the UK Government said that it will "develop a new approach to consumer protection in energy markets, which will apply from April 2024 onwards", and that "it will work with consumer groups and industry to consider the best approach, including options such as social tariffs, as part of wider retail market reforms."

As recently as <u>12 July 2023</u>, the Deputy Prime Minister told the House: "As my right hon. Friend the Chancellor set out in his autumn statement, we are exploring the best approach to consumer protection from April 2024 as part of wider retail market reforms."

Sadly - and very suddenly - the Government appears to have abandoned the promises it made to Parliament.

In the recent policy paper (published 12 days after the Deputy Prime Minister's statement) "Delivering a Better Retail Energy Market", there is no mention of social tariffs or the introduction of discounted tariffs for the most vulnerable.

While there are some references to vulnerability and tariff innovation in the recently published consultation "<u>Towards a more innovative energy retail market</u>", there is no mention about how the retail market needs to be reformed to provide vulnerable households with access to the energy they need and additional protections they may need in a market-led approach to energy supply.

We would urge you to write to the Secretary of State for an undertaking that the introduction of a form of "social tariff" from April 2024 (or alternative consumer protection for vulnerable customers, such as "energy for all"), will be considered by the Government as a matter of urgency.

The End Fuel Poverty Coalition has set out the main options the Government should consider online: https://www.endfuelpoverty.org.uk/what-next-for-energy-bills

Should you wish to discuss this matter further, please contact the coordinator of the End Fuel Poverty Coalition Simon Francis on 07738487259 / simon.francis@campaigncollective.org.

Yours sincerely,

The End Fuel Poverty Coalition

The Coalition is a broad group of over 70 anti-poverty, environmental and health campaigners, local authorities, trade unions and consumer organisations. For more information visit: https://www.endfuelpoverty.org.uk/who-we-are/

Copied to the offices of: the Prime Minister, the Secretary of State for Energy Security and Net Zero, the Minister for Energy, Ed Miliband MP (Shadow Secretary of State for Energy Security and Net Zero), Alan Brown MP (SNP Spokesperson for Energy Security and Net Zero), Wera Hobhouse MP (Liberal Democrat Spokesperson for Energy Security and Net Zero), Alan Whitehead MP, Dan Carden MP, Kenny MacAskill MP.