



17 March 2026

2026 EMERGENCY ENERGY SUPPORT - POLICY PROPOSAL

Energy prices look set to remain highly volatile due to continued geopolitical instability in global fossil fuel markets.

The current gas and oil price crisis builds on five years of the cost of living crisis, with energy debt at record levels and households unable to afford relatively high energy prices.

We appreciate the work the Government already has underway on the Warm Homes Plan and Clean Power Plan as part of the long term solution to high energy bills, although much more must be done to reduce the price of electricity. Ministers are right that, in the long term, energy security and bill reductions can best be achieved by decarbonising heat and electricity.

In the short term, however, customers remain exposed to high energy prices arising from our reliance on global fossil fuels and need immediate help.

Even with other measures taken by the Government, including the launch of the Crisis Resilience Fund (CRF) in England and the £53 million to help people pay for the rising cost of heating oil, this will not be sufficient to support households facing a renewed energy price spike.

While the Ofgem price cap is set to fall from April 2026, rising wholesale gas prices mean bills could increase sharply again from 1 July, with early projections suggesting increases of around £300 and potentially higher or for longer if current trends continue.

At this level, we estimate that c.13m households will be paying more than 10% of their income on energy costs and c.5m households spending more than 20%. Should energy bills increase further, then even more households will be affected.

Of course, some households are already experiencing the crisis. In particular, off-gas households relying on heating oil are seeing refill prices increase rapidly, with reports of costs doubling in recent weeks. LPG customers are equally vulnerable to price rises. Heat network customers will be the next to feel the pressure as some network operators will have to sign up to contracts at current prices as existing deals expire.

The Government should therefore establish a prepared emergency energy support framework that can protect households now, respond quickly if prices increase from July and be ready to support UK households through the winter. Without preparation, price spikes risk creating another wave of fuel poverty, debt and self-disconnection.

The response should prioritise targeted support for those most exposed to the impact of unaffordable energy costs, while retaining the ability to expand support more widely if the crisis deepens.

What Government Should Do

Immediate action (spring/summer 2026)

1. Introduce (a) an Alternative Fuel Support Scheme for off-gas-grid households across the UK experiencing immediate price spikes and (b) support for heat network customers who will be the next to face immediate issues with costs
2. Prepare a targeted unit-rate reduction for those that need help the most on energy bills in GB from 1 July if price cap increases materialise.
3. Expand the proposed Debt Relief Scheme and prioritise roll out of existing plans.

Support during winter 2026

4. Expand and reform the Warm Home Discount for GB Households to provide deeper and more flexible support.
5. Reform Cold Weather Payments in England and Wales so support reaches vulnerable households more effectively.

Contingency if the crisis escalates

6. Prepare a scalable universal support mechanism for GB households that can be activated quickly if prices spike further.

Lessons from the Last Energy Crisis

Our recommendations are built on learnings from the previous Government's response during the Ukraine energy crisis and how our members observed this working in practice.

Speed matters

Universal schemes such as the Energy Bills Support Scheme and Energy Price Guarantee were deployed quickly and provided immediate relief. However, schemes that relied on complex and inaccessible administration or applications, reached people much more slowly. Support for alternative fuels and heat networks arrived after households had already faced high costs, forcing many into debt.

Targeting matters

Universal schemes were extremely expensive and provided large amounts of support to households who did not need it. Future schemes should prioritise support for those most exposed to energy costs, while retaining flexibility to expand if necessary. The current crisis should be a reminder to speed up the process of improving data matching. We know some groups are already at crisis point, particularly:

- Households using heating oil and other off-gas fuels
- Households on heat networks
- Households relying on electric heating
- Households already in energy debt
- Low-income households with high energy needs, e.g. those with disabilities or health conditions.
- Unpaid carers

Delivery mechanisms matter

Some households were poorly served by the last set of support measures, particularly:

- Electric only and off-gas households
- Heat network customers
- Households without a direct supplier relationship
 - Park home and other communal electricity residents
 - People in temporary accommodation
 - Tenants where landlords were account holders
- Households with older prepayment meters.

Future schemes must ensure equivalent support for these groups.

Detail on the measures we propose

The below measures should be in addition to the wider investment in longer term solutions to fuel poverty and our separate recommendations about further development of the Warm Homes Plan.

1a. Alternative Fuel Support Scheme (Immediate Action)

We acknowledge the initial support package announced for heating oil households on 16 March 2026. But this can only be a first step and it does not help those on non-domestic supply contracts, such as park home residents.

To help with costs now, a new Alternative Fuel Support Scheme should also be introduced.

The key principles of this scheme are to provide:

- Support delivered before winter and before refill demand peaks
- Automatic payments where possible
- Support reflecting actual price increases

Possible design

- Payment triggered now with scope for a future payment in the autumn if prices stay high
- Delivered through existing government datasets and supplier records
- Larger and more timely payments than the previous £200 Alternative Fuel Payment.

Non-financial interventions should be introduced without delay, such as enforcing a reduction in the minimum purchase amount and establishing a system to prioritise getting oil to the most vulnerable people in case of future supply challenges.

This scheme would help households experiencing immediate price shocks while broader support mechanisms are prepared. Longer term, the Government must introduce a price cap regime for heating oil to limit profits of suppliers, better regulation of the sector and look at prioritising heating oil households for support through the Warm Homes Plan.

1b. Heat network support (Immediate Action)

Heat networks procure energy on the non-price capped commercial energy markets, which are already around 70% higher than a month ago. Heat networks with annual gas contracts

ending soon could imminently see a massive jump in customer heat prices locked-in for the next 12-months. A new support mechanism therefore cannot wait until July.

This support mechanism could be built on the previous ‘Qualified Heat Supplier’ regime under the Energy Bill Discount Scheme (EBDS) that ran from April 2023 to March 2024.

2. Targeted Energy Bill Support (from 1 July, Great Britain)

If the July price cap rises significantly, the Government should introduce a targeted unit-rate reduction on energy bills (see section below for targeting recommendations). This could be implemented through a modified Energy Price Guarantee-style mechanism.

Key features

- Reduction applied to unit rates of electricity and gas
- Larger reductions for high dependency targeted households

Delivering support through energy bills ensures help is closely aligned with fuel poverty and energy affordability.

3. Write off energy debt (Great Britain)

Any emergency support package should also address the legacy of energy debt from the last crisis, which continues to affect millions of households. Energy debt remains a major driver of fuel poverty, with many households repaying small weekly amounts against large balances while still struggling with ongoing bills. Without intervention, any new price spike will simply deepen this debt spiral.

The Government and Ofgem should therefore accelerate the introduction of a comprehensive energy debt relief scheme, combining targeted debt write-off for the most vulnerable households with matched repayment support for others.

The government should extend its energy debt relief scheme to heat network customer debt, which is currently excluded. Heat network customers faced higher bills and less generous support mechanisms during the energy crisis and now face worse consequences for debt, including potential for eviction.

A further “one off” reset of energy debt would make a major contribution to stabilising household energy finances, the wider economy and reducing the risk of widespread self-disconnection and long-term financial hardship.

4. Expanded Warm Home Discount (Winter 2026/7 onwards, Great Britain)

The Warm Home Discount is the most established mechanism for targeted energy support but its value and coverage are currently insufficient.

Reforms should include:

- Increased payment value (which has failed to keep up with rising energy costs).
- Expanded eligibility to include those on non-means tested benefits.

- This could also pose an opportunity to trial an easy online application route for people on low incomes and could form a stop gap until comprehensive data matching arrangements are in place (as being examined by the DSIT kickstarter project).
- Linked to an online application (or separately if needed for speed), a referral route must be created for health, energy advice, debt advice and social work professionals to recommend recipients.
- Expansion of the Park Homes Warm Home Discount scheme to other households without a direct relationship to an electricity supplier, such as households on communal electricity, private wire networks and boating communities.
- Introduction of tiered support levels for households with higher energy needs or exposure to higher costs (e.g. electricity only homes).
- Better use of existing datasets to identify vulnerable households automatically. As a pragmatic first step in an emergency, Universal Credit data could be used as it enables further targeting (e.g. those with young children, certain health conditions) for tiering purposes.
- Funding for this extension to be via general taxation or industry contributions and NOT via adding further costs to energy bills.

5. Reformed Cold Weather Payments (England & Wales)

Cold Weather Payments should also be strengthened to provide better protection during winter price spikes. The key reforms here should be to 1) ensure payments are made to households before the period of cold weather begins, not afterwards, and 2) to change the temperature trigger system to ensure support is issued to households when the Met Office predicts that the following day's average temperature will fall below an agreed threshold.

The Government should also look to increase payment values and improve eligibility to capture more vulnerable households if necessary.

Ministers must also work with the devolved governments to maximise outcomes for all UK residents and ensure Scottish, Welsh and Northern Irish ministers have plans in place to respond with support during extreme weather events over the winter months.

6. Scalable universal support (from 1 October 2026, UK wide where possible)

As an immediate first step at this point, the Government could provide rapid support by moving more costs from electricity bills and into general taxation and by removing VAT from all domestic energy costs.

Ministers should also prepare a scalable universal support mechanism that can be activated quickly if wholesale prices spike further or if the crisis spreads.

During the last energy crisis, schemes such as the Energy Price Guarantee were deployed rapidly and helped stabilise bills, but they were introduced reactively and at significant cost. A future mechanism should therefore be designed in advance, with clear triggers linked to wholesale gas prices or projected price cap increases, so it can be activated without delay if conditions worsen.

The scheme should focus on reducing unit rates for electricity and gas, ensuring immediate bill relief while retaining the option to layer additional targeted support for households most at risk of fuel poverty. Preparing such a mechanism now would ensure the Government is not forced to improvise again during a crisis and would provide reassurance that households will be protected if energy markets deteriorate further.

Who Should Be Targeted

Targeted support (from 1 July 2026 and for the expansion of Warm Home Discount) should prioritise households with low incomes and high energy needs.

It is not possible to identify everyone who needs to receive support automatically and therefore there needs to be a manual route as well. The data sources below should be augmented by an application route for those on low incomes and a referral route for health, social work and energy advice professionals to recommend support for households they work with.

There are several groups that can already be identified to ensure support can reach them using existing government and supplier datasets:

- Low-income households
 - Data sources:
 - Universal Credit
 - Legacy means-tested benefits
 - Bereavement Support Payment
 - Previous recipients of ECO-measures
 - HMRC income data (potential future use)
 - Pension Credit
 - Supplier indicators:
 - Arrears and energy debt
 - Prepayment meter status
 - Self-disconnection.
- Disabled households and households with medical needs
 - Relevant datasets include:
 - Personal Independence Payment
 - Disability Living Allowance
 - Attendance Allowance.
 - Additional identification possible via the most appropriate classifications within Energy Suppliers Priority Services Registers.
 - NHS “Special Medical Equipment at Home” lists
 - Disabled Facilities Grant (DFG) records.
 - Council Tax Reduction (CTR) data
- Carers
 - Carer’s Allowance provides a clear dataset for identifying households with reduced earning potential due to caring responsibilities.
- Low energy efficiency homes
 - Relevant data sources include:
 - Warm Home Discount Higher Cost Targeting
 - EPC data

- Fuel poverty datasets
 - Smart meter usage data.
- Off-gas households
 - Suppliers already hold data identifying households not connected to the gas grid, including those previously eligible for off-gas crisis payments.
- Households in energy debt
 - Supplier data on arrears and repayment plans can be used to identify households under acute pressure.

Funding

Emergency support should primarily be funded through general government spending, recognising that stabilising energy costs helps prevent wider economic harm. It should not come at the expense of spending on longer-term measures to decarbonise our energy supplies, improve energy efficiency (i.e. Warm Homes Plan), reform electricity pricing or investment in the energy grid.

The Energy Profits Levy and excess profits made by other parts of the energy industry (transmission and distribution networks, market traders, supply chains) should be examined to ensure maximum taxation revenue is extracted from those profiting from energy price volatility.

Reducing energy price spikes helps:

- Limit inflation
- Reduce pressure on household finances
- Prevent worsening fuel poverty
- Reduce health impacts associated with cold homes.

We would be happy to meet with Ministers, officials, industry and other politicians to discuss these proposals.

About the End Fuel Poverty Coalition

The End Fuel Poverty Coalition is a [broad coalition of more than 100 anti-poverty, health, housing and environmental campaigners, charities, local authorities, trade unions and consumer organisations](#). It is also supported by academics, social enterprises and those working on the front line of fighting fuel poverty.

We believe that everybody has the right to a warm, dry home that they can afford to heat and power.

Members of the Coalition include: [Act on Energy](#), [Action with Communities in Rural England \(ACRE\)](#), [Age UK](#), [Anti-Austerity Action Group](#), [Association of Local Energy Officers](#), [Association for Decentralised Energy](#), [Asthma + Lung UK](#), [Basingstoke & Deane Borough Council](#), [Beat the Cold](#), Bruton Town Council, [Camden Federation of Private Tenants](#), [Carers Trust](#), [Child Poverty Action Group](#), Church Poverty Action, [Chartered Institute of Environmental Health](#), [Chartered Institute of Housing](#), [Community Action Northumberland](#), [Centre for Sustainable Energy](#), Citizens Advice Newcastle, [Climate Action Network West Midlands](#), Cyngor Gwynedd, [Debt Justice](#), [Disability Poverty Campaign Group](#), [Disability](#)

[Rights UK](#), [E3G](#), East Durham Trust, EBICO, Energise East Sussex, [Energise Sussex Coast](#), Energy Advice Helpline, Energy Cities, [Epilepsy Action](#), [Exeter Community Energy](#) (ECO), Fair Energy Campaign, [Fair By Design](#), Fairer Housing, [Fuel Poverty Action](#), Fuel Poverty Research Network, [Generation Rent](#), [Green Alliance](#), [Groundwork](#), Hackney Foodbank, [Heat Trust](#), the [HEET project](#), [Independent Age](#), [Independent Food Aid Network](#), [Inner City Life](#), [Joseph Rowntree Foundation](#), [Lambeth Pensioners Action Group](#), Living Rent, [Local Storytelling Exchange](#), [London Borough of Camden](#), London Borough of Lewisham, [Marches Energy Agency](#), [Marie Curie](#), [MCS Foundation](#), [Mencap](#), [Mayor of London](#), [MECC Trust](#), MND Association, Moorland Climate Action, [National Pensioners Convention](#), [Students Organising for Sustainability](#), National Children's Bureau, [National Energy Action](#), [New Economics Foundation](#), National Federation of Women's Institutes, [Northern Health Services Alliance](#), [Oxford City Council](#), [Positive Money Tower Hamlets](#), [Possible](#), [Plymouth Energy Community](#), Redcar & Cleveland Council, [Repowering London](#), Retrofit Bruton, [Rossendale Valley Energy](#), [Ryecroft Community Hub](#), [Save the Children](#), [Sense](#), [Severn Wye](#), [Scope](#), [Social Workers Union](#), [South Dartmoor Community Energy](#), [South East London Community Energy \(SELCE\)](#), [Southwark Group of Tenants Organisations](#), [South West London Law Centres](#), [Tamar Energy Community](#), [Thinking Works](#), Uplift, [UNISON](#), [Warm & Well in Merton](#), [Winter Warmth Network](#), [Young Lives vs Cancer](#), Village Larder (Cumbria), [Voluntary Organisations Disability Group \(VODG\)](#), [361 Energy](#).

The Coalition is also part of the [End Child Poverty Coalition](#), the Essential Services Advisory Network and the [Renters Reform Coalition](#). We work closely with [Energy Action Scotland](#), [NEA Wales](#) and the [Fuel Poverty NI coalition](#). The coordination for the [End Fuel Poverty Coalition](#) is provided by social enterprise [Campaign Collective](#).

Academics involved in the Coalition include those from the Universities of Bangor, Birmingham, Edinburgh, Exeter, Leeds, Leicester, Oxford, Strathclyde, Sussex, Worcester and York.

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