

Warm This Winter

Warm This Winter: Energy Bill briefing Lords Committee Day 1

September 2022

Summary:

- Warm This Winter is **a new national campaign coalition supported by over 40 leading anti-poverty and environmental organisations**. Warm this Winter is demanding that the government provides more emergency support for people struggling with energy bills this winter and a coherent plan to move the UK away from volatile fossil fuels, through investing in a national rollout of home insulation and affordable renewables to ensure bills stay lower in future.
- Given the infrequency of primary legislation on energy, the government must seize the opportunity provided by the Energy Bill to ensure that the UK invests in cheap, clean renewable energy and people are kept warm this winter and beyond.
- The Energy Bill will be one of the few opportunities that Parliament has in the near future to provide a robust legislative framework to alleviate the cost-of-living crisis that is affecting UK citizens, and which may well worsen over the coming years.
- As a coalition of leading anti-poverty and environmental organisations, we have identified four priority areas on which the bill is currently deficient and must be amended:
 1. Catalysing decarbonisation of the power sector
 2. Addressing the energy efficiency gap in the bill
 3. Giving Ofgem a net zero duty
 4. Providing a social tariff for energy

1. Catalysing decarbonisation of the power sector

A zero carbon electricity system can be [19 per cent cheaper](#) than a gas based system even according to calculations done before the spiralling gas price rises seen since late 2021. [UK gas power is currently, per MWh, around nine times more expensive than new renewables power](#). Driving down energy costs therefore means we need more cheap clean power. The Energy Bill is an opportunity to support at least a tripling of renewables by 2030, end our reliance on costly gas that is causing today's high energy bills, and provide a route to market for newer sources of zero carbon electricity such as long duration energy storage.

There is unlikely to be another opportunity to use law to drive near-term action to decarbonise the electricity system and bring down energy bills.

The bill must therefore be amended to catalyse a significant step on the path to decarbonising the electricity system. This could be done, for example, by amending Clause 129 to commit the government to a 95 per cent zero carbon power sector by 2030 and 100 per cent zero carbon by 2035.

The bill should also be amended to commit the government to reforming the capacity market to ensure the capacity procured to balance the electricity system has a rising share of zero carbon flexible and firm power that is consistent with achieving a zero carbon power system by 2035. **Amendment 233** provides a useful starting point to probe the government on this important issue.

2. Addressing the energy efficiency gap in the bill

The omission of substantive energy efficiency provisions from the Energy Bill is a major oversight and is deeply concerning given the crucial link between improved energy efficiency, reduction in emissions, and reduced energy bills, including for the most fuel poor and vulnerable households. **The government must therefore address this fundamental deficiency in the bill at the earliest opportunity.** The bill must provide a legal underpinning to deliver improvements to the energy performance of privately rented premises, social housing, non-domestic premises, and the homes of those in fuel poverty by 2030 or before, in line with government ambition.

Using energy more efficiently and retrofitting homes to stem energy waste will significantly help reduce energy bills. Delivering energy efficiency in homes is one of the few near-term actions that can be taken to reduce dependence on gas and so keep the shocking energy bill increases under some kind of control. These proposals would provide a framework for a long term goal but also the necessary immediate action. Without decisive action on housing and buildings, there is no plausible path to achieving the Climate Change Committee's [fifth carbon budget](#).

Energy efficiency targets for privately rented premises, social housing, non-domestic premises and crucially for those in fuel poverty must be set out in the bill. While there are different ways in which this might be achieved, as reflected for example in **Amendments 192 and 196**, our preference would be for the following energy efficiency targets to be included in the bill:

- EPC C for privately rented premises by 2028
- EPC C for social housing by 2028
- EPC B for non-domestic premises by 2030
- EPC C for the homes of those in fuel poverty by 2030

3. Giving Ofgem a net zero duty

The bill must give the Gas and Electricity Markets Authority (Ofgem) a net zero duty to ensure the networks and infrastructure required for a decarbonised electricity system are built at sufficient scale and speed, so as not to slow the rate of progress in decarbonising the electricity system. The UK needs the infrastructure in place (such as a co-ordinated offshore grid) to ensure that the increase in electricity generation can be delivered, and flow

easily to meet the increase in electricity demand, including from electric vehicles and heat pumps. We welcome **Amendment 228** which would place on a duty on Ofgem to assist in the delivery of Net Zero.

4. Providing a social tariff for energy

The government must take the opportunity to provide a **below market-rate ‘social tariff’ for low-income households**, in addition to the price cap. As a minimum, the four million prepayment meter customers currently paying more than direct debit customers must be included in a ‘social tariff’. The tariff should provide additional protection to the cap and be mandated across all suppliers for consistency. Those deemed eligible should be auto-enrolled using data-matching from recipients of means tested benefits and those that use prepayment meters.

We support **Amendment 159** which would give the Secretary of State the power to introduce a social tariff for energy and place a duty on the UK Government to prepare a plan for the introduction of such a tariff.

Warm This Winter is a new campaign uniting poverty and environmental charities, working with:

End Fuel Poverty Coalition, The Climate Coalition, CPRE The countryside charity, Save the Children, WWF UK, RSPB, The Wildlife Trusts, Oxfam GB, Fuel Poverty Action, Fair Energy Campaign, Possible, Ashden, New Economics Foundation, Uplift, Northern Housing Consortium, Women’s Institutes, Hope Valley Climate Action, Client Earth, Chartered Institute of Housing, Greenpeace UK, Global Action Plan, Green Alliance, Friends of the Earth England, Wales and Northern Ireland, 350.org, New Economy Organisers, 38 Degrees, Climate Cymru, Action with Communities in Rural England.

For further details please contact:

Florence Boyd, political adviser, Green Alliance
07545149950, fboyd@green-alliance.org.uk