



Department
for Work &
Pensions

Minister for Work and
Pensions (Lords)
4th Floor
Caxton House
Tothill Street
LONDON
SW1H 9DA

0207 340 4000

www.gov.uk/dwp

ministers@dwp.gsi.gov.uk

The Rt Hon. the Lord Howell of Guildford
House of Lords

19th March 2020

Dear Lord Howell of Guildford,

Following Baroness Lister's Oral Question in the House of Lords on the 10th March 2020, I promised that I would write to you to clarify the questions that you raised regarding energy prices.

According to statistics published by the Department for Business, Energy & Industrial Strategy (BEIS), the average household energy bill fell by 14% in real terms between 2010 and 2018 thanks to improved energy efficiency measures, such as better insulated homes and more efficient appliances.

Thanks to these measures and other Government energy and environmental policies, UK households consume less energy than they otherwise would and have access to a secure, clean supply of electricity, which helps to support our nation's vital decarbonisation goals.

The UK continues to have some of the lowest domestic gas prices compared to EU member states. For the period January to June 2019, the UK had the 2nd lowest gas price, 31% below the median price, whilst our domestic electricity prices matched the median price of EU members.

An individual household's bill will vary significantly depending on how much energy the household consumes, the energy efficiency of the property and the type of energy tariff the household is on or whether they have recently switched supplier.

The Government introduced the Price Cap to protect consumers on variable and default tariffs, with the measure saving consumers an average of £75-100 per year. Ofgem, the GB energy regulator and administrator of the Price Cap, has reduced its level at the last two updates to reflect lower wholesale prices.

This Government also continues to provide support to low income and vulnerable consumers. This includes over 2 million low income and vulnerable households receiving a £140 rebate off their winter energy bill through the Warm Home Discount. All pensioner aged households receive an annual payment of £300-£400 through the Winter Fuel Payments and additional Cold Weather Payments are provided during periods of cold weather.

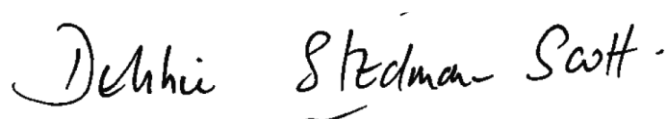
In addition to this financial support Government has policies in place to improve the energy performance of homes which reduces energy costs for households, alleviating fuel poverty in a sustainable way. The key policy for upgrading homes across Great Britain is the Energy Company Obligation which since 2018 has been entirely focused on upgrading the energy performance of low income and vulnerable households.

The Government understands that Covid-19 presents a particularly difficult time for the nation and businesses, and this includes energy consumers and energy suppliers. We are working with stakeholders from across the market to ensure that the industry works hard to identify and prioritise the needs of household consumers who are vulnerable or at risk.

To this end we have secured industry-wide agreement with suppliers on a number of principles designed to ensure this support is in place. This includes principles for supporting indebted consumers and those on pre-payment meters. The Government and Ofgem will continue to closely monitor the situation and work with industry to protect consumers.

I have copied this letter to Baroness Lister of Burtersett, and a copy of this letter has been placed in the House Library.

Yours sincerely,

A handwritten signature in black ink that reads "Debbie Stedman-Scott". The signature is written in a cursive style with a horizontal line under the name "Stedman-Scott".

**BARONESS STEDMAN-SCOTT
MINISTER FOR WORK AND PENSIONS (LORDS)**