

Rt Hon Rishi Sunak MP
House of Commons
London
SW1A 0AA

18 March 2022

Dear Chancellor,

1st April represents a cliff edge for many households. We know that many people are already having to make the devastating choice between heating and eating, and the energy price cap rise of nearly £700 will severely worsen the cost of living crisis.

We welcome the measures you have already put in place to try and mitigate this rise, such as the council tax rebate. However, we are greatly concerned that they alone do not go far enough to address a severe increase in energy bill costs, especially when other inflationary pressures are also considered.

The measures also do not tackle the fundamental cause of the energy price rise: fossil gas. While it is imperative that you provide immediate respite to the cost of living crisis, it is clear that, unless the UK's reliance on foreign fossil fuels is greatly reduced, households will continue to be at threat from volatile gas prices.

Alongside a greater deployment of renewable and clean technologies, we urge you to implement the following measures in advance of the April's energy price cap increase:

- Move 'green' levies into general taxation – *it is crucial that this is ring fenced at an equivalent value;*
- Suspend VAT on energy bills – *saving households £100 this year;*
- Expand eligibility and increase value of Warm Homes Discount – *ensuring additional support for nine million households as fuel poverty increases;*
- Remove VAT on all domestic renewable and clean technology – *reducing costs and helping households, landlords and local authorities move away from fossil fuels;*
- Establish an effective home insulation scheme – *ensure all houses to be EPC rating C at a minimum, where technically feasible, by 2024/25;*
- Deliver an ambitious domestic heat decarbonisation policy - *expand the Boiler Upgrade Scheme to cover the installation of millions of low carbon heating devices.*

By adopting these measures and providing the required investment to the relevant Government departments, you will help mitigate against an overnight rise in energy bills, while delivering a catalyst for a sustainable, cost-effective energy future. We are ready to play our part in delivering the renewable energy and clean technology solutions that homes in the UK desperately need. We urge you to act now and pull millions of households back from the cliff edge.

Yours sincerely,

Dr Nina Skorupska CBE FEI,
Chief Executive, REA

Steve Bratt,
Group Chief Executive Officer, ECA



Dr Howard Porter, CEO, BEAMA

David Frise, CEO, BESA

Julia Evans, CEO, BSRIA

Gareth Williams, Managing Director, Caplor

Alasdair Peppe, Director, Dunster

Darren Williams, Chief Executive, Eco2 Ltd

Asif Rehmanwala, CEO, Ecotricity

Tessa Ogle, CEO, Electrical Industries Charity

Jo-Jo Hubbard, CEO, Electron

Stew Horne, Head of Policy, Energy Saving Trust

Chris Yates, Managing Director, FETA

Simon Heyes, CEO, Flexitricity

Giles Gibbons, Founder, Good Business

Nigel Pocklington, CEO, Good Energy

Dominic Schofield, Managing Director, Mint Green Sustainability

Martin Wright, Chief Executive, Minus 7

Rachel Fletcher, Director of Regulation and Economics, Octopus Energy

Joe Warren, CEO, Powervault Limited

Virginia Graham, CEO, REAL

Neil Harrison, Director, Reheat

Charles Perry, Partner, RISE

Alan Wilson, Managing Director, SELECT

Chris Hewett, Chief Executive, Solar Energy UK