

DANIEL KAWCZYNSKI MP



HOUSE OF COMMONS
LONDON SW1A 0AA

4 April 2023

Dear Constituent

Warm This Winter

Thank you for contacting me about the rising cost of living and the Warm This Winter campaign.

I understand anxiety over rising prices and inflation. Covid-19 and Putin's war in Ukraine have caused immense challenges for our country, with energy prices rising and families facing significant cost-of-living pressures.

The Government has taken decisive action and put in place policies to help those most in need. I welcome the Government's continued action on energy bills: the Energy Price Guarantee will be maintained at £2,500 until June 2023, saving the average household £160 for this period. This measure will support households through spring while energy costs remain high and until the effects of reduced wholesale prices are expected to feed through into lower household bills later this year. Taken together, the Government is subsidising around half of household energy bills.

Moreover, at the Autumn Statement 2022, the Government announced substantial support for the most vulnerable for 2023/24, including £300 cost-of-living payments for pensioners, £150 for people on disability benefits, and £900 for people on means-tested benefits. The Government is also providing £1 billion of extra funding by extending the Household Support Fund to March 2024, bringing the total of the fund to £2.5 billion. Furthermore, the Government provides support to households to improve their energy efficiency: the Social Housing Decarbonisation Fund, Home Upgrade Grant, and Local Authority Delivery schemes will deliver energy efficiency upgrades to around half a million homes. The Energy Company Obligation (ECO) has also been extended until March 2026 at an increased value of £1 billion per year. While I am glad that the UK's renewable capacity is up 500 per cent since 2010, the Government aims to accelerate renewables with annual Contract for Difference auctions. The more cheap, clean power we generate here in the UK, the less exposed we will be to global gas markets.

The recently introduced Energy Prices Act 2022 includes powers to address the link between high global gas prices and the cost of low-carbon electricity, allowing consumers to benefit from the 'green dividend' of low-priced clean energy. The Government has also launched the Review of Electricity Market Arrangements. It considers a range of enduring reforms, including: increasing investment in low-carbon capacity; making gas-fired generation the price-setter for electricity less often; and reforms to the wholesale market so that volatile gas prices do not set the price of cheaper renewables, with the intended effect of decoupling gas and electricity prices.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'DK', followed by a horizontal line.

Daniel Kawczynski MP
Member of Parliament for Shrewsbury & Atcham