

The Rt. Hon Liz Truss MP
The Prime Minister
10 Downing Street
London, SW1A 2AA

7th September 2022

Dear Prime Minister,

Congratulations on your election as Conservative Party Leader and appointment as Prime Minister. We wish you every success.

We are a group of leading charities, businesses and thought leaders in the energy, fuel poverty and energy efficiency space. Our core focus is on reducing the energy costs faced by households.

During the leadership campaign, the notion that green levies also include fuel poverty measures was touted by some media outlets. Whilst we expect the UK's flagship scheme to tackle fuel poverty, the Energy Company Obligation (ECO), was not intended to be included, we would like to take this opportunity to set out its importance.

We wholeheartedly support a package of support to tackle the energy crisis. National Energy Action research finds that from October upwards of 8.8 million UK households could be in fuel poverty. It is clear that action needs to be taken. However, this package needs to be targeted and the substantial benefits from ECO, which keeps homes warm and energy bills down for many of those most in need should be recognised.

ECO has been a Conservative Party policy success - delivering 3.1m insulation, heating and other measures to over 2.3m vulnerable and older households in the UK. It is integral to tackling fuel poverty and reducing energy bills, delivering average savings of £290 per annum for each household. For some older households, the savings have been even greater, delivering a reduction of up to 50% on energy bills. With the recent energy prices, the actual savings are even higher.

The cost of ECO amounts to less than 52p a week to energy bills. Yet, it provides crucial help for the most vulnerable in our society. Suspending ECO would bring few benefits but create substantial hardships for older households and the most vulnerable.

Additionally, ECO directly supports the Government's levelling up agenda by targeting regional fuel poverty gaps, particularly in the 'red wall'. Regional disparities in fuel poverty rates mean that introducing a moratorium would disproportionately impact the North of England. The Government's Committee on Fuel Poverty identifies ECO as an important part of levelling up. Pausing the very scheme designed to tackle the fuel poverty gap would directly impact the Government's work to level up the UK.

We wholeheartedly agree with your assertion that increasing the amount of renewable energy in the UK's mix is a critical long-term response. However, demand-side solutions are a vital part of the puzzle. It would be a mistake to disregard the role they play in supporting fuel poor households. To reduce or scale back ECO would be short-termist and a backward step that would leave the poorest even more exposed to high energy bills.

ECO is supported by the UK's leading fuel poverty charities, and we hope the government will continue to support it in line with the commitments made in the 2019 Conservative Party manifesto.

Yours sincerely,

- Adecoe
- Age UK
- Association for Decentralised Energy (ADE)
- Association of Charitable Organisations
- Cenergist
- Centre for Sustainable Energy
- Chartered Institute of Environmental Health
- Citizens Advice (Gillian Cooper, Head of Energy Policy)
- Community Energy England
- Daniel Nemeni (Social Commentator)
- Dr Martin Freer (personal capacity – Director, Heat Commission & Director of the Birmingham Energy Institute)
- End Fuel Poverty Coalition
- Energy Action Scotland
- Federation of Master Builders
- Fuel Poverty Action
- Fuel Poverty Research Network (FPRN)
- Generation Rent
- Greater Manchester Poverty Action
- Group Source Heat Pump Association
- Housing Associations' Charitable Trust (HACT)
- InstaGroup
- Kensa Group
- National Energy Foundation
- National Insulation Association
- Northern Housing Consortium
- Parity Projects
- Parkinson's UK
- Policy in Practice
- Royal National Institute of Blind People (RNIB)
- Saving Energy UK
- Scarf
- South Coast Insulation Services
- South East Wales Energy Agency
- The Childhood Trust
- Warm Wales