

Lowering GB Electricity Bills

Recommendations for Government

EXECUTIVE SUMMARY

Susanna Elks, with contributions by Taskforce members

The once-again rising gas price is set to further fuel inflation and the cost-of-living crisis, with electricity bills not projected to fall again until the 2030s. However, with the right package of interventions, targeting each component of a bill, government could lower household and business electricity bills by approximately 20% by 2030.

Only two actions can immediately lower bills: removing levies from bills and improving targeted support for households in fuel poverty and trade-exposed businesses.

This is a summary of the central report of the Electricity Bills Taskforce. Download the full report, *Lowering GB Electricity Bills – Recommendations for Government*, published October 2026, from <https://www.e3g.org/publications/lowering-great-britains-electricity-bills-recommendations-for-government/>

Successive energy crises, driven by the increase in the price of fossil fuels, have dramatically increased bills for households and businesses in Great Britain. The crisis following Russia's invasion of Ukraine cost the UK £183bn,¹ and the current crisis resulting from the closure of the Strait of Hormuz is causing further widespread damage to the economy. By mid-2026 these crises had caused a cumulative £4,800 in extra energy costs per household.²

Renewables have helped shield the UK from the worst, lowering the cost of energy by £72bn from 2021 to 2023.³ However, GB's continued reliance on fossil fuels means that crises abroad that push up international prices still spell increased financial burden for British households and businesses.

Aside from breaking the dependence on fossil fuels, expanding the British renewables-based energy system can lower bills substantially once the initial investment is outweighed

¹ E3G, November 2025, [Cost of the fossil fuel crisis in the UK](#)

² End Fuel Poverty Coalition, July 2026, [Energy bills rise 13.5% as households face a difficult summer](#)

³ UCL, 2025, [Modelling the long-term financial benefits of UK investment in wind energy generation](#)

by lower operating costs – likely in the late 2030s. However, due to many headwinds, electricity bills are likely to increase by 2030 and only subsequently fall, if no further action is taken. That’s not good enough. It’s possible for government to remove this hump in costs and reduce bills now while decarbonising the power system.

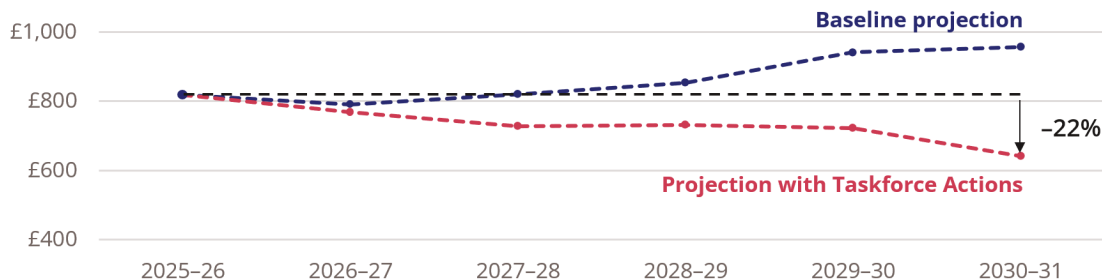
In fact, if government delivers our 8 Essential Actions, electricity bills can be lower in 2030, considering inflation, than they were pre-energy crisis.

Bills returning to pre-crisis levels is subject to gas prices falling, which is never certain. However, with a largely renewable electricity system the UK will be much better shielded from high gas prices than it is currently. Moreover, investment in lowering electricity bills helps to break dependence on fossil fuels elsewhere, as electrification – heat pumps, electric vehicles and electrification of industrial processes – becomes a more affordable, effortless choice. These technologies are essential if GB is to be truly shielded from fossil fuel chaos and to stop worsening climate change.

Electricity bills can fall by around 20% by 2030 instead of increasing, if the Taskforce Actions are delivered

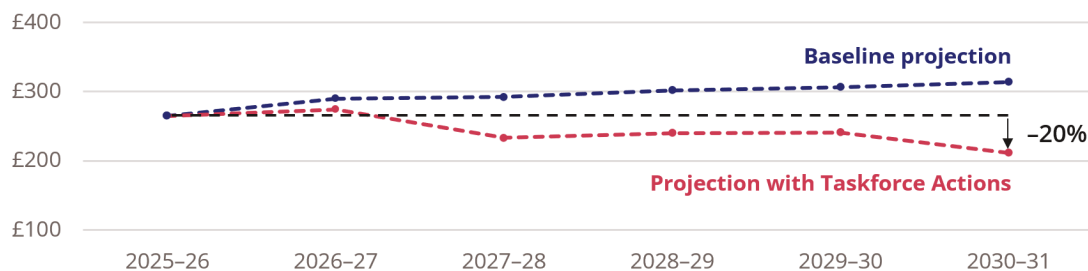
HOUSEHOLDS

Annual household bill (2.7 MWh)



BUSINESSES

Cost of electricity to average business in £ / MWh



Note: Bill projections include inflation. Therefore, some of the increase in costs to 2030 in the baseline projection is attributable to inflation, rather than rising system costs. See the Annex for full methodology underlying the baseline projections and the estimated savings resulting from the Taskforce Actions.

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Therefore, by 2030, GB could have a low-carbon, affordable electricity system, shielded from international price spikes, and an accelerating transition away from using fossil fuels for transport, heating and industry.

The 8 Essential Actions to lower bills

The Electricity Bills Taskforce⁴ has come together to lower the cost of electricity permanently. We've reviewed each component of the electricity bill and what government can do to lower it. We've concluded there are 8 "Essential Actions" the government must do to lower bills.

By introducing Essential Actions 1–5, government can ensure bills do not increase by 2030, but fall – by roughly 14% for households and 11% for businesses (compared to the prices in 2025/26). If the government then also introduces major reforms to the wholesale market (Essential Action 6), these savings increase to roughly 20% for households and businesses. Further savings could be delivered by paying for a portion of network costs through general taxation.

There are a range of ways government can deliver each of these Essential Actions. We outline the potential options in detail within the report and in summary below. Government will need to put together a package from these proposals to deliver each of the Essential Actions. Here we aim to illustrate that it is possible for the government to make a substantial impact in each area.

Essential Action 1 – **Move all levies** from electricity bills to general taxation

This is the only proposal which can lower bills this year for all. This would lower bills by around £90 per household over the next year and by around 20% for businesses. This is the most expensive of the proposals – it will cost roughly £8–10bn/yr from now to 2030, (with the cost falling each year after) – but it is essential for lowering bills.⁵ The reduced cost to businesses would overall deliver a £130bn boost of additional economic growth from now to 2050.⁶

⁴ A group of over 30 organisations who have come together to combine understanding and develop proposals on how to lower electricity bills. It includes household representatives, business representatives, suppliers, energy experts, think tanks, trade associations and charities.

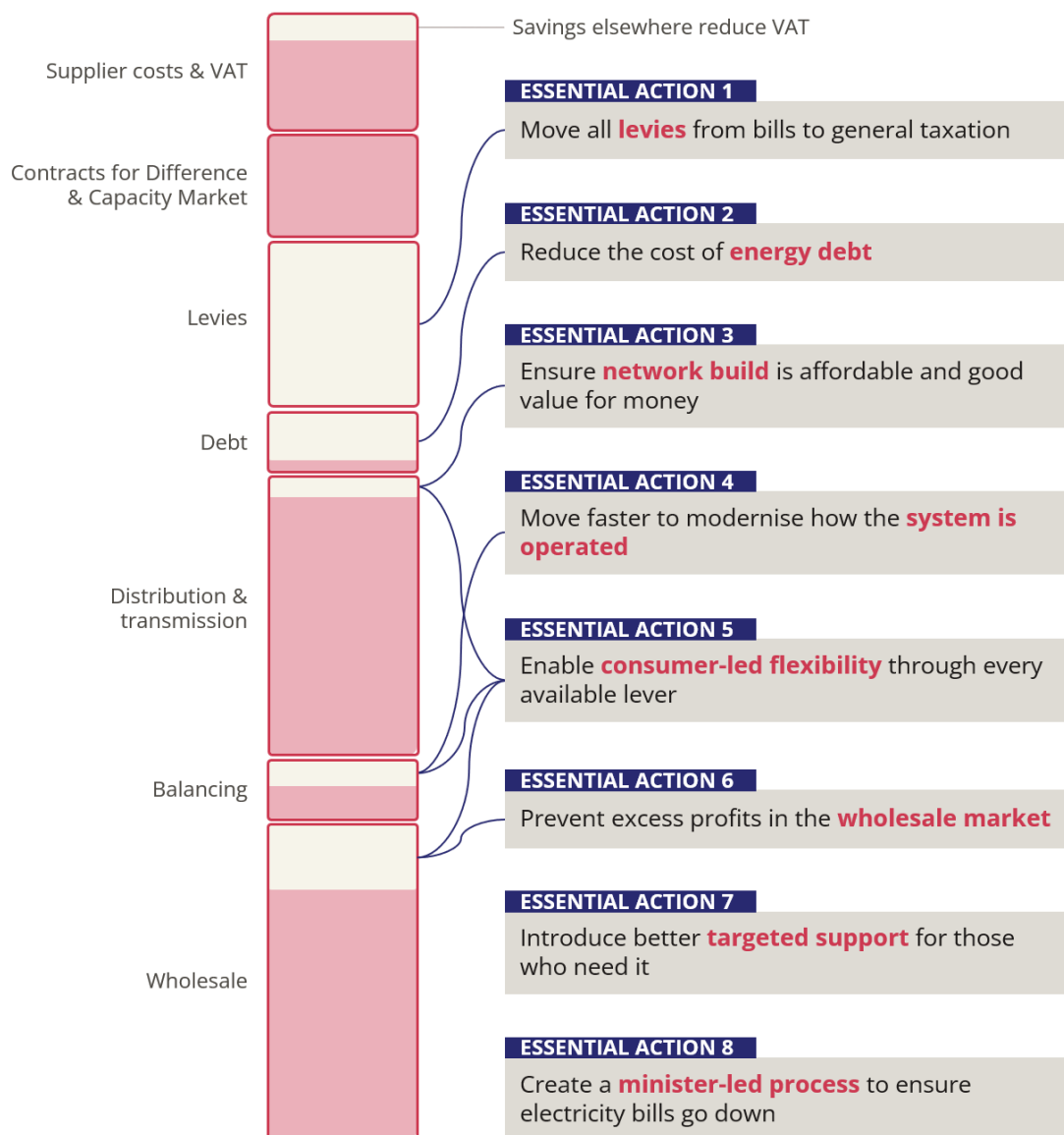
⁵ Based on Taskforce calculations pulling together evidence from multiple sources: Forecast revenues from: Office for Budget Responsibility, 2026, [Economic and fiscal outlook – March 2026](#), GB government, 2026, [Feed-in Tariffs scheme: Final consultation analytical annex – impact of indexation options](#), and EIUG analysis.

⁶ CBI, Energy UK, 2026, [Cutting Business Energy Costs: A blueprint to boost growth](#)

8 Essential Actions to achieve electricity bill savings

We've looked at all the components of an electricity bill and worked out what the government can do to lower each one.

Here's how our Essential Actions work together to bring down a projected household electricity bill for 2030.



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Essential Action 2 – Develop a strategy to **reduce the cost of energy debt**

The cost of managing an energy debt crisis that is afflicting thousands of vulnerable households is adding roughly £28/household to electricity bills currently.⁷ This is already too much, but at the current growth rate this could become over £50/household by 2030.⁸ Government could cut this cost by paying for targeted wiping of some debt, improving support for struggling households, giving suppliers more tools to manage debt and/or ensuring all supplier debt support practices meet a minimum standard.

Essential Action 3 – Ensure **network build is affordable and good value for money**

GB is investing in expanding the electricity network. It is essential that the resulting costs are affordable for households and represent good value for money. There are lots of ways the government can ensure this.

The strategy could involve investigating returning the £6–7bn network windfall to consumers, ensuring the next 5 years of distribution network spend is efficient and at a fair financing cost, modernising the voltage on the distribution network and/or boosting transparency around the decision process for new transmission network build.

Government could also look to cover some network costs through general taxation. Given the long lead times for network build, it is essential that the government also takes a longer-term view and takes steps now to ensure good value in the 2030s. Strengthening governance of Ofgem is a low-regret action but this also could involve more fundamental changes to how networks are operated, funded or owned.

Essential Action 4 – Move faster to modernise **how the system is operated**

The system operator currently has to pay renewables to turn off and gas power stations to turn on because of the mismatch between renewables build and network build. There are lots of ways to lower the cost of this mismatch, ahead of network being built. Government is already acting in this space, but the Taskforce finds that government needs to ensure faster delivery of the existing proposals, and to draw up a Plan B in case current proposals cannot be accelerated and delivered on time. This needs to ensure costs are minimised if the riskier proposals cannot be delivered in time for 2030.

⁷ Ofgem, 2026, [Energy price cap \(default tariff\) levels \(Annex 9\)](#) Note: This converts the cost to a 2.7MWh household.

⁸ See Annex for details of calculation.

Essential Action 5 – Enable **consumer-led flexibility** through all available levers

Consumer-led flexibility enables consumers to make the most of electricity when it is cheap and plentiful. This lowers costs for the participating households and, by making the system more efficient, lowers prices for everyone else as well. Government are doing a lot to enable consumer-led flexibility; however, there are still gaps which could be filled and action which could be expedited. This is essential as consumer-led flexibility is an underlying enabler for savings across the bill, including reducing network and wholesale costs.

Essential Action 6 – Prevent excess profits in the **wholesale market**

High profits in the wholesale market have arisen because under the current market design all assets are paid the same price as the most expensive source of electricity. As gas prices have spiked and gas power station bid prices have increased, other assets have picked up high windfall profits. The government has a 55% windfall tax in place but there are several available options to lower wholesale prices and profits further though deriving substantial savings requires major changes from today.

Essential Action 7 – Introduce better **targeted support** for those who need it

Government should provide further support for households in fuel poverty and businesses that must compete internationally. Currently millions of households cannot afford their energy bills and need more support. To support them, the government should provide £2bn/yr additional funds to the existing support scheme (in addition to paying for the current £1bn scheme), improve scheme targeting and ensure home upgrades are delivered for those who need them. There is also a strong case for supporting trade-exposed industry. The government does this through the British Industry Supercharger and British Industry Competitiveness Scheme. The British Industry Supercharger scheme should be expanded to include all businesses (though this would also be achieved by removing all levies within Essential Action 1).

Essential Action 8 – Create a **minister-led process** to ensure electricity bills go down

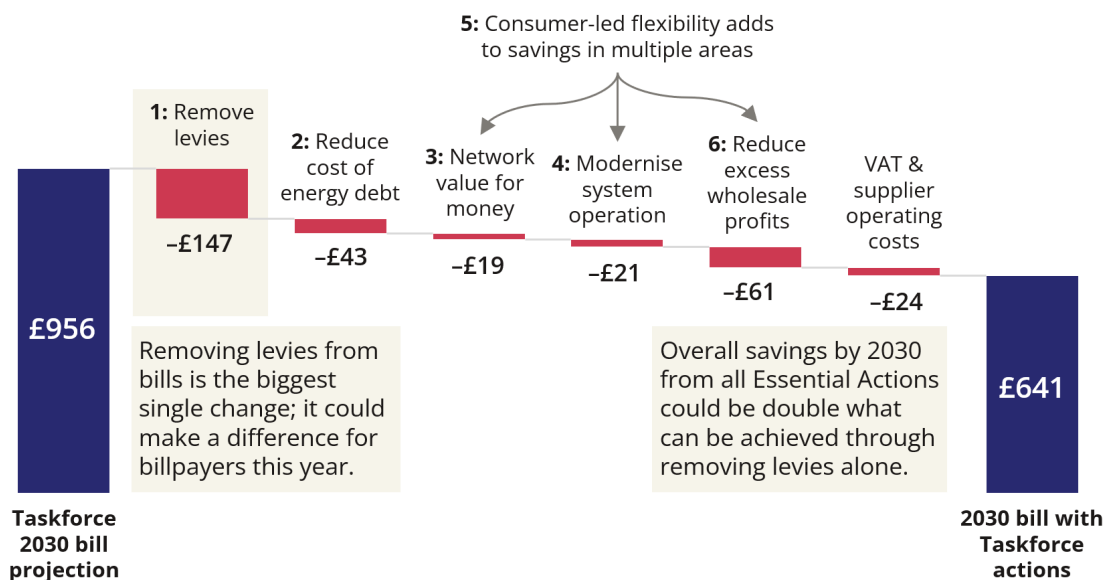
Government should create a strategy to lower bills and then expedite and ensure delivery of all of the actions. There will be roadblocks which could slow or stop the delivery of each of the proposals in this report. It is essential there is a clear minister-led process within DESNZ to make sure those roadblocks are removed, or alternative ways to lower bills are found. If government wishes to ensure delivery, this process should also include the Prime Minister, Chancellor and Secretary of State for Business.

Government needs to act now

With bills set to increase 16% in January⁹ and electricity prices set to be around this level in 2030, government needs to act now to lower bills. Of the 8 Essential Actions, only two can lower bills this year: removing levies and increasing targeted support for those who need it. These would cost roughly £10–11bn per year to 2030, then tailing off each year. There is evidence that removing levies would boost the economy by more than the cost.¹⁰ It is a judgement call for government as to whether to stagger this spending, or to quickly introduce these measures in order to see the benefits as soon as possible.

We urge the government to go beyond this and deliver all of the Essential Actions. While some actions deliver more savings than others, the real success will lie in government lowering every component of a bill through a comprehensive and concerted programme. Many actions to lower bills require several years to have an impact, so it is essential that the government acts now for bills to be lower by 2030.

Real success in lowering bills lies in delivering all Essential Actions



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⁹ Cornwall Insight, 2026, [16% Price Cap Rise Forecast in January](#)

¹⁰ PWC, CBI, EnergyUK, 2026, [Powered up or priced out? The £250bn case for a national energy plan](#)

Lowering bills this substantially would deliver major economic and social benefits. It would lower economy-wide inflation, lowering the cost of government borrowing and having wider positive impacts on the economy. It would make life easier for the 55% of households who are worried about the cost of energy bills.¹¹ It would give a boost to GB's businesses, lowering overheads and helping them to compete internationally. For example, PWC has estimated that just removing levies would deliver a net benefit of £130bn of economic growth by 2050.¹² In political terms, taking these actions will demonstrate to the public that the state can act in their best interests. E3G's flagship report *The Home Front* identifies a link between soaring energy costs and increasingly fragile trust in democracy, as more and more people become sceptical that government is able to deliver for them.¹³

Next steps

The Taskforce offers to work with the government to try and deliver these savings. The Taskforce will continue to track the government's actions to deliver these savings and will publish a periodic review of progress.

SIGNATORIES TO THE ESSENTIAL ACTIONS

The following organisations ask the government to deliver the 8 Essential Actions outlined in the report. These organisations agree with all 8 Essential Actions, though not all organisations endorse all the "potential solutions" offered in the report towards each Essential Action.



¹¹ DESNZ, July 2026, [DESNZ Public Attitudes Tracker: Energy bills and tariffs, Spring 2026, GB](#)

¹² CBI and EnergyUK, 2026, [Cutting business energy costs: A blueprint to boost growth](#)

¹³ E3G, June 2026, [The Home Front: A strategic security review of British homes](#)

ABOUT E3G

E3G is an independent think tank working to deliver a safe climate for all.

We drive systemic action on climate by identifying barriers and constructing coalitions to advance the solutions needed. We create spaces for honest dialogue, and help guide governments, businesses and the public on how to deliver change at the pace the planet demands.

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AUTHORS

Susanna Elks, Senior Policy Advisor, GB Power Transition, E3G

With major contributions from members of the Electricity Bills Taskforce.