

The Rt Hon Rachel Reeves MP, Chancellor of the Exchequer
His Majesty's Treasury
1 Horse Guards Road
Westminster
London
SW1A 2HQ

London, 14th May 2025

Reduce electricity prices to unlock investment, growth, and clean manufacturing jobs

Dear Chancellor,

We urge the government to cut electricity prices immediately by moving legacy policy costs from electricity bills to general taxation and providing targeted support for electrification.

UK consumers face some of the highest electricity prices in the world. This holds back investment, increases household bills, and puts industries out of business at a critical economic and geopolitical moment. It also hinders the UK's net zero transition, with the Climate Change Committee showing that [the majority of industry, surface transport, and household heating needs to electrify](#) by 2050.

The signatories to this letter represent leading manufacturers, infrastructure investors, trade bodies, engineers, consultants, and climate organisations. There is consensus among us that without urgent action on electricity prices, Britain will weaken its economic resilience and lose out on thousands of good jobs and billions in clean industry investment.

Shifting policy costs to general taxation is an effective, near-term way to reduce power prices, and recover policy costs progressively. [Energy UK estimate](#) this would cut business electricity prices by up to £40/MWh, lowering bills by 15%, and reduce household electricity bills by up to £370 a year. This will lower the cost of bills and goods for consumers, and free up business capital to invest in the UK.

However, this alone will not incentivise the scale of electrification and decarbonisation needed to cut emissions and access new markets. In addition to moving policy costs from electricity bills, we call on the government to provide targeted support for the electrification of industry.

Other countries have acted decisively, supporting existing industries and positioning their economies as magnets for new investment. In 2022, Germany removed the "green power surcharge" from electricity bills, funding renewables through a national climate fund instead. The EU Clean Industrial Plan encourages member states to follow suit. While the British Industry Supercharger is welcome, it is not enough to make industrial electricity prices competitive.

This isn't just about saving existing industry, it's about seizing a global clean manufacturing market set to be worth [\\$2.6 trillion by 2030](#). At this critical juncture, the government must act to reshape the UK's industrial future, making sure power prices support rather than prevent investment in electrification and enable the UK to become one of the best places in the world to build clean and competitive industry.

Sincerely,

