



E3G The energy bill leadership test: Achieving lower bills and energy security

The cost of living is the number one issue for voters. Analysts predict that the average energy bill will rise to around £3200 in October, shortly after the new Prime Minister takes office – a 150% rise in just over a year.¹ Most experts predict gas prices will remain high and volatile until at least the end of this decade. **The next Prime Minister needs a credible, long-term plan to wrestle bills under control from day one**, with a national effort to improve the efficiency of our homes at its core.

- **Energy efficiency puts money back into the economy:** At today's prices, upgrading all homes to an Energy Performance Certification (EPC) rating of C would mean aggregate savings of £10.6bn flowing back into the economy every year.²
- **Real benefits for ordinary households:** From October, those living in homes with an EPC of C or above can expect to save an average of £916 per year compared to those in homes rated EPC D or worse.³
- **A national energy security imperative:** With over 85% of UK homes connected to the gas grid, British families are sharply exposed to price hikes – which are set by the international market, regardless of where the gas is sourced. Meanwhile, a focus on energy saving measures could almost entirely wipe out the UK's exposure to Russian imports in one year.⁴
- **A high skill, high wage economy:** A drive to get all homes to EPC C would support 190,000 jobs across a range of trades over the next decade, particularly benefiting SMEs.⁵

Investing to lower bills is popular, common-sense politics

- **Mission-critical to level up:** The least efficient homes are not evenly distributed. England's least efficient homes are concentrated in the Northwest, Northeast, and West Midlands. 37 of the 40 most marginal constituencies stand to suffer the most from the energy crisis.⁶
- **Core conservative values:** Conservative voters understand that tackling the cost of living and acting responsibly on the environment go hand in hand.⁷ There is no evidence that cost-of-living concerns have turned voters off from tackling these fairly and pragmatically.

Three steps to delivering bill savings at scale

1. **Expand market-led energy efficiency schemes** already delivering to vulnerable households, providing £3bn in new spending over three years as part of a long-term commitment to reach millions more struggling households, saving each around £300 per year. This should be provided in addition to 2019 manifesto pledges and other green home commitments.
2. **Kickstart an 'Olympic-style' infrastructure jobs and training programme** to make sure retrofit businesses and employees have the skills they need to deliver high quality outcomes.
3. **Support consumers to make smart energy saving choices** through nationwide awareness-raising and rolling out tailored advice and support to households.

E3G has published a full set of recommendations available here: [Home energy security strategy: the permanent solution for lower bills](#). For more information, please contact Juliet.Phillips@e3g.org

¹ Cornwall Insight, [Default Tariff Cap forecast climbs further as Ofgem announcement looms](#), 8 July 2022.

² E3G, [Home Energy Security Strategy](#), 7 June 2022.

³ *Ibid.*

⁴ E3G, [Demand side measures for energy security](#), 16 March 2022.

⁵ Energy Efficiency Infrastructure Group, [Turning stimulus into recovery](#), March 2020.

⁶ Energy & Climate Intelligence Unit, [Levelling Up or Letting down?](#) March 2022.

⁷ For example, see polling carried out by [Opinium in partnership with the Conservative Environment Network](#)