

Greens call for Big Five energy companies to be brought into public ownership to stabilise market and protect consumers



Green Party

17 August 2022

- **Green Party set out plan to restore the energy price cap to rate of October 2021**
- **Intervention would reduce the cost to the average household by more than £2,000**
- **Carla Denyer: "This experiment with the energy market has failed. Only the government can intervene at the scale required to avoid a catastrophe this winter"**

The Green Party has called for the big five energy suppliers to be brought into public ownership and for the price of energy to be returned to where it was in October last year to protect households from accelerating energy costs.

As Ofgem continues to raise the energy price cap beyond affordability [1], the Greens have called for a powerful intervention in a market that is clearly failing.

Green Party co-leader Carla Denyer said:

"We are seeing nationwide anxiety about the prospect of unpayable energy bills this winter.

"Other parties have only offered to fix energy prices at current levels, but we know these are already unaffordable. We would return energy prices to an affordable level.

"This experiment with an energy supply market has failed. Only the government can intervene at the scale required to avoid a catastrophe this winter."

The party has called for the Big Five energy supply companies to be taken into public ownership, as proposed by the TUC [2], and restore the energy price cap to the level of last October.

The Greens say this would reduce the cost to the average household by more than £2,000 [3].

Denyer said:

“Everyone needs to use energy to survive, for basic needs like cooking and keeping warm. However, tackling the climate crisis requires that we improve our energy efficiency in this country.

“That’s why our differential tariff will cover basic energy needs but will include progressively rising prices for those who use more energy, with exceptions for those with disabilities and chronic health conditions, alongside support for those companies offering 100% renewable electricity, which is the cheapest form of electricity.

“Alongside an ambitious national home insulation scheme, this will help bring down energy use across the country.”

The Greens are renewing their call for home insulation to become the government’s top priority. Reducing energy demand by increasing energy efficiency is the most important step the government can take to ensure the UK’s long-term energy security.

Denyer said:

“Fixing the price of energy will put huge stress on energy supply companies, which is why we propose bringing the largest into public ownership and offering subsidies to smaller suppliers, especially the renewable energy specialists who have done so much to innovate in recent years.

“By bringing the big five energy retail companies into public ownership, setting the price of energy at an affordable rate and absorbing the global price rises, the government could make sure everybody can afford to get through this cost of living crisis.

“At the same time, it will mean this public service will be able to be run in the public interest, instead of in the interest of profit making.”

The TUC estimates it will cost £2.8bn to bring the big five energy retail companies into public ownership. This is less than the government has already spent to clean up the mess caused by the collapse of energy companies last autumn.

The Green Party has calculated it will cost £37bn to fix the price cap at the rate of last October. It says that closing the loopholes in Sunak’s windfall tax [5] and the higher VAT revenues resulting from higher prices across the rest of the economy could go a long way towards funding this vital policy. The party is also prepared to increase taxes on the super-rich for a policy that benefits them as well as those on the lowest incomes who need the most help.

Notes

1. Costings based on Cornwall Insight projections; note that they are projecting falls in energy prices by Q3 2023:
<https://www.cornwall-insight.com/price-cap-forecasts-for-january-rise-to-over-4200-as-wholesale-prices-surge-again-and-ofgem-revises-cap-methodology/>
2. TUC plan for renationalisation of Big Five energy companies:
<https://www.tuc.org.uk/news/tuc-publishes-plan-cut-bills-through-public-ownership-energy-retail>
3. The energy price cap in October 2021 was £1,277, compared to the predicted price cap rise in October 2022 of £3,582. By keeping the price cap at the October 2021 rate, households will save more than £2,000
4. <https://www.moneysavingexpert.com/utilities/what-is-the-energy-price-cap/>
5. <https://www.independent.co.uk/voices/oil-gas-windfall-tax-boost-b2088147.html>

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