

Press release: Government delivers on manifesto pledge with £6 billion package to help end fuel poverty and drive innovation in energy efficiency

- Flagship £6 billion energy efficiency scheme to start with re-focusing flagship scheme entirely on low-income and vulnerable, cutting bills for thousands more families until at least 2028
- plans to extend the Warm Home Discount ensuring over 2 million low income and vulnerable customers receive £140 off their energy bills next winter
- drive to increase world-leading British innovation in green technologies as part of the government's Clean Growth Strategy

Nearly a million more low-income households are set to benefit from innovative energy saving measures under new plans outlined today by the Minister for Energy and Clean Growth Claire Perry, as part of the Clean Growth Strategy.

A consultation has been launched today to focus [Energy Company Obligation \(ECO\)](#), the government's flagship energy efficiency scheme to tackle fuel poverty and reduce carbon emissions by providing energy efficiency upgrades and heating measures – entirely on low income households. Currently only 70% of beneficiaries are from low income families. Since the scheme was launched in 2013, more than 1 in 16 homes have benefitted from over 2.2 million improvements.

This is the latest step in the delivery of the [government's Clean Growth Strategy](#), aiming to bring 2.5 million fuel poor homes up to an Energy Performance Certificate rating of C by 2030, helping to save energy and bring down bills.

Alongside this, a separate consultation looks ahead to [changes to the Warm Home Discount](#) beyond next winter which will enable all payments to be made automatically. The Warm Homes Discount provides a much needed top up of £140 to the energy bills of the most vulnerable in society. The consultation will also include extending eligibility to people who receive Universal Credit who are in work and earn less than £16,190 a year.

Speaking on a visit to [Q-bot](#) in Wandsworth South London, an award-winning technology company which has developed robots to install underfloor cavity insulation quickly and easily, Energy and Clean Growth Minister Claire Perry said:

We have made clear our commitment to eradicating fuel poverty and by making our flagship energy scheme 100% focused on low-income

families we are taking another step towards achieving this goal.

As set out in our Clean Growth Strategy, we also want to continue to drive world-leading British innovation in green technologies for the benefit all consumers. That's why we are increasing the opportunity for energy suppliers to get funding to develop new and innovative energy saving product and services, like the award winning company Q-bot's robotic insulation service.

The proposed changes to focus 100% of the ECO scheme on the fuel poor would see energy saving improvements like insulation and modern efficient heating systems installed in 900,000 homes by March 2022. The government also committed to maintaining funding for home energy efficiency until at least 2028 as part of the Clean Growth Strategy, a total of just over £6 billion.

At the end of February the government also took action for 11 million households on [poor value standard variable tariffs](#) by introducing a landmark Bill into Parliament for a temporary price cap on these tariffs until effective competition is in place.

Respond to the consultations:

[Energy Company Obligation: EC03, 2018 to 2022](#)

[Warm Home Discount scheme: 2018 to 2019](#)

Notes for editors

1. The consultation on the new Energy Company Obligation scheme is open until 29 April 2018.
2. The current Energy Company Obligation scheme will end in September 2018. The scheme places an obligation on larger energy suppliers (currently 15) to deliver heating and energy efficiency measures. This is split between Affordable Warmth, for low income and fuel poor households (which accounts for 70% of the scheme) and the Carbon Emissions Reduction Obligation (the remaining 30%), which is available to all households.
3. The ECO programme requires energy suppliers with over 250,000 customers to provide energy efficiency upgrades and heating measures to homes across Britain.
4. In line with the government's Industrial Strategy, the refocused scheme includes proposals to support innovation in the sector. Suppliers will be able to devote up to 20% of their delivery target to supporting innovative measures. If all suppliers do this then as much as £128 million could be spent supporting British innovation.
5. Since ECO was launched in 2013, more than 1 in 16 homes across Britain have benefitted from over 2.2 million improvements installed.
6. The ECO consultation will also look at increasing parts of the scheme delivered through local referrals enabling local authorities to identify households who will benefit the most from energy efficiency measures,

including those with health problems that are made worse by cold homes.

7. The proposals to extend the current [Warm Home Discount](#) scheme are open for consultation until 29 April 2018.
8. The government is also currently looking at ways to make it easier for those eligible for the Warm Home Discount to receive it automatically. A consultation was launched earlier this year on new data sharing powers to better target those households which are fuel poor and would benefit most from a rebate on their energy bills.
9. Reforming and extending policies on fuel poverty are a key part of the government's commitment to protect vulnerable consumers. Ofgem recently extended its Safeguard Tariff Cap on pre-payment meter tariffs to protect a further 1 million vulnerable households, bringing the total protected to 5 million households this winter.