

[The government's help to people and businesses hit by the energy crisis.](#) [Letter from PM](#)

www.gov.uk/number10

THE PRIME MINISTER

8 September 2022

Dear Colleague,

SUPPORTING PEOPLE AND BUSINESSES WITH THEIR ENERGY BILLS

On the steps of Downing Street on Tuesday, I pledged to take action to bring down energy bills. Today, within 48 hours of taking office, I have delivered on that promise.

This Government will bring forward emergency legislation to establish a new Energy Price Guarantee which will ensure that the average British household pays no more than £2,500 per year for their energy bills for the next two years from October.

This will save the average household at least £1,000 per year – giving certainty on energy prices so people can get through the winter, slowing inflation and making incomes go further. We will fully compensate energy suppliers for the cost of this emergency action – with the Chancellor setting out further details in the fiscal statement later this month. The new guarantee will apply to households in Great Britain, with the same level of support made available to households in Northern Ireland.

As part of the Energy Price Guarantee, we are temporarily suspending green levies – contributing £150 to the £1,000 yearly average saving. At this difficult time, it is right that households do not bear the cost of low-carbon electricity generation, but instead benefit from it.

And we will maintain the £400 Energy Bill Support Scheme for everyone, and the £1,200 of support for the most vulnerable households already announced earlier this year.

But I know that not everyone will be eligible for the schemes I have outlined above – especially those living in park homes, or who use heating oil in rural areas in constituencies such as mine. We will set up a discretionary fund to make sure that no one is left behind this winter.

Businesses will be offered an equivalent guarantee for six months for those hit by rising prices, and after those six months we will provide further support for vulnerable sectors, such as hospitality, including our local pubs. We will work with businesses to review where this should be targeted.

But we are also taking action to ensure that we are never in this position

again. That means ending decades of short-term thinking which has allowed Putin to weaponise energy supplies as part of his illegal invasion of Ukraine.

We will ramp up energy supply and fix the regulation of our energy market. This will include establishing a new Energy Supply Taskforce, in the style of the Vaccine Taskforce, to negotiate new long-term contracts with suppliers to bring down energy costs.

Together with the Bank of England, we have secured a new £40 billion facility, so energy firms have the liquidity they need to manage volatility in energy markets, stabilising the market, reducing costs for the exchequer, and decreasing the chances of energy companies needing our support.

To fix domestic supply, we have to be bold. I want the UK to be a net energy exporter by 2040.

We will end the moratorium on shale extraction to get gas flowing as soon as six months' time, boost renewables including wind and solar, launch Great British Nuclear later this month, and create a pro-investor environment to get more domestic supply projects off the ground, faster.

A review will be held to fix the longstanding problems within our energy regulation, and we will bring forward fundamental reforms to make our energy market fit for the challenges Britain faces today.

The Rt Hon Member for Kingswood, Chris Skidmore MP, will also lead a review to ensure we deliver net zero by 2050 in a way that is pro-business and pro-growth.

When I took office, I was clear that the next few months would not be easy. But I have every confidence that the resolve of the British people is strong enough to see us through the storm. Today's package sends a clear message that this Government is with them every step of the way.

Yours Sincerely,

All MPs and Peers