

Agenda Item 6

For information – Energy price rises and FTC’s response

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1. What is the issue?

Energy prices are set to rise by 54% from April after the Energy Regulator, Ofgem, lifted the cap on default energy tariffs to £1,971 along with increasing the maximum rate that suppliers can charge for an average dual-fuel energy tariff by £693.

The changes are a response to the unprecedented global rise in wholesale gas prices which have gone up by 250% over the last year, including a 70% rise since August 2021. Multiple factors are involved, including a reduction in gas supplies from Russia; an upturn in global demand as economies reopen after Covid-19 lockdowns; a cold winter last year which prompted higher gas demand and lower wind speeds this autumn & winter which mean more electricity has been generated with gas rather than wind.

As around 47% of our electricity generation now comes from gas, this is affecting electricity prices as well as gas prices.

Additionally, the cost of bailing out failed suppliers amounts to an extra £2.5bn added to customer bills.

2. What existing and proposed support is there?

Government schemes

- Government has announced a rebate of £200 for households to be passed on through energy suppliers in October 2022
- Rebates of £150 will be provided in April to households in council tax bands A to D
- Eligibility for the Warm Home Discount will be expanded this year

Local Authority support

- Somerset Household Support Fund- open until 31 March short-term financial support to households struggling with the cost of essentials through Winter (food, energy, water bills etc.)
- Heat Somerset - grants available to households with an EPC rating of D or below and a combined income below £30k / year are eligible for a £10k grant to improve the energy efficiency of their homes. A £5k grant is available to landlords subject to their tenants meeting the requirements and them contributing 1/3 of the cost. This grant can also be accessed through E.on (no need to be a customer).
- Mendip District Council:
 - Safer Home Grants: up to £10,000 available for low income home owners (usually on a means tested benefit or vulnerable) to make energy improvements, improve homes and reduce fuel bills.

- Energy grants: up to £100 available to pay for the cost of getting an Energy Performance Certificate (EPC); up to £500-£1000 available for completing energy efficiency improvements where the property has an EPC rated D or lower. Available to homeowners, tenants and landlords.
 - Lendology- Lendology is a not-for-profit organisation working in partnership with local councils to provide low-cost loans for home improvements including energy efficiency and generation. There is no upper age limit for applicants, and Lendology will consider applications from people with a poor credit history, who are self-employed, or who have state benefits as their main income.
 - Solar Streets- The economic case for generating your own electricity has never been stronger although there is an upfront cost. The Solar Streets scheme, established in Frome by installers IDDEA and now operating across the South of England, has been inundated with requests since the announcements in the media and they have no availability before March. They are suggesting looking at alternative providers in the meantime.
3. How is Frome Town Council responding?
- Targeted communications on social media, website and in press making people aware of the local funding opportunities & support available
 - Monthly energy advice drop- ins & bookable slots with Centre for Sustainable Energy
 - Continuing to promote CSE's services through Healthy Homes project
 - Winter Warmth packs available at Frome Town Hall (funded by FRECO)
 - Energy café (Planned for early March)- informal space for people to have a cup of tea, chat about their concerns and find out about support available