



Energy Price Guarantee

September 2022

Introduction and headline announcements

On 8th September, the UK government unveiled a new package of support to help people affected by rising energy costs and the cost of living crisis.

The official written statement can be viewed in full [here](#).

The UK government will introduce its own **Energy Price Guarantee (EPG)** meaning no household will pay over £2,500 for their energy bills based on typical usage. The current price cap was due to rise to £3,549, and £5,400 in January 2023.

The EPG will apply from the 1st October 2022 and will discount the unit cost for gas and electricity. Included in this guarantee is the temporary suspension of green levies. The EPG will remain in place for two years. The £400 Energy Bill Support Scheme will continue to be paid in six instalments between October and March 2023. Those households who do not pay directly for mains gas and electricity – such as those living in park homes or on heat networks and those who use heating oil – will receive support through a new fund which is currently being developed by BEIS.

These measures will automatically be applied for those who pay for their energy through a monthly, quarterly or regular bill (England, Wales, Scotland). The EPG limits the amount that can be charged per unit of gas/electric so bills will continue to be influenced by how much gas/electric consumers use.

The UK government has released information for landlords **who supply gas/electric and recover the costs as part of their rental income**. Landlord's must comply with the maximum resale price rules which say they must not make a profit. The maximum resale price for electricity is currently set at the same price as that paid by the person reselling it. [Ofgem](#) has produced helpful guidance for ensuring customers are being charged no more than they should.



The [JRF](#) has highlighted that this announcement still leaves low-income families in a deficit of around £800 between now and April 2023.

The UK government has stated that additional discretionary funds will be made available for those households who are outside of schemes, for example, households not connected to the grid.

This is especially important for rural communities and flats heated via communal heating systems. The UK government has provided assurance that these households will be no worse off than those connected to gas/electric in a conventional way.

The UK government also announced that business, charities and public sector organisations will be helped with their energy bills this winter under a similar scheme, which is not yet in place but is expected to be introduced shortly. There will be a review of this scheme after three months to assess if more targeted support is needed.

The fiscal statement due to be published later this month will set out the expected costs. However, this may be delayed as the UK Parliament will be suspended for a period of 10 days following the tragic passing of Her Majesty, Queen Elizabeth on September 8th.

More information on how the energy announcement will be affected by this suspension will become available over the next few days. CHC will keep you informed with any developments and will provide a subsequent brief following the publication of the fiscal statement.

Please find below some useful resources for more information about this announcement:

- [Energy bills support factsheet: 8 September 2022 - GOV.UK \(www.gov.uk\)](#)
- [Joseph Rowntree Foundation responds to Government's energy price cap announcement | JRF](#)
- [Written statements - Written questions, answers and statements - UK Parliament](#)

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