

Government support for energy bills begins for households and businesses

- The Energy Price Guarantee reduces household energy bills over the next two years, with a typical family paying around £2,500, saving £1,000 per year
- Businesses, charities and public sector organisations will pay less than half the expected prices this winter under the Energy Bill Relief Scheme from October
- Government energy support makes up the largest single component of the Growth Plan, protecting jobs and livelihoods and curbing inflation by 5 percentage points

Households, businesses and public sector organisations across the country will be protected from significant rises in energy bills, thanks to new government support taking effect from today (Saturday 1 October).

Without Government action, average household energy bills under the energy price cap had been due to rise to around £3,500 a year in October – a rise of 80% on current bills. Next year, they were estimated to increase even further to as high as £6,500.

From today, the Government's Energy Price Guarantee will limit the price households pay per unit of gas and electricity they use.

It means a typical household in Great Britain will pay around £2,500 per year, starting this month for the next two years – saving an average £1,000 a year on their energy bills.

Households will also see the first instalment of the £400 Energy Bill Support Scheme in their October electricity bill. The discount will be automatically applied monthly in six instalments between October 2022 and March 2023.

Thanks to the government's support, energy bills will now be close to where they've been for the past six months – and it will curb inflation by 5 percentage points, boosting economic growth, controlling the rising cost of goods, and reducing the cost of servicing the national debt.

This necessary intervention makes up the biggest proportion the Government's fiscal package set out in the Growth Plan.

Prime Minister Liz Truss said:

I know people across the country are anxious about their energy bills, which is why we have acted quickly to help them.

Livelihoods and businesses were at stake. The government's energy support limits the price they pay for gas and electricity, shields

them from massive bill increases, and is expected to curb inflation too.

The cost of not acting would have been enormous. To make sure the British public is not left in this position again, we are also fixing the problem at its source by scaling up home-grown energy and reducing reliance on foreign supplies to boost our energy security and independence.

The UK Government is also urging people today to stay alert to scams and fraudulent messages. There is no need to apply for the schemes, with most customers receiving today's support automatically through their electricity bill.

Households in Northern Ireland will also receive the same support through the Energy Price Guarantee from November, with support for October bills backdated so they see the same benefit overall.

Those who might live in an area of the UK that is not served by the gas grid or use alternative fuels such as heating oil to heat their home will receive a £100 payment to support them with their energy bills.

Business and Energy Secretary Jacob Rees-Mogg said:

While Putin's weaponisation of energy has driven energy prices to record highs, we will not let his regime harm this country's businesses and households.

Unprecedented government support is beginning this weekend, protecting families and businesses across the country from what was going to be an 80% increase in energy bills this winter.

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British businesses have also been experiencing significant increases in energy costs, with some reports of more than 500%. Businesses, charities and public sector organisations will also be protected through the Government's Energy Bill Relief Scheme from October over the next six months.

This support is equivalent to the Energy Price Guarantee put in place for households and similarly discounts price per unit of gas and electricity, meaning businesses and others will pay wholesale energy costs well below half of expected prices for this winter.

In parallel, the Government is also taking decisive steps to tackle the root cause of the issues in the UK energy market through boosting British energy supply and increasing independence to ensure this doesn't happen again. This includes the work of our Energy Supply Taskforce, a new oil and gas licensing round, lifting the moratorium on UK shale gas production, and driving forward

progress on nuclear and renewables.