

Greens call on Burnham to cut bills by £150 before winter, as new Energy Price Cap kicks in

The Green Party is today calling on Andy Burnham, who is expected to become Prime Minister later in July, to cut bills by at least £150 before the October price cap, by moving the remaining policy costs and the costs of servicing energy debt off electricity bills and onto general taxation, including wealth taxation.

This comes as households are hit by the [steepest rise in summer bills in four years](#), with the quarterly cap on gas and electricity charges rising by 13%, to the equivalent of £1,862 a year for an average household. According to Cornwall Insight's outlook [published yesterday](#), it will remain up come October. Typical household energy costs are up by [87%](#) over the five years since the start of the gas crisis in late 2021 through to autumn 2026.

Dr Ellie Chowns, Treasury lead for the Green Party and MP for North Herefordshire, says:

“It is simply unacceptable that households already struggling in the midst of a cost-of-living crisis should face being further squeezed by eye-watering energy bills – especially when policy costs on those bills could, and should, be paid through progressive general taxation instead. If Burnham is serious about delivering real change that improves people's lives now, moving all policy costs off household electricity bills is a no-brainer, delivering immediate relief to families before the winter.

“Short-term measures must also be accompanied by longer-term action to bring down bills for good – that includes scaling up investment in renewables and green technology, fully decoupling the price of gas from electricity, and cracking down on profiteering to ensure energy giants are not able to rake in vast profits while ordinary people struggle to keep their homes warm.”

In November's Budget, Chancellor Rachel Reeves moved some policy costs onto general taxation, leading to a saving of [£117](#) for a household using a typical amount of energy. The Office for National Statistics [credited](#) this move for subsequent falling inflation rates – which fell to 2.8% – in the year to April. But with the average annual household bill going up today by £221, any benefits to households or inflation rates are set to be wiped out.

Five additional policy costs, including the Warm Homes Discount which provides low-income households with support, are still paid for via bills, accounting for nearly [10%](#) of the domestic electricity bills.

The Green Party is calling on the government to move all of these costs away from domestic electricity bills and onto general taxation, including wealth taxation. This could save the average annual household bill around [£120](#),

according to the Electricity Bills Taskforce. It would cost an estimated £3.2 billion, and is a move [supported by](#) the Taskforce, a coalition of consumer groups, businesses and academics set up in 2025 to provide expert advice to government on reducing UK electricity bills, including E.ON UK, E3G, End Fuel Poverty Coalition, and Which?.

The Greens are also calling on Burnham to remove the costs of servicing energy debt from electricity bills and onto taxation, taking off up to £35 per year to typical bills. This is estimated to cost up to £1 billion.

The Green Party say the additional tax costs could be offset by taxing wealth more fairly, including introducing National Insurance on investment income, in line with employment income. This would raise at least [£6.1 billion per year](#).

They also point to longer term measures, including scaling up investment in renewables, fully breaking the link between the price of gas and the price of electricity, and cracking down on excess profits in the energy system. According to Greenpeace UK, the share value of just five North Sea oil and gas companies was boosted by [£73 billion](#) in the first month after the US and Israel's initial strikes on Iran.

In April, the government announced that it would take steps to decouple the price of gas from the price of electricity, but the move has been [criticised](#) for not going far enough to properly break the link. According to a [report](#) by Good Energy published over the weekend, under the government model the impact could be limited, with savings of £3.50 per household per year. [Analysis](#) by Greenpeace and Stonehaven suggests that an alternative model where gas-fired power stations are moved into a strategic reserve, would deliver savings of up to £60 per year for a domestic customer.

Ofgem will announce the next quarterly price cap level for October to December on or by August 26.

Zack Polanski, leader of the Green Party of England and Wales, said:

“Trump and Netanyahu’s illegal war in Iran has left households across this country counting the cost as they face yet another unaffordable hike in their energy bills. This Labour government came in promising to lower energy bills but instead families are struggling to keep up with rising costs, being forced to choose between heating their homes and putting food on the table.

“It’s time for government to stop pretending there’s simply nothing they can do and act – today we’re setting out how government could cut bills by £150 this winter.”

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