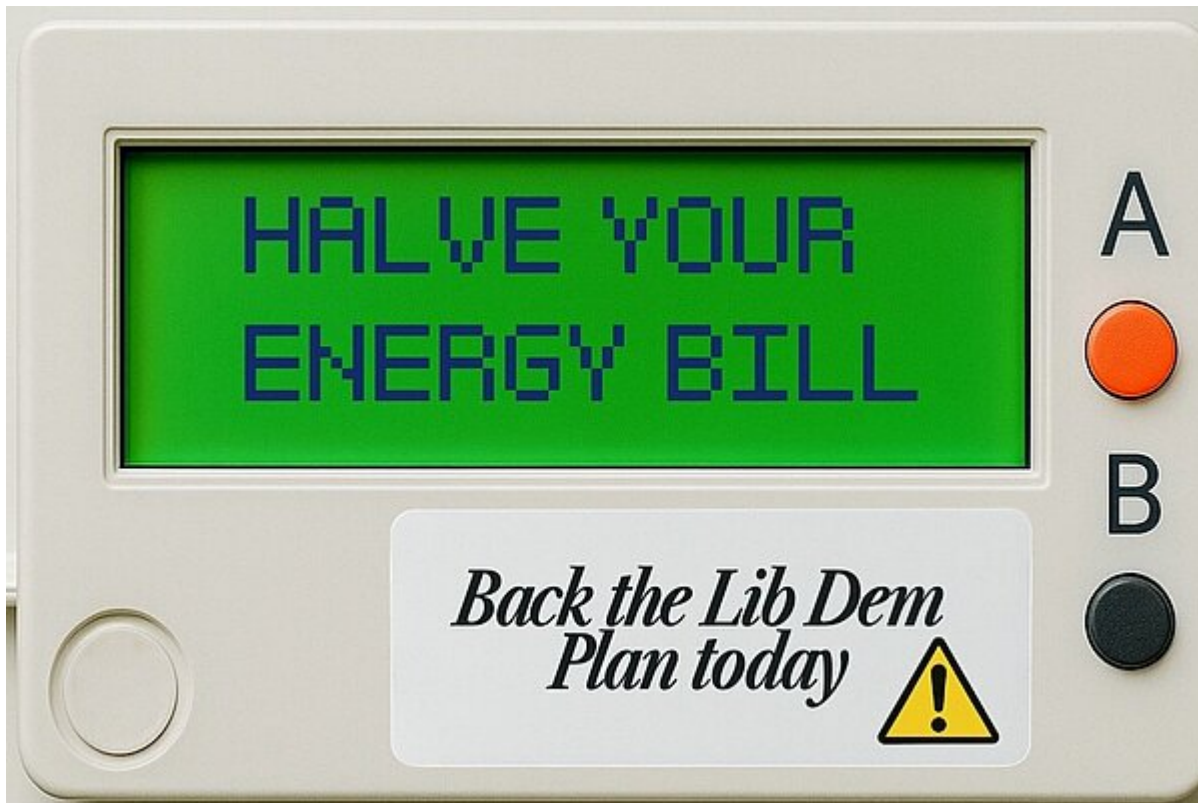


# Our plan to halve energy bills by 2035



## [Latest news](#)

Sky-high energy bills are a massive problem for families, pensioners and businesses across the UK. A typical household is having to pay £50 a month more than they did five years ago – just to keep the lights on, or heat their homes in winter.

**Nigel Farage and Kemi Badenoch are peddling the myth that it's the fault of renewable power.** They say the reason energy bills are so high is that we're investing too much in solar panels and wind turbines, and if we just stopped that investment – and relied more on oil and gas instead – then bills would magically come down.

That's rubbish. What's caused energy bills to soar in recent years isn't renewables; it's fossil fuels. The prices of oil and gas rose sharply when Vladimir Putin invaded Ukraine, and we've all felt the impact in our bills.

But Farage and Badenoch are right about one thing: we are paying too much for renewable energy – just not for the reasons they claim.

After nearly a decade of negligent Conservative energy policy that

sent bills soaring, the right energy policies will be able to send them back down and cut them in half within ten years.

Energy policy in service of the British people, not a Farage policy in service of Putin.

– [Liberal Democrats \(@libdems.org.uk\)](https://libdemocrats.org.uk) 2025-07-20T14:01:24.066Z

Generating electricity from renewables is now significantly cheaper than gas, and half of the UK's electricity comes from renewables, but people aren't seeing the benefits in their bills. That's because the wholesale electricity price is set by the most expensive fuel in the mix – and in the UK, that's almost always gas. In 2021, the cost of electricity was set by the price of gas 97% of the time.

**So if we're going to bring energy bills down – and make sure people see the benefits of cheap renewable energy – we have to break the link between the cost of electricity and the price of gas.**

Back the plan

Liberal Democrats have a plan to do just that, which would see energy bills cut in half by 2035. Here's how:

- Investing in cheap, clean renewable power.
- Making homes warmer and cheaper to heat with a ten-year emergency upgrade programme – starting with free insulation for those on low incomes, and ensuring that all new homes are zero-carbon.
- Moving older renewable projects off expensive Renewable Obligation Certificates and onto cheaper Contracts for Difference – which were introduced by the Liberal Democrats in government. This was proposed by the UK Energy Research Centre in 2022, and three major energy sector bodies – Energy UK, RenewableUK and Solar Energy UK – have all backed these proposals.
- Taking other steps to bring down the cost of energy, including:
  - Using new technologies to help people use energy more flexibly, at times when it's cheaper – and pay less as a result.
  - Working together with the EU to trade energy more efficiently, cutting costs and reducing reliance on gas.
  - Extending the life of new Contracts for Difference from 15 to 25

years.

Together, our analysis shows that this plan could cut energy bills in half for a typical household: from £1,720 today to £850 in 2035.

What's your plan to invest in renewable energy?

In our 2024 General Election Manifesto, we set out plans to invest in renewable power so that 90% of the UK's electricity is generated from renewables by 2030.

We would drive a rooftop solar revolution by expanding incentives for

households to install solar panels, including a guaranteed fair price for electricity sold back into the grid. And thanks to Max Wilkinson's Sunshine Bill, the Government has committed to requiring all new homes to have solar panels installed as standard.

To succeed we need to upgrade Britain's grid, we would create a strategic Land and Sea Use Framework to facilitate this, and reduce access costs for grid connections.

We would invest in energy storage, including green hydrogen, pumped storage and battery capability. And we would empower local authorities to develop local renewable electricity generation and storage strategies.

How would you make homes more energy efficient?

In our 2024 General Election Manifesto, we set out plans to make homes warmer and cheaper to heat.

We would launch an emergency Home Energy Upgrade programme, with free insulation and heat pumps for low-income households and a central role for local authorities in delivering this programme. And we would introduce a new subsidised Energy-Saving Homes scheme, with pilots to find the most effective combination of tax incentives, loans and grants, together with advice and support.

We would immediately require all new homes and non-domestic buildings to be built to a zero-carbon standard, and progressively increasing standards as technology improves. We would introduce requirements for landlords to upgrade the energy efficiency of their properties to EPC C or above by 2028.

What are Contracts for Difference? Why would moving onto them cut energy bills?

Contracts for Difference – introduced by the Liberal Democrats in government – give energy companies the certainty they need to invest in renewables. If the wholesale price drops below the agreed strike price, the government pays them the difference.

But crucially, they give consumers a fair deal too. If the wholesale price goes above the strike price – like they did when gas prices soared when Russia invaded Ukraine – energy companies pay back the difference, taking money off household energy bills.

If all renewables were on Contracts for Difference, the electricity market would be a lot fairer and people would see the benefits of cheap renewables in their bills when gas prices are high.

The problem is, only about 15% of renewable power is generated under Contracts for Difference. The rest is still governed by the old

Renewables Obligation Certificates (ROCs) scheme – introduced by the last Labour Government in 2002 – when renewable power was much more expensive so companies were given lucrative deals to invest.

Unlike Contracts for Difference, companies with ROCs get paid the wholesale price – in other words, the price of gas – with a subsidy on top that adds £90 a year to energy bills.

The UK Energy Research Centre has proposed moving those older renewable projects off ROCs and onto Contracts for Difference. In 2022, they estimated that it could save around £15 billion a year – cutting the typical household energy bill by more than £200.

Why would generators move onto cheaper Contracts for Difference?

This would be voluntary, but renewable generators have every incentive to move onto Contracts for Difference. They would get a guaranteed fixed price for the next 25 years – which is much better for them than being dependent on very volatile gas prices.

And with the current Renewable Obligation Certificate deals all expiring over the next 12 years, switching to a long-term Contract for Difference now would give them the certainty they need to secure investment in refitting and upgrading renewable infrastructure.

That's exactly why Contracts for Difference have proved so successful at attracting investment since we introduced them more than a decade ago, and it's why three bodies representing the UK's energy companies – Energy UK, RenewableUK and Solar Energy UK – all backed these proposals when the UK Energy Research Centre put them forward in 2022.

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Author:

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## **Ending the suffering in Gaza and the West Bank**

**We can't turn a blind eye to the devastation across the Occupied Territories if we want to achieve a permanent peace for Palestinians and Israelis.**

When the ceasefire in Gaza came into force on 19 January, we all felt an enormous sense of relief – and hope – at the prospect that this horrendous conflict might come to an end, enabling the alleviation of the humanitarian catastrophe in Gaza and the release of all the hostages.

But since the resumption of Netanyahu's military campaign in Gaza, the suffering of Palestinians' in the Strip has reached new extremes. We've been collectively appalled at the abhorrent aid blockade – with food being used as a weapon of war – and the reports of indiscriminate attacks against Gazans seeking life-saving supplies.

Mass starvation in Gaza and over 1,000 Palestinians killed while seeking aid since May. The government says the situation is intolerable yet they continue to tolerate it.

The UK needs to stop all arms exports to the Israeli Government –



today.

– [Ed Davey \(@eddavey.libdems.org.uk\)](mailto:EdDavey@libdems.org.uk) 2025-07-23T10:34:47.165Z

That's why it's Liberal Democrats who have been the leading party in Parliament pushing the Government to apply more and genuine pressure to Netanyahu's Cabinet.

At Prime Minister's Questions on Wednesday 16 July, Ed Davey condemned Netanyahu's plan to create a guarded compound for all Gazans near Rafah. He called on Keir Starmer to sanction Netanyahu for this plan for ethnic cleansing.

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Liberal Democrats want to see a ceasefire agreed immediately. That's the only way to move towards a permanent peace which provides dignity for Palestinians and Israelis. But we can only get there by drawing power away from the extremes, and empowering moderates in both societies.

We were pleased, then, that the Government finally moved to sanction the far-right extremist Israeli Ministers Ben-Gvir and Smotrich – who have long advocated for the forced dispossession of Palestinians. This was a full [15 months after Ed Davey called for this step](#) to be taken – the first major party leader to do so.

And Lib Dems have consistently led the way in pressing the Government to do more, including:

- Ed Davey using the first Prime Ministerial statement after the 2024 General Election to [call on Keir Starmer](#) to uphold the ICJ's ruling on Israel's occupation of the Palestinian territories as illegal.
- We were the first major UK wide party to [call for a full ban on all military exports to Israel](#).
- We are also the leading party in Parliament campaigning for the immediate recognition of Palestine as a state – in June, [all 72 Lib Dem MPs wrote to David Lammy](#) calling on the Government to finally enact this.

As part of that effort, we must also never forget that the Hamas terrorists continue to hold up to 50 Israelis hostage in the tunnels under Gaza, following their barbaric attack on Israel on October 7th. The hostages have been held now for over 650 days, and have been subject to the cruelty and

brutality of their captors.

Deeply moved to hear the testimony of Aviva and Keith Siegel of their captivity and torture by Hamas terrorists. They bravely spoke of their experience and of those still held whom they – and we – are dedicated to freeing.

– [Calum Miller \(@calummillerld.bsky.social\)](#)  
[2025-07-16T17:07:49.833Z](#)

A number of our MPs and Peers listened to the testimony provided by Aviva and Keith Siegel – two of the hostages taken by Hamas on October 7. Their experiences – and bravery in retelling their stories – should impress upon the UK Government the importance of committing every diplomatic lever at its disposal to apply pressure to Hamas and secure the release of the remaining hostages.

*Image:* [Jaber Jehad Badwan](#)

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## [ICJ ruling leaves UK with duty to speed up green transition](#)

23 July 2025 by [Green Party](#)

Reacting to the International Criminal Court's [first-ever ruling on climate change](#), co-leader of the Green Party, Carla Denyer MP, said:

“In a landmark ruling today the ICJ has made clear that failure to take decisive action to protect the climate, through continued fossil fuel

production and consumption and granting fossil fuel exploration licences, can be considered as acting 'wrongfully'. This means the UK has a legal duty to speed up the transition towards a cleaner, greener economy and block any new licences for the extraction of fossil fuels.

"The ruling also made clear that human rights must be at the heart of climate action because climate breakdown affects our rights to health, homes, and livelihoods.

"The court has recognised that rich countries like the UK, responsible for ongoing and historic pollution, have a special responsibility to act, and to offer compensation to countries and communities already suffering from floods, droughts, and rising sea levels.

"Today's ruling should be the moment we draw a line. Governments that fail to act and polluters that refuse to clean up their act must no longer be allowed to harm communities either at home or across the globe with impunity."

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## Reaction to Sizewell C deal: too expensive, too slow

22 July 2025 by [Green Party](#)

Commenting on news that the Government has [struck a deal with private investors to progress the Sizewell C nuclear power plant](#) in Suffolk – a deal in which the government will have a 45% stake – co-leader of the Green Party and Waveney Valley MP, Adrian Ramsay, said:

"The tax-payer will pick up nearly half of the estimated £38bn bill for Sizewell C but see not a single watt of electricity from it for at least a decade. Bill-payers will also have to stump up the cash for this plant through an increase in their energy bills by around £12 a year.

"New nuclear is a vastly more expensive way to produce electricity than renewables, with electricity from Sizewell C [estimated to cost around £170 per megawatt hour](#) compared to offshore wind at around £89/MWh. Hinkley C has also shown how the costs of developing nuclear power plants mushroom and are beset by endless delays.

"The billions of our money being squandered on this nuclear gamble would be far better spent on insulating and retrofitting millions of homes, which would bring down energy bills and keep people warm in winter and cool in summer. We should also be investing in genuinely green power such as fitting

millions of solar panels to roofs, and in innovative technologies like tidal power. All this would create [many more jobs than nuclear ever will](#) and deliver clean electricity much more quickly.”

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## [Green Party reaction to water review](#)

21 July 2025 by [Green Party](#)

Responding to the [Jon Cunliffe review into the water sector in England and Wales](#) which calls for Ofwat to be replaced by a single regulatory body, co-leader of the Green Party, Adrian Ramsay MP, said:

“Expecting a different form of regulation to fix the water industry is, frankly, rearranging the deck chairs on the Titanic. Not only that but the majority of the public are going to be expected to pay more in bills, as we watch the industry continue to sink under the failed model of privatisation.

“The government deliberately left out the option of public ownership from the review, but that’s the only real way to get the water industry to clean up its act, end millions being siphoned off for huge CEO salaries and shareholder dividends and instead see this money invested into ending sewage dumping and fixing leaks.”

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