



Business, Energy and Industrial Strategy Committee

House of Commons, London SW1A 0AA

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Rt Hon Kwasi Kwarteng MP
Secretary of State for Business, Energy and Industrial Strategy
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
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16th March 2022

Dear Secretary of State,

Spring Statement and the Energy Supply Strategy

We write to you with a number of energy policy questions in advance of the Chancellor's Spring Statement and the publication of the Energy Supply Strategy.

We note that the Chancellor's previous announcement of £350 to help customers with their energy bills, due in October following an average £700 price rise this April, will now be out of date when the price cap next rises in October. Given the price cap represents the cost of energy in the preceding quarter the price cap will increase again in the future. This is why the projected number of households expected to be in fuel poverty has increased. Please can you confirm whether your Department has requested further direct support for bill payers in the Spring Statement? If not, what is your Department's assessment of the knock-on impact to the long-term funding of the energy system if consumers can no longer afford to pay their energy bills? Furthermore, what assessment has been made on the long-term effectiveness of the energy price cap?

We note the significant costs of the use of the Special Administrative Regime, which was used for the first time following the demise of Bulb energy. If other companies fail in the future, and have customer numbers too large to transfer to another supplier, will any changes be made to the SAR scheme to reduce the cost exposure to the taxpayer?

In respect of the Bulb SAR, we understand that Ministers refused to allow the administrators of Bulb to re-hedge prior to the Russian invasion of Ukraine. This has resulted in a much larger cost exposure to the taxpayer. Please can you confirm whether this decision was taken by BEIS or Treasury Ministers and explain if the advice of administrators with experience of running energy companies was rejected?

On energy security, we all agree that reducing energy demand is a crucial part of the solution. Yet, there is no programme to incentivise energy efficiency upgrades open to all households. Please can you confirm when we will see the replacement scheme for home insulation, following the failure of the Green Homes Grant? We also note that the £450m allocated to the Boiler Upgrade Scheme until 2025 will support a maximum of 90,000 heat pump installations – far below the Government's target

to scale delivery to at least 600,000 installations per year by 2028. Can you confirm whether the Boiler Upgrade Scheme will be adjusted in any way to increase the speed of delivery?

For Northern Europe to make the most of the potential of renewable energy from the North Sea, the UK Government and the European Commission must cooperate. Please can you confirm whether the UK has participated in the North Sea Energy Cooperation Forum since Brexit and, if not, what representations have been made to the European Union to re-establish dialogue?

Please can you update the Committee on your Departments approach to foreign direct investment into UK energy infrastructure and whether certain countries will not be permitted to invest in the future?

We note the delay in the updated energy national policy statements being presented to Parliament. Please can you confirm when these will be presented and, in responding to our scrutiny conclusions, confirm that onshore wind development will be given higher priority than in the past?

Yours sincerely,

A handwritten signature in black ink that reads "Darren Jones". The signature is written in a cursive, flowing style with a large initial 'D' and 'J'.

DARREN JONES MP
CHAIR, BUSINESS, ENERGY AND INDUSTRIAL STRATEGY COMMITTEE