

## **Coalition calls on PM to prioritise insulation to save households £500 a year**

***Embargoed for 00.01am on Monday 10<sup>th</sup> January 2022***

The Energy Efficiency Infrastructure Group (EEIG), a coalition of business groups and charities, has written today to the Prime Minister, calling on the Government to protect and enhance energy efficiency investment as a permanent solution to high energy bills, which can save households over £500 a year on their energy bills, an aggregate saving of around £8bn per year.

Soaring global gas prices are fuelling a cost-of-living crisis in the UK. Energy bills are set to rise to £2,000 per year which risks increasing fuel poverty by 50%, to 6 million households.

The EEIG is calling for additional support for vulnerable households to prevent a fuel poverty emergency, including expanding the Warm Homes Discount and maintaining the Energy Company Obligation (ECO) levy, that funds insulation measures for low-income households.

The letter warns that any move to suspend ECO funding or to reduce it would be counterproductive and damaging for households and industry, stalling rates of action for making fuel poor homes more energy efficient, putting green jobs at risk and keeping households hooked on expensive gas

The EEIG urges the Government to accelerate the investment programme to bring all homes up to Band C on an Energy Performance Certificate. They point out that bringing the least energy efficient homes up to this level of efficiency can save them over £500 per year.<sup>1</sup> This would mean an aggregate saving of £7.8bn per year – disposable income that could then be spent elsewhere in the economy, especially in local retail and services. Other economic benefits include reducing pressures on the NHS and supporting 190,000 in retrofit trades and wider services.

The EEIG asks the Government to fulfil outstanding Conservative manifesto financial commitments on energy efficiency, as the long term and permanent solution for lower bills. A £1.6bn gap exists between the commitments in the manifesto to insulate low-income homes and the investment allocated in the Spending Review, including a further £1.4bn needed for the Home Upgrade Grant and £0.2bn for the Social Housing Decarbonisation Scheme over the next three years.

The EEIG is also calling for a new £3.6bn grant or subsidy scheme, open to all other households to insulate their home – ensuring effective delivery and learning lessons from previous schemes.<sup>1</sup> At the moment, two-thirds of all households have no access to any financial support to insulate their homes. The pot of money available to provide grants for heat pumps should also be increased from £400m to £4.15bn by 2025 to accelerate the transition away from gas heating.

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<sup>1</sup> <https://www.e3g.org/publications/responding-to-uk-gas-crisis/>

Sarah Kostense-Winterton, Chairman of the EEIG says: *“The cost-of-living crisis is being driven by soaring gas prices. A permanent solution to lower bills is through reducing demand through energy efficiency measures. Emergency short-term measures for the most vulnerable households are crucial in the short-term, but it’s fundamental for the government to simultaneously focus on the long-term through accelerating green homes measures to avoid futures crises. Green home retrofits have significant social, environmental and economic co-benefits, and stand out as a ‘no regrets’ solution to the energy crisis, climate crisis, and levelling up agenda.”*

EEIG member, Nigel Donohue, CEO of the Insulation Assurance Authority, says *“Britain has the coldest and leakiest housing stock in Western Europe, leaving families particularly exposed to sharp global spikes in gas prices. Energy efficiency schemes such as the Energy Company Obligation are helping end fuel poverty, reduce emissions and support green jobs across the country. Reducing funding for energy efficiency schemes at this time would be a self-defeating move which puts green jobs at risk and could significantly damage the energy efficiency market. Instead, the long-term solution is to double-down on net zero.”*

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#### Notes to editors

1. New research finding that improving the least efficient homes currently rated EPC ‘D’ or worse for energy performance to ‘C’ would save households over £500 per year should prices rise again in April.<sup>ii</sup> Of the households with below average incomes living in inefficient homes, 81% are deemed ineligible for nationally available government support. Previous energy efficiency schemes have been successful in reducing gas demand, contributing to a 30% reduction in medium domestic gas use between 2005 and 2013.<sup>iii</sup>
2. The EEIG is a broad-based coalition made up for industry groups, energy companies, the retrofit experts and charities. Members include the Insulation Assurance Authority, E.On, Knauf Insulation, Superglass, E3G, Energy Savings Trust, Rockwool, MIMA and the Association for Decentralised Energy.
3. Please note the position taken by the Energy Efficiency Infrastructure Group (EEIG) does not necessarily reflect the views or priorities of all members.

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<sup>i</sup> <https://www.nao.org.uk/report/green-homes-grant/>

<sup>ii</sup> <https://www.e3g.org/publications/responding-to-uk-gas-crisis/>

<sup>iii</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/437093/National\\_Energy\\_Efficiency\\_Data-Framework\\_NEED\\_Main\\_Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/437093/National_Energy_Efficiency_Data-Framework_NEED_Main_Report.pdf)