

**Pwyllgor Newid Hinsawdd,
yr Amgylchedd a Seilwaith**

—
**Climate Change, Environment,
and Infrastructure Committee**

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Julie James MS
Minister for Climate Change

10 May 2022

Dear Minister,

At our meeting on 28 April 2022, we held evidence sessions with stakeholders to inform our ongoing work on decarbonisation of housing. During the sessions, we touched upon the importance of improving home energy efficiency as a means of reducing energy costs. Following the meeting, we discussed the recent, dramatic rise in energy costs arising from the energy price cap increase in April 2022. The Committee agreed I should write to you to express its concern about the impact of this on households in Wales, in particular lower income households.

We are aware of the Welsh Government's ongoing work to improve home energy efficiency and tackle fuel poverty, and of its ambitions to accelerate renewable energy development as a means of improving domestic energy security and safeguarding against energy price shocks. However, the ongoing energy-price crisis calls for immediate action to support households who are struggling with unaffordable energy bills.

We note the Welsh Government has already introduced a series of measures to mitigate the impact of rising energy prices on households, including increasing the Winter Fuel Scheme payment and widening the eligibility criteria for the Scheme, and providing a council tax rebate for some households. Although these may have cushioned the blow for some, they are unlikely to be of much comfort to those already living in fuel poverty and may not be sufficient to prevent the sharp increase in fuel poverty that has been forecast.

Added to the above, we know that the worst is yet to come, with a second cap increase in October 2022, predicted by some analysts to be 32%. We would welcome an explanation from you about how



you are preparing for this further increase, including details of additional measures you intend to put in place to support households through, what will inevitably be, a challenging winter.

We acknowledge that the UK Government holds many of the key levers to ensure appropriate financial support is available to households who are struggling to afford their energy bills. We are aware that the Welsh Government has already made its position clear on the need for a windfall tax on excessive profits made by big energy companies. Recent reports about the eye-watering quarterly profits of these companies, for example, BP's £4.9bn, add weight to the argument for such a tax. We seek clarification from you that you are continuing to pursue with the UK Government the introduction of a windfall tax.

We understand that the Equality and Social Justice Committee will be publishing a report on fuel poverty imminently. We would not wish to pre-empt the Committee's findings. Instead, we hope this letter compliments its report and adds weight to any recommendations for additional action to support households through the current energy-price crisis.

I should be grateful if you could response to the above as soon as possible, and by 24 May at the latest.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Llyr', is centered on a light yellow rectangular background.

Llyr Gruffydd MS,
Chair, Climate Change, Environment, and Infrastructure Committee