CAROLYN THOMAS MS FOR NORTH WALES / AS DROS GOGLEDD CYMRU

Dear Ofgem,

Re: Consultation on introducing a zero standing charge energy price cap variant

I am writing to respond to the consultation on introducing a zero standing charge energy price cap variant. While I welcome the direction of travel toward reducing or eliminating the burden of unjustifiable standing charges, I do not believe that the three options presented in your consultation adequately address the severity of the issue.

In North Wales, consumers are bearing the brunt of sky-rocketing standing charges, with our region facing the highest standing charges in the United Kingdom. For many households, this disproportionate cost is unsustainable. With standing charges not directly related to energy consumption, they penalise consumers who use less energy, often those who can least afford to pay.

The consequences of these elevated standing charges are dire, with the rapid increase in energy prices pushing an increasing number of individuals and families into fuel poverty. It is clear that the current situation cannot be allowed to continue, but I am unconvinced that the options presented in the Ofgem consultation go far enough and will likely not lead to any meaningful relief for consumers.

The scale of the problem with the UK's energy market demands bolder, more substantial interventions. As such, I believe that Ofgem should seriously consider the introduction of social tariffs and rising block tariffs with discounted rates for basic energy needs inclusive of a certain amount of free energy for essential consumption. These options would ensure that the most vulnerable consumers are protected, whilst also incentivizing greater energy efficiency – vital in our efforts to tackle climate change.

Rising block tariffs have been successfully implemented in various countries around the world, and they represent a far more progressive and equitable approach to energy pricing than the current system. I urge Ofgem to reconsider the proposed options and explore more innovative and progressive pricing models which better reflect the realities faced by consumers across North Wales and the UK.

Yours Sincerely,

Member of the Senedd for North Wales

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