



Rt Hon Edward Miliband MP
Secretary of State for Energy and Climate Change
House of Commons
London
SW1A 0AA

16th October 2008

Dear Ed,

Consultation on reducing domestic fuel bills

Congratulations on your new appointment. I am sure your new departmental role will keep you extremely busy; as an early item on your agenda I wish to bring to your attention the results of a constituency-wide survey I have carried out on ways to cut reduce domestic fuel bills.

I regularly run e-consultations, which involve posing a question to my constituents via a growing email list and collating the responses to take poll of local opinion on key issues. The most recent consultation asked:

Should energy companies be made to use more of their ETS windfall profits to cut domestic fuel bills and improve energy efficiency?

The consultation results were very supportive of the proposal, with 87% of people were in favour and 13% against.

Many of those people who supported the proposal pointed out that the energy companies' Emissions Trading Scheme windfall profits were not explicitly earned by the energy companies, so should be open to a higher than normal level of taxation. While respondents broadly acknowledged that energy companies are in business to make a profit, some felt that the scale of the profits in question made it immoral for energy companies to profit so hugely while others struggle to stay warm.

Of those people who did not support the proposal, many were critical of the ETS. They pointed out that energy companies should not be retrospectively charged having entered into the scheme in good faith, with the fault lying with the original architects of the ETS.

My own view is that energy companies should be obliged to invest more of their ETS profits in tackling fuel poverty. The Government has backed away from placing obligations on energy companies to reinvest their ETS windfall

profits, instead pointing to the £910m energy efficiency and insulation plan agreed with the industry. However, there is no safeguard against the cost of this scheme simply being passed on to consumers through higher bills. My e-consultation took place after the Chancellor's announcement on the energy efficiency and insulation plan, so clearly the views of my constituents are that the plan is not an acceptable substitute for more radical action.

With many families facing a difficult winter of rising mortgage bills, the fear of unemployment and high heating costs, there is a clear case for immediate action to help cut energy costs. Looking ahead, greater investment needs to be made now in energy efficiency, without hitting the pockets of struggling energy consumers, to help keep energy prices down in years to come.

I hope you find results of this e-consultation informative and look forward to hearing from you.

Yours Sincerely,

Jo Swinson MP