

# King's Speech 2026: Energy Independence Bill

## Background

- The ongoing conflict in Iran has underscored how the UK's continued reliance on oil and gas leaves households and businesses exposed to global price shocks. This is the second fossil fuel price shock in just four years and is already directly increasing the cost of living, impacting living standards and leaving many households at increased risk of fuel poverty.
- The Energy Independence Bill, announced in this year's King's Speech, is the primary legislative vehicle targeted to break this cycle, by accelerating the transition to clean energy. The Bill sets out three core objectives: tackling the affordability crisis and protecting consumers; accelerating the UK's drive for energy security; and delivering a fair, managed and prosperous transition to clean energy.
- There is overwhelming scientific consensus that transitioning away from fossil fuels is essential for efforts to tackle climate change, and the consequences of rising emissions are already visible and intensifying. While much of the UK public supports action on tackling climate change, [data](#) suggests concerns about the potential costs of climate policies. This underlines the importance of ensuring the energy transition delivers clear, tangible improvements to people's daily lives.

### **An opportunity to tackle the affordability crisis and protect billpayers**

- The energy price cap is currently limiting the typical household bill to £1,641 a year, but it is due to expire on 30 June. Bills are forecast to increase to £1,849 per year in the next price cap period, driven by higher gas prices as conflict in the Middle East continues to disrupt trade.
- Petrol and diesel prices are already rising, with petrol on average 25p/l more expensive than when the war began, as global oil prices have soared beyond \$100 a barrel. Oil and gas price rises are expected to cause wider inflationary effects, particularly in food prices.
- **Upgrading homes:** The government published its Warm Homes Plan in January 2026, which aims to invest £15 billion to upgrade up to 5 million homes, with the aim of cutting bills, addressing fuel poverty, creating jobs, and insulating homes from volatile global markets. The Bill will establish a Warm Homes Agency, a new public body that will help to coordinate and oversee the delivery of home upgrades and provide advice and guidance to households. It will also raise minimum energy efficiency standards for private and social rented properties. The Bill should introduce more powers for local authorities and regional mayors to drive delivery of the Warm Homes Plan.
- **Bringing down bills:** Broad-based energy subsidies have been ruled out by the government for the coming winter, but low-income households require support with their bills. The Bill should introduce a social tariff framework to enable support to be targeted at those who need it.
- **Consumer protection:** The Bill will contain new powers for Ofgem to regulate energy brokers and stop unfair practices. It is crucial that the Bill also bans the forced installation of prepayment meters and improves Ofgem's enforcement powers, while ensuring its remit focuses on consumer protection.

### **An opportunity to accelerate the UK's drive for energy security**

- To truly free itself from volatile fossil fuels, the UK must expand renewable energy generation, upgrade the grid, and ensure households and businesses can electrify their energy uses.

- Currently, renewable energy provides nearly 50% of our electricity – more than any other source – while gas has fallen to less than one-third of the mix. [Analysis](#) by ECIU found that offshore wind's growing contribution is helping to displace expensive gas plants from day-ahead markets, lowering wholesale power prices by around one-third in 2025.
- The build-out of clean energy is also reducing the UK's reliance on imports. In March 2026 alone, record [wind and solar](#) generation avoided the need for £1 billion in gas imports.
- **Legislative Solutions in the Bill:** The Bill will introduce market, planning, and regulatory reforms designed “to accelerate the deployment of clean power including offshore wind, hydrogen and smart grid technologies”. Measures to speed up the build-out of grid infrastructure and “to take a more strategic approach to planning and building energy infrastructure” will also be introduced.
- **Electrification is Key:** While renewables meet an increasing share of electricity demand, the UK still [relies](#) heavily on hydrocarbons for heating, transport and industry, largely in the use of gas boilers and petrol and diesel cars. The Bill will include measures to advance the electrification of the UK's wider economy, including a “programme of home electrification” in the aim of bringing down bills and tackling fuel poverty.
- The high price of electricity inhibits wider uptake of electrification, artificially inflated by a number of levies placed on electricity bills, but not on gas. The government has made steps to remove some levies from electricity bills, but it must go further. The Bill must facilitate changes to social and environmental levies and other costs on energy bills, and introduce a levy control framework. The Bill must also enable a more flexible electricity market, so that customers can benefit from lower energy bills when renewable generation is high.
- Record [numbers](#) of households are seeking to shield themselves from fossil price spikes by purchasing solar panels, electric vehicles and heat pumps. However, the Bill must ensure that upgrades are available to households who may otherwise struggle with the upfront costs of purchase or installation.

### **An opportunity to manage a fair transition for the North Sea and ending fossil fuel expansion**

- The UK North Sea is in long-term decline, with 93% of its reserves already [extracted](#). What remains is mostly oil, the majority of which is exported. It can no longer be viewed as a source of energy security for the country.
- Climate science is clear that the oil and gas in existing fields contain enough carbon to push us past the 1.5°C temperature goal of the Paris Agreement. New fields are [not compatible](#) with 1.5°C.
- Decisions on the North Sea are currently managed by the North Sea Transition Authority (NSTA), which has a statutory principal objective of ‘Maximising Economic Recovery of UK Petroleum’. The NSTA must now take a broader view of the transition away from oil and gas, incorporating factors beyond commercial returns to extractive companies.
- The Bill will include a new statutory objective to consider workers, communities and supply chains in the NSTA's decisions. This is welcome progress but it is crucial this objective sits alongside a full and comprehensive plan to futureproof supply chain jobs, investment in renewable energy manufacturing, and a North Sea Jobs Service which provides proactive recruitment and retention of oil and gas workers into good-quality jobs in renewables and other sectors.
- The Bill must also compel the NSTA to consider climate impacts in its decisions, to make progress on the government's goal of aligning decisions on future production with climate science and 1.5°C.
- The Bill will also end the issuing of licences for oil and gas exploration, a huge step in the UK's climate leadership. By putting this into legislation, the government will provide vital certainty to investors, supply chains, and the workforce.

- As reserves in the North Sea reach their end, new discoveries are smaller, more complex and more expensive to extract. New licences have minimal impact on production, with hundreds of licences issued between 2010 and 2024 leading to only a handful of viable fields which have, to date, produced just [36 days](#) worth of gas. Over their entire lifetime those fields will yield just 6 months worth of gas.
- The Bill will also end new coal licences and finally ban fracking.

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This briefing was researched by Uplift as the secretariat to the All-Party Parliamentary Group on Climate Change

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