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Dear Rachel

Thank you for your letter of 15 November concerning the Digital Economy Act and Warm Home Discount. I am grateful to you and the Committee for the consideration you are giving to the draft Domestic Gas and Electricity (Tariff Cap) Bill. I agree that it is important to use the opportunities provided by the Digital Economy Act and implementing regulations to make better use of Government data to target low income and vulnerable customers who are most at risk of fuel poverty.

We are supportive of a safeguard tariff for vulnerable customers and are actively working with Cabinet Office, the Department for Work and Pensions and Ofgem on how legislation, including the Digital Economy Act, could enable the safeguard tariff to cover more vulnerable customers. Legislation could be brought forward early in 2018, subject to Parliamentary timings.

We will look very carefully at how data sharing with energy suppliers should work so that vulnerable customers can be identified while maintaining appropriate protection of sensitive data. Officials in the relevant Departments are liaising closely on the detail of operation.

With regard to Warm Home Discount, it currently gives important energy bill rebates worth £140 to over 2 million low income and vulnerable households each winter. Improvements in the way those eligible households are identified are largely dependent on the provisions of the Digital Economy Act being implemented. That will give us important information on low income households living in the least energy efficient properties. It is essential that the systems by which Warm Home Discount operate are properly tested and work well so that there are no delays in rebates being received by eligible households from energy suppliers. My Department will consult on Warm Home Discount for 2018/19 and subsequent years.

**THE RT HON GREG CLARK MP**  
Secretary of State for Business, Energy & Industrial Strategy