

Energy bills forecast to top £5,300 a year in April's price cap

Energy bills are expected to top £5,300 annually in April next year, a massive increase from previous predictions.

The dire news comes from energy consultancy Cornwall Insight in its final forecast before Ofgem confirms October's price cap this Friday.

Cornwall Insight's forecast for October this year has fallen very slightly from £3,583 for the average household to £3,553.

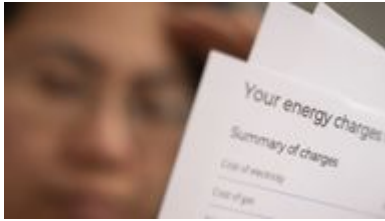
The firm said that forecasts for this period had remained "largely steady" over recent weeks, but a 15% increase in wholesale energy prices last week has changed the outlook for next year.

The forecast is for January's cap to be £4,649.72 per year for the average household – compared to last week's forecast that it would reach £4,266 by this point.

And April's cap is forecast to hit £5,341.08 per year, compared to last week's forecast that it would reach £4,427.

While the price cap is expected to fall later in 2023, it will remain very high – a forecast of £4,767 in July and £4,807 in October.

More from Business



UK inflation to top 18% as gas prices soar, banking giant Citi forecasts



Energy price cap will rise to £3,554 a year this week, according to new prediction | Cost of living latest



Apple employees fight back against Tim Cook's return-to-office order

It is all a far cry from the £1,277 per year price cap seen in October 2021.

The price cap is not a maximum limit on energy bills, but rather a cap on how much suppliers can charge per kWh of energy used and a maximum daily standing charge.

Advertisement

The main factor in the increase is the wholesale price for natural gas, which has gone through the roof since Russia invaded Ukraine late in February.

Most households will get a £400 discount on energy bills starting in October, with more help available for the vulnerable, but this will easily be eaten up by the increase in prices.

Labour and the Liberal Democrats have suggested freezing bills at the current level, but the government has made it clear it will not do anything substantial until a new prime minister is in office on 5 September.

The two candidates in the race to replace Boris Johnson as prime minister – Liz Truss and Rushi Sunak – have come under pressure to produce detailed plans to reduce bills.

Read more:

[What happens if you can't pay your energy bills](#)

[What is the energy price cap and why are bills rising so sharply?](#)

[UK inflation to top 18% as gas prices soar, banking giant Citi forecasts](#)

HOW ARE RISING PRICES AFFECTING YOU?

Let us know what impact the cost of living squeeze is having on you. Share your story, pictures or video with us using our app, private messaging or email.

:: [Your Report](#) on Sky News apps

:: [WhatsApp](#)

:: [Email](#)

By sending us your video footage/ photographs/ audio you agree we can broadcast, publish and edit the material

'The cap is not protecting consumers from these high prices'

Dr Craig Lowrey, principal consultant at Cornwall Insight, said the forecasts are "truly concerning", adding: "It is

difficult to see how many will cope with the coming winter”.

“The energy crisis is not something which can be solved with hastily pulled together, short-term policies that yield a percentage decrease here or a few months’ relief there.

“Although such policies may help to solve today’s problems, they risk being sticking plasters for a much deeper and longer-term problem.”

He said that the energy market remains “an incredibly volatile place” and forecasts could rise and fall by hundreds of pounds over the coming months.

“However, one thing is certain, the cap is not protecting – nor will it protect – consumers from these high prices.

“The next few years will likely be overshadowed by this energy crisis, and there will need to be a serious review of how to deliver energy policy that helps households and businesses alike.”