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Path To Net Zero

Policy Landscape in the UK

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Imprint

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Thanks to

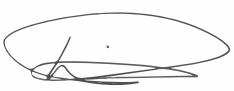
Freepik and Pexels for
Image Contribution

Editorial

Our "Path To Net Zero: Policy Landscape in the UK" primer adds to our continued series of key energy transition-focused industry reports. The collective work is the result of a valued research collaboration between us and Alchemy Business Intelligence and Insights, a leading industry research group working actively across the energy transition markets. The report draws on industry-specific data from industry associations, government authorities / statistical departments, and the International Energy Agency ("IEA"). This was supplemented by news reports, trade journals, and related sources.

The Report provides an update on and overview of the UK's rapidly evolving policy landscape, emphasising the nation's commitment to achieving its 2030 and 2050 clean energy and net-zero emissions goals. It highlights the ambitious clean energy capacity targets the UK government has set, the strategic policy mechanisms designed to support these objectives, and the pressing need for infrastructure enhancements and financial incentives to ensure effective and timely implementation. With the combined policies introduced over the past 12 months, one could say that the UK is on a clear path to net zero emissions in its energy system. And could even say that the UK has set a path for other countries and nations to follow on their respective paths to net zero emissions. It is an ambitious package of policies and interventions for the private capital markets to now work into.

We hope this primer offers valuable insights and an engaging read, and we look forward to sharing further updates on other energy transition trends in the months ahead.



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Key Takeaways

Clean Energy Transition

The United Kingdom (“UK”) is accelerating its clean energy transition, with a commitment to reduce greenhouse gas (“GHG”) emissions by at least 68% from 1990 levels by 2030, supported by a target for at least 95% of electricity generation to come from clean sources by the same year.

Ambitious Installation Capacity Targets

Achieving the 2030 capacity targets will demand a transformative scale-up: offshore wind capacity must more than triple, onshore wind more than double, solar capacity grow fivefold, and battery storage installations expand fivefold.

Grid Reform & Supply Chain Investment

UK grid connection reforms are set to fast-track renewable deployment by replacing the 'First Come, First Served' model with a prioritisation of shovel-ready projects. The Office of Gas and Electricity Markets’ (“Ofgem”) £4 bn Advanced Procurement Mechanism (“APM”) further accelerates progress by expediting grid upgrades and equipment delivery.

Accelerated Approvals & Market Reform

The government is overhauling planning and consenting processes to fast-track large-scale renewables and storage projects. Measures include streamlined Nationally Significant Infrastructure Projects (“NSIP”) thresholds, reduced legal bottlenecks, and a forthcoming Planning & Infrastructure Bill to cut project timelines.

Contracts for Difference (“CfD”) Allocation Round 7 (“AR7”) Reforms

With extended contract terms, a longer commissioning window, and higher administrative strike prices (“ASP”), the government is prioritizing capacity growth over fixed budgets, aiming to add significant clean energy capacity towards the 2030 target.

Mobilising Investment & Industrial Strategy

Public capital is being deployed as a catalyst to crowd in private investment through the £27.8 bn National Wealth Fund (“NWF”), Great British Energy (“GBE”) equity commitments, and the Clean Industry Bonus scheme. These funds, alongside a 10-year Clean Energy Industries Sector Plan, target domestic supply chains ensuring industrial growth alongside decarbonisation.

Backdrop

Climate Imperative: Emission and Clean Energy Goals

- The United Kingdom's primary legislative framework for addressing climate change is the Climate Change Act 2008. This was further reinforced by the Climate Change Act 2008 (2050 Target Amendment) Order 2019, which made it a legal requirement for the UK to achieve net zero greenhouse gas (GHG) emissions by 2050.

- In addition to domestic legislation, the UK has made an internationally binding commitment under the Paris Agreement. As outlined in its Nationally Determined Contribution (NDC), the UK aims to reduce GHG emissions by at least 68% from 1990 levels by 2030. This ambitious target plays a critical role in shaping the pace and scale of renewable energy deployment across the country.

- As part of its strategy to meet its climate commitments, the UK Government in 2024 commissioned the National Energy System Operator (NESO) to provide expert guidance on decarbonizing the power sector by 2030. In response, NESO published the Clean Power 2030 (CP30) report in November 2024, outlining potential pathways to achieve this goal.

- Building on NESO's analysis, the Government released the Clean Power 2030 Action Plan in December 2024, which established a target for at least 95% of the UK's electricity generation to come from clean sources by 2030. This clean power target serves as a key instrument in achieving the UK's broader objective of reducing greenhouse gas emissions by 68% from 1990 levels by 2030, as committed under its NDC.

- The Clean Power 2030 Action Plan outlines a set of coordinated measures designed to support the rapid expansion of clean electricity generation. These measures include grid infrastructure expansion, planning system reforms, and market adjustments, all aimed at ensuring that upgrades to transmission and distribution networks keep pace with the growth in electricity generation capacity.

- In its 2025 progress report, the Climate Change Committee ("CCC") notes that credible plans are now in place to cover around 61% of the emissions reductions required to meet the UK's 2030 target, reflecting significant progress. At the same time, the CCC underscores the need to accelerate implementation—especially in renewables, grid development, and electrification—to remain on course.

- Addressing grid bottlenecks, scaling renewable generation, and enabling large-scale storage are seen as critical to avoiding delays in clean energy delivery and meeting decarbonisation milestones.

- Achieving these goals demands a coordinated approach—combining timely government intervention, strong policy frameworks to remove market barriers and robust private sector investment to ensure an inclusive and equitable energy transition.

Wholesale Market Volatility: Driving the Clean Energy Push

- Following Russia's invasion of Ukraine, UK wholesale gas prices spiked to unprecedented levels, driving electricity prices sharply higher due to the UK's heavy reliance on gas for power generation. In 2022, wholesale gas prices averaged over four times their 2010–2019 level, creating sustained upward pressure on electricity bills.

- The UK has been acutely vulnerable, with gas setting wholesale power prices around 98% of the time—and gas costs still roughly three times higher than pre-crisis levels.

- The surge in gas-driven power prices added an estimated £140 bn to the UK's energy costs from the start of the crisis to the end of 2024—ultimately paid by households and businesses. Compared to pre-crisis annual wholesale gas costs of £10–15 bn, this marks around £90 bn in excess spending, averaging £2,000 per person—£1,300 more than it would have been without the crisis.

- The previous Conservative government's policies enabled energy firms like Centrica and Shell to profit from market volatility during the crisis. In 2022, Centrica's British Gas Energy retail arm saw its operating profit more than triple, while Shell reported its highest earnings ever. Critics argued these windfall profits underscored systemic inequities, as households and small businesses struggled with soaring energy costs.

- The Labour government's energy strategy centres on breaking the link between gas prices and power bills by rapidly expanding domestic clean energy and improving efficiency. This approach aims to boost energy independence, cut fossil fuel reliance, and shield the UK from volatile global markets and geopolitical risks.

- So, the new government's approach focuses on rapid build-out of wind, solar, and storage, coupled with grid upgrades to reduce imported gas reliance and shield consumers from commodity price shocks.

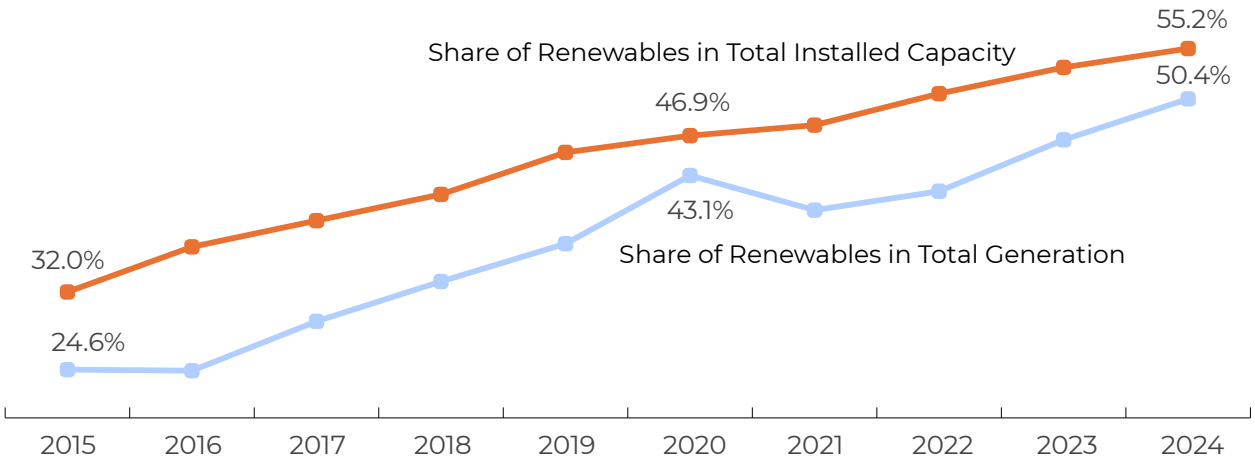
- By targeting 95+% clean power by 2030, the government expects to insulate UK wholesale electricity prices from gas market volatility, prevent repeats of the 2022–2023 crisis, and ensure a fairer distribution of energy sector profits.

- In the long run, this clean energy transition is intended to lock in lower, more predictable wholesale prices, delivering enduring economic resilience alongside decarbonisation.

The Build-out: Scaling Renewables for Security and Net Zero

- The UK's renewable energy capacity has been growing steadily, but deployment rates must accelerate sharply to meet 2030 targets.
- Offshore wind capacity will need to more than triple, onshore wind must more than double, solar capacity must grow fivefold, and battery storage installations must also increase by a factor of five.
- To achieve this, the government is pursuing an aggressive grid-scale clean energy expansion strategy across onshore wind, offshore wind (fixed-bottom and floating), solar photovoltaic ("PV"), and battery storage, alongside advancing other large-scale low-carbon technologies such as tidal, hydrogen, carbon capture and storage ("CCS"), and nuclear.
- Community benefit incentives—such as local investment opportunities and bill discounts for areas hosting major renewable assets—are being implemented to build public support and accelerate deployment.

Share of Renewables in Total Electricity Generation and Installed Capacity



Sources: International Renewable Energy Agency ("IRENA") and Department for Energy Security and Net Zero ("DESNZ")

Onshore Wind

Set for significant capacity growth through both new developments and repowering of existing projects. Planning and permitting reforms are intended to speed up delivery and maximize generation from proven sites.

Fixed-bottom Offshore Wind

Continue to anchor the UK's clean energy portfolio, with a strong project pipeline and targeted CfD support aimed at maintaining its role as the single largest contributor to grid-scale renewable capacity. Strategic investments in grid upgrades and transmission links will be key to integrating this expansion.

Floating Offshore Wind

Moving rapidly from pilot and demonstration into full commercialisation, opening up vast deeper-water areas with stronger wind resources. The government is enabling phased CfD contracts and targeted pot allocations to bring this technology to scale within the 2030 horizon.

Utility-scale solar PV

Being expanded through larger, more competitive auction rounds and enhanced grid access for high-capacity sites. Co-location with storage at grid scale is being encouraged to optimize dispatch and reduce curtailment.

Battery Storage

Scaling up to multi-GW levels to provide balancing, peak-shaving, and frequency services for a renewables-heavy grid. Policy emphasis is on enabling longer-duration systems and streamlining their integration with generation assets.

Other Grid-scale Low-carbon Technologies

Such as tidal stream, hydrogen-fired generation, CCS-backed gas, and advanced nuclear, are also being advanced to complement variable renewables and ensure system reliability. These are supported through tailored funding streams and innovation programmes to accelerate deployment.

- Taken together, these efforts reflect a whole-system approach to decarbonising the UK's electricity supply, with each technology contributing to a diversified, resilient, and flexible generation mix.
- By coupling rapid capacity expansion with measures to phase out unabated fossil generation, the government is positioning the power sector to meet its 2030 clean energy target and lay the groundwork for achieving full net-zero emissions by 2050.

Installed Capacity Under DESNZ's Clean Power Capacity Range (2030), Compared with Current Levels (Q2 2024), in GW

Technology	Current Installed Capacity	DESNZ Clean Power Capacity Range
Variable		
Offshore Wind	14.8	43-50
Onshore Wind	14.2	27-29
Solar	16.6	45-47
Firm		
Nuclear	5.9	3-4
Dispatchable		
Low Carbon Dispatchable Power*	4.3	2-7
Unabated Gas	35.6	35
Flexible		
LDES	2.9	4-6
Batteries	4.5	23-27
Interconnectors	9.8	12-14
Consumer-led Flexibility	2.5	10-12
Total	**111.1**	**204-231**

Source: Clean Power 2030: Action Plan Document (December 2024), DESNZ

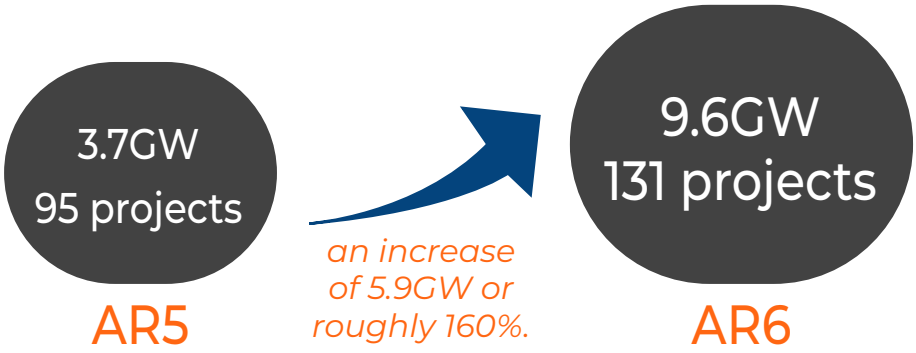
*Includes Biomass, power Bioenergy with Carbon Capture and Storage ("BECCS"), gas Carbon Capture Usage and Storage ("CCUS") and Hydrogen.

Key Policies / Bills for Net Zero 2030 Goals

CfD Auctions to Be the Key Driver of Low Carbon Electricity Generation

- CfD auctions remain the UK government's primary mechanism for delivering large-scale low carbon electricity generation across multiple technologies in pursuit of the 2030 targets.
- Recent reforms have been designed to restore investor confidence, improve cost-reflective pricing, and accelerate deployment.
- The latest auction, Allocation Round 6 ("AR6")—the first since the new government took office—marked a significant recovery from the underwhelming outcome of Allocation Round ("AR5").
- DESNZ boosted budgets, adjusted auction parameters (including higher ASPs, clearer pot structures, and the reopening of the offshore wind category, which restored the commercial case for large offshore projects and unlocked more solar and onshore wind capacity.
- Crucially, AR6 reaffirmed the value of reopening CfD eligibility to solar PV and onshore wind in AR4—technologies previously excluded in AR2 and AR3 due to a temporary policy shift favouring less-established options and local concerns about landscape and community impacts, especially for onshore wind. Their reintroduction in AR4 marked a strategic reset to accelerate deployment of proven, low-cost renewables aligned with the UK's net-zero goals—a momentum that AR6 has now expanded significantly.

Key Facts — Awarded Capacity



Policy and Drivers Behind AR6's Success

Big Budget Uplift
The AR6 budget increased from £1.0 bn to £1.6 bn (~50% uplift), with major boosts to the offshore pot (£800 mn → £1.1 bn), emerging technologies, and established technologies, directly enabling more projects to clear.

Significant Rise in ASPs
DESNZ raised ASPs for key technologies, particularly offshore wind (fixed-bottom and floating), making more projects viable and re-attracting offshore bids after AR5's gap.

Return of Offshore Wind
Offshore wind, absent from AR5 due to uneconomic ASPs, returned in AR6 with ~5.3GW (fixed + floating) awarded—a major contributor to the capacity jump.

Pot Restructuring and Targeted Ring-fences
Clearer pot allocations and dedicated funding for emerging technologies such as floating wind and tidal improved the chances of these projects securing contracts.

Political Reset
Following AR5's industry backlash, the government acted decisively, raising budgets and recalibrating parameters, signalling strong political will and restoring developer appetite.

Co-location and Storage Uptake
AR6 saw increased interest in battery co-location (up to 1.4GW), improving project economics and competitive positioning.

Strengthening the Future CfD Framework through Targeted Reforms

Building on AR6's momentum, the government is introducing reforms for AR7—with the application window open in August 2025—to enhance investor certainty, reduce delivery risk, and align with updated cost realities.

AR6's success, particularly the return of offshore wind and strong performance in solar PV and onshore wind, underlined the importance of clear pricing, sufficient budget, and credible timelines.

Proposed Reforms for AR7 (Offshore and Floating Offshore Wind) / AR7a (All Other Eligible Technologies)

Extension of Contract Term

- The CfD contract duration will be extended from 15 to 20 years for fixed bottom offshore wind, floating offshore wind, onshore wind, and solar technologies.
- This change is expected to lower the cost of capital, offer greater revenue certainty, and enhance the bankability of projects, thereby encouraging a broader pool of investors.

Higher ASPs

- ASPs have been raised for onshore wind, offshore wind, and floating wind to reflect 2024 cost benchmarks, factoring in inflation, supply chain constraints, and financing costs.
- Solar PV ASPs have been slightly reduced in real terms, reflecting ongoing cost competitiveness.
- The price base shifts from 2012 to 2024, improving transparency and aligning with current market conditions.

Longer Commissioning Window

- The Target Commissioning Window for solar PV projects over 5MW extends from 3 months to 12 months, accommodating grid and planning delays and reducing attrition risk.
- This added flexibility gives developers more certainty in meeting delivery milestones, helping to safeguard awarded capacity and reduce the likelihood of contract terminations.

Inclusion of Repowered Onshore Wind Projects

- Repowered onshore wind projects become eligible to participate in the auctions. By including fully repowered onshore wind, the government enables developers to upgrade existing sites with modern, higher-capacity turbines, which can significantly increase energy output without the need for new land.
- This approach accelerates deployment timelines, reduces costs compared to greenfield developments, and supports the UK's net-zero targets by maximizing the potential of established wind farm locations.

Targeted Support for Fixed-bottom and Floating Offshore Wind Projects

- Fixed-bottom offshore wind projects that have reached the Development Consent Order ("DCO") examination stage at least 12 months before the CfD application deadline are now eligible to apply, even if full planning consent has not yet been granted.
- This change enables earlier participation in the auction process, helping to accelerate project pipelines and bring new capacity online sooner.
- Additionally, the government will introduce specific budget and auction parameters to support multiple Test & Demonstration–scale floating offshore wind projects in AR7, striking a balance between experimental and commercially scaled developments.
- This initiative will provide a structured route to market for nascent floating offshore technologies, helping to drive innovation, cost reduction, and progression towards commercially viable deployments.

Boosting Local Supply Chains through the Clean Industry Bonus in AR7

- The UK government has boosted the Clean Industry Bonus budget from the originally planned £200 mn to £544 mn, significantly strengthening incentives for offshore wind developers to deliver greater local and low-carbon economic benefits.
- For every £1 of public funding awarded, the scheme is expected to leverage around £17 in private investment, significantly amplifying its economic impact.
- The bonus rewards projects that commit to investing in economically disadvantaged regions or in cleaner, more sustainable UK supply chains — including traditional oil and gas communities, ex-industrial areas, ports, and coastal towns — helping to ensure that the offshore wind boom supports regional regeneration.
- Payments start at £20.1 mn per GW of committed capacity, with a particular emphasis on advancing the floating offshore wind sector. This approach encourages developers to "shop local" and directly back domestic manufacturing, port upgrades, and supply-chain resilience.

From Fixed Budgets to Capacity Ambition

- One of AR7's most notable shifts is the move away from fixed, pre-auction budget caps towards capacity ambition—deployment targets (in GW) for each technology pot.
- Monetary allocations will now be confirmed later in the round, via the Contract Budget Notice, after the application window closes but before sealed bids are submitted.
- This gives flexibility to review anonymized bid data, optimising value for money, avoiding AR5-style undersubscription, and matching budgets to prevailing market conditions.
- While no AR7-specific capacity goal has been published, the UK government targets at least 12GW of offshore wind capacity across AR7, AR8, and potentially AR9.
- The UK Government's updated AR7 parameters are expected to draw as much as £53 bn in private investment, driving the delivery of critical new offshore wind capacity.

Key Differences Between AR6 and AR7/AR7a

Key Parameters	AR6	AR7/AR7a
Contract Length	15 years	Extended to 20 years
Commissioning Window	3 months	Expanded to 12 months
Budget Allocations	£1.6bn	Capacity-focused — no pre-allotted budget cap

Comparison of ASPs - AR6 vs AR7/AR7a* (£/MWh, 2024 Prices)

Technology Type	AR6	AR7/AR7a
Advanced Conversion Technology	293	307
Anaerobic Digestion (>5MW)	201	195
Dedicated Biomass with CHP	249	238
Energy from Waste with CHP	252	287
Floating Offshore Wind	245	271
Geothermal	219	219
Hydro (>5MW and <50MW)	142	168
Landfill Gas	96	94
Offshore Wind	102	113
Onshore Wind (>5MW)	89	92
Remote Island Wind (>5MW)	89	92
Sewage Gas	226	228
Solar PV (>5MW)	85	75
Tidal Stream	364	371
Wave	358	386

Source: CfD Allocation Round 7 (AR7): Pot and Price Notice by DESNZ
*AR7 – Offshore and Floating Offshore Wind; AR7a – All Other Eligible Technologies

Beyond CfDs: Diversifying Routes to Market

Not all future capacity will rely on CfDs. A growing share of projects is expected to proceed outside the scheme, with some developers advancing final investment decisions using alternative financing models.

Additional capacity will also be driven by corporate Power Purchase Agreements (“PPA”) and merchant projects selling directly into the grid, diversifying revenue sources and reducing reliance on government-backed contracts.

Capacity Market ("CM") Auctions Remain Central to Capacity Security, with Energy Storage Gaining Ground

- The UK CM auctions remain a critical mechanism ensuring electricity security and expand flexible capacity to support decarbonisation by procuring reliable capacity through annual auctions. For the 2025 auction cycle, recent updates reflect a nuanced shift in how different technologies are credited, producing a mixed but evolving capacity mix.

- For the 2025/2026 delivery year, DESNZ has set a target of 6.5GW for the T-1 (one year ahead) CM auction, while the T-4 (four years ahead) auction for delivery in 2028/2029 aims for 44GW of capacity.

- Interconnectors have seen their de-rating factors increase across all major import countries—including Germany, France, Belgium, The Netherlands, Denmark, and Norway. This means interconnectors are now credited with more firm capacity than in previous years, reflecting improved assessments of their availability during peak stress periods and enhancing their role in the UK's security of supply.

- In contrast, fossil fuel generation continues to face cautious or slightly reduced Equivalent Firm Capacity ("EFC") ratings. The most recent analyses by the Panel of Technical Experts ("PTE") and NESO reflect updated operational data and outage statistics, leading to somewhat lower credited capacity for fossil fuel plants. This conservative approach accounts for evolving reliability challenges in the thermal fleet, though the de-rating shifts tend to be modest.

- The most notable transformation is in battery energy storage systems ("BESS"). Methodological advances by the NESO, including the introduction of the scaled EFC method, have greatly improved the way storage is credited. This approach explicitly accounts for BESS duration constraints and multiple stress events, providing a more accurate and often higher credit than previous methods.

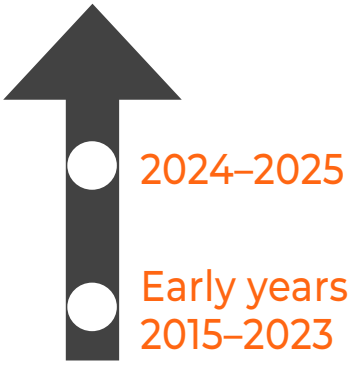
- Combined with growing operational experience, these improvements have substantially enhanced BESS's role in the CM. The T-1 auction for 2025–26 delivery awarded around 727MW of new-build generating capacity, with the majority—560MW—coming from new-build battery storage projects, underscoring storage's growing role in the capacity mix and signalling strong investor confidence.

- The de-rating factor for BESS has historically been closely linked to their discharge duration. Short-duration systems, such as 0.5-hour batteries, were credited with as little as 4–5% of their capacity, reflecting limited availability during peak stress periods.

- Conversely, longer-duration systems—8 hours or more—have seen much higher de-rating factors, approaching 90%, acknowledging their greater contribution to system reliability. This clear dependency on duration has been a fundamental consideration in CM crediting and has driven evolving methodologies to better capture the value of various storage configurations.

Evolution of Battery Storage De-rating Factors (2015–2025)

Battery storage participation in the Capacity Market has grown significantly, with credited capacity—expressed via de-rating factors—steadily improving as operational experience and methodologies mature:



Recent updates show de-rating factors of 10.5% for 1-hour batteries and 20.9% for 2-hour batteries—a 36% average increase from the previous year—highlighting an accelerating recognition of BESS's capability to deliver firm capacity during peak periods.

De-rating factors gradually increased alongside technology maturation and improved data, reflecting growing confidence in battery reliability.

This upward trend, combined with improved NESO methodologies such as the scaled EFC method, has substantially improved storage's competitiveness in the CM.

Practical Implications

- Interconnectors' improved derating factors mean they contribute more effectively to the UK's capacity adequacy, potentially reducing domestic procurement needs and supporting security cost-effectively.
- Fossil generation's cautious de-rating reflects ongoing reliability challenges and may signal a gradual phase-out or shift towards other capacity sources over time.
- Battery storage's evolving derating factors demonstrate a clear, positive trend in crediting, which supports increased investment and deployment of BESS as a flexible, reliable resource.
- Storage's enhanced crediting overall improves revenue certainty and encourages further deployment of battery and longer-duration energy storage solutions, key to integrating renewables and managing system flexibility.

Market impact

- The 2025 CM clearing prices and allocation trends reflect a shifting landscape: storage continues to secure a growing share of awarded capacity, interconnectors benefit from improved crediting mechanisms, and fossil generation faces increasing scrutiny.
- This dynamic illustrates the CM's adaptability as the UK's resource mix transitions towards low-carbon, flexible technologies while maintaining robust reliability.
- In summary, the UK CM remains a cornerstone for securing supply adequacy. However, evolving de-rating methodologies and policy shifts are reshaping the roles of interconnectors, fossil generation, and storage. This transformation is creating a complex yet promising environment for investors, operators, and policymakers navigating the transition to a net-zero electricity system.

Tackling Grid Bottlenecks to Unlock Clean Energy Growth

The Challenge: Grid Connectivity Backlogs Hindering Net Zero Progress

- The UK's progress towards its clean energy and net zero goals is being significantly hindered by widespread grid connection delays and bottlenecks. By the end of March 2025, grid connection backlogs had soared to a staggering 771GW, with many renewable projects facing connection delays extending into the late 2020s and beyond.
- This backlog reflects the limitations of an outdated grid access model and an underprepared transmission network struggling to keep pace with burgeoning clean energy projects. Addressing this issue is critical to unlocking the government's 2030 clean energy ambitions.

Institutional Reform: NESO as an Independent System Operator and Planner

- In response to the challenges, the UK government took a decisive step by creating the NESO on 1 October 2024, replacing the former National Grid Electricity System Operator ("ESO").
- Established under the Energy Act 2023 with a £630 mn investment, NESO is a publicly owned, independent entity created to resolve conflicts of interest in the previous system, where ESO both operated the electricity system and owned transmission assets.
- As the Independent System Operator and Planner ("ISOP"), NESO now manages both electricity and gas networks, leads long-term strategic network planning, and provides impartial, whole-system advice to government and regulators—foundations crucial to accelerating the UK's clean energy transition.

NESO's Mandate: Driving Strategic Energy System Planning and Coordination

- NESO is tasked with balancing electricity supply and demand, developing the Strategic Spatial Energy Plan ("SSEP"), and coordinating closely with key bodies such as Great British Energy ("GBE") to fast-track renewables and storage deployment.
- As the UK's central energy system planner, NESO plays a key role in shaping government strategy and guiding investment decisions in alignment with the Clean Power 2030 framework.

Modernising Grid Access: From 'First Come, First Served' to 'First Ready, First Needed, First Connected'

- A cornerstone of NESO's reform agenda is the introduction of Target Model Option 4+ ("TMO4+"), a radical overhaul of the grid connection process approved by Ofgem in April 2025.
- TMO4+ replaces the dysfunctional "first come, first served" queue, notorious for locking projects in waitlists up to 15 years long, with a two-stage gate-based system that prioritizes project readiness and strategic alignment.

Key Grid Connection Reforms and Their Implications

Reform Name	Scope & Details	Objectives & Implications
Application of Reforms	Applies to transmission-connected projects and distribution projects requiring Transmission Investment Assessment ("TIA") or Modification Applications ("ModApps"). Excludes small, embedded generators below thresholds and demand-only projects without transmission impact.	Focuses efforts on high-impact projects for efficient transmission capacity allocation; reduces burden on small generators to support distributed clean energy growth.
Transition to 'First Ready, First Needed, First Connected' Model	Replaces 'first come, first served' with a gate-based system prioritizing projects meeting readiness and strategic criteria.	Prioritizes shovel-ready projects critical to grid stability, cuts waiting times, and streamlines connection to accelerate clean energy infrastructure.
Gate-Based Queue System	Introduces Gate 1 (indicative offers), Gate 2 (definitive offers based on readiness/strategic alignment), and Gate 2 to Whole Queue ("G2WQ") (reassessment of legacy projects).	Ensures only viable, aligned projects progress; removes speculative applications; enforces milestones to reduce queue congestion and boost investor confidence.
Pausing New Grid Applications	Temporary suspension of new grid applications (from 29 Jan 2025), with exceptions for critical and demand-only projects.	Allows focused reform implementation and queue reassessment without system overload; controls speculative project entry during transition.

Grid Connectivity Investments to Support Capacity Growth

- Addressing physical grid constraints, the UK's three transmission owners—National Grid (£35 bn), Scottish and Southern Electricity Networks ("SSEN") Transmission (£22.3 bn), and Scottish Power ("SP") Energy Networks (£10.6 bn)—are set to invest nearly £68 bn from 2026 to 2031.

- These investments will fund major upgrades to overhead lines, Accelerated Strategic Transmission Investment ("ASTI") projects, and new connections, targeting a doubling of network capacity and significant reduction in connection delays.

- To finance these multibillion-pound plans, transmission owners are employing equity raises, asset sales, and debt instruments. For example, National Grid is supporting its programme through a £6.8 bn rights issue, divestments like the Grain LNG terminal, and debt refinancing.

- Ofgem's £4 bn Advanced Procurement Mechanism (APM) enables transmission owners to pre-order critical equipment ahead of project approvals, reducing supply chain delays and expediting grid upgrades.

Investment Potential

- Guided by NESO's recommendations, the government's 2030 Action Plan calls for over £40 bn in annual energy infrastructure investment over the next five years—approximately £30 bn for low-carbon generation and £10 bn for transmission upgrades—primarily sourced from private investment.

- These investments, channelled through transmission owners, are critical to accelerating grid connections, meeting rising electricity demand, and supporting the UK's transition to a decentralized, renewable-based energy system. These upgrades will enable more efficient integration of clean energy into the grid.

- Moreover, this approach is expected to stimulate growth in high-demand sectors such as electric vehicle (EV) charging infrastructure and data centres, while avoiding unnecessary expansion of grid infrastructure. By optimizing investment and planning, the strategy is projected to deliver consumer savings of approximately £5 billion.

Investor and Developer Perspectives on Grid Reform

Financing Risks

Lenders are cautious about committing debt until a project secures a firm Gate 2 connection offer, often requiring developers to rely on equity or bridge financing in early stages.

Legal Risks

Projects deprioritized or dropped under the new framework may challenge decisions legally, introducing a new layer of risk and complexity.

Risk Mitigation

Loan agreements now include conditions precedent tied to Gate 2 milestones, staged disbursements, and sponsor guarantees to manage risks related to delays or connection loss.

Regulatory Fit

Aligning with strategic criteria (e.g. CP30, CfD, CM contracts) is essential for securing grid priority, making regulatory alignment a key focus for developers and financiers alike.

Grid Access as Value Driver

Projects with confirmed or near-term grid connections attract more investor interest and may command valuation premiums, with secondary trading of grid slots becoming a new strategy.

Broader Electricity Market Reforms - Review of Electricity Market Arrangements ("REMA") (Summer Update July 2025)

- REMA prioritizes reformed national pricing over zonal pricing to support investment in utility-scale renewables. In July 2025, the government confirmed its decision to retain a single, UK-wide wholesale electricity market, rejecting zonal pricing.
- It introduced a reformed national pricing regime designed to send stronger and more predictable locational signals. This ensures that investors in large-scale renewables—such as solar farms and wind parks—can better assess value by location and make deployment decisions with greater clarity and confidence.
- As part of the reformed national pricing framework, the government is developing a SSEP to guide the siting of large-scale generation and storage which is to be published in 2026 by NESO. This plan takes a system-wide, geographical approach—mapping optimal locations and scales for utility-scale renewables and storage.
- By coordinating land, seabed, and grid planning, the SSEP aims to reduce connection wait times, cut network constraints, and accelerate project rollout in line with CP30.
- Constraint management measures will be in place to reduce curtailment of renewables and lower system costs. In the Summer Update, the government reaffirmed plans to work with NESO and industry stakeholders through the Constraints Collaboration Project ("CCP"), launched in 2024.
- This initiative aims to ease transmission constraints by reducing curtailment of large-scale renewable generation and lowering consumer costs. For instance, strategic contracts with high-demand users can help absorb surplus renewable output in congested regions.

Creation of National Wealth Fund ("NWF"): Driving the UK's 2030 Net Zero Investment Agenda

Building on the UK Infrastructure Bank ("UKIB")

- The NWF was launched in July 2024. It builds on the UKIB's foundation, consolidating its expertise, governance, and £22 bn investment capacity into a single publicly backed institution, rather than creating a new one from scratch.
- This ensured continuity in delivering strategic infrastructure projects while broadening its mandate beyond traditional infrastructure to embrace a full spectrum of green industrial priorities.

Rationale for Creation: To Drive the UK's Green Industrial Strategy

- The NWF was established as a central pillar of the UK's green industrial strategy, tasked with unlocking private investment at scale to meet the UK's 2030 net zero electricity goals and drive long-term economic resilience.
- Its mission is to act as a market-maker — intervening where private finance is insufficient and accelerating projects that deliver both climate and economic returns.
- It will also work with local authorities and devolved administrations to align investments with regional industrial strategies, ensuring that green growth is spread across the UK and anchored in local supply chains.

Consolidating Capital and Expanding Investment Power

The Fund combines inherited capital from UKIB with new government commitments:

Inherited Capital

£22 bn from UKIB's balance sheet, continuing to be deployed in line with its strategic priorities.

New Government Commitment

£7.3 bn over the current parliament

- £5.8 bn channelled directly through the NWF to strategic sectors.
- £1.5 bn retained for flexible deployment via alternative government channels while still aligned with NWF objectives.

Overall Capitalization – This integration brings the NWF's total public investment capacity to £27.8 bn.

Targeting High-Impact Sectors

The £7.3 bn commitment — which includes both the £5.8 bn directly deployed by NWF and the £1.5 bn delivered via other government routes — is targeted at high-impact strategic sectors:

Green Ports	Gigafactories	Green Steel
£1.8 bn	**£1.5 bn**	**£2.5 bn**

Carbon Capture and Storage (CCS)	Green Hydrogen
£1.0 bn	**£0.5 bn**

This targeted allocation reflects the government's focus on industrial decarbonisation and supply-chain security in emerging clean-tech industries.

Mobilising Private Capital at Scale

- The NWF's investment model is based on a 1:3 leverage ratio — for every £1 of public investment, it aims to attract £3 of private capital, translating its existing resources into at least £70 bn in private sector mobilisation.
- Independent analysis suggests the potential is far greater if the NWF is granted enhanced borrowing or liability-issuing powers. Under such a model, the planned £7.3 bn government funding could mobilize over £180 bn — or around £228 bn when including the balance sheets of UKIB and the British Business Bank ("BBB").
- BBB's role within the NWF ecosystem is complementary: by financing clean-tech Small and Medium Enterprises ("SME") and supply-chain businesses, it can amplify the impact of NWF-led anchor investments.

Establishment of Great British Energy ("GBE") as a Publicly Owned Company to Accelerate Low-Carbon Infrastructure

- Established through the Great British Energy Bill, GBE is a public, independent energy company created to spearhead the UK's clean energy transition across generation, distribution, storage, and delivery.
- GBE will focus on technologies such as floating offshore wind, solar, tidal, wave energy, battery storage, carbon capture, and hydrogen.
- Backed by £8.3 bn of new capital over the current parliament, GBE aims to deliver 8GW of renewable energy capacity by 2030, supporting the UK's clean power ambitions and energy independence.

Funding and Investment Related to GBE

£8.3 Bn

Government Funding

£60.0 Bn

Potential Private Investment

- In the June 2025 Spending Review, £2.5 bn of this capital was designated for small modular reactor ("SMR") development through Great British Energy – Nuclear ("GBE-N"), a separate but allied entity, while the remaining £5.8 bn continues to support GBE's renewable energy projects.
- GBE has already committed £1 bn to strengthen the offshore wind supply chain, targeting manufacturers of floating platforms, cables, and related technologies, to expand domestic capability and support the scaling of renewable energy infrastructure.
- Working in partnership with The Crown Estate—which holds a £16 bn land and seabed estate—GBE is positioned to unlock up to £60 bn in private investment for clean energy infrastructure. This collaboration will accelerate offshore wind leasing, grid connection planning, and seabed innovation to meet UK climate targets.
- In its launch phase, GBE's development activity will be supported by the NWF, leveraging NWF's established financing pipelines and capabilities to accelerate deployment while GBE builds its own operational capacity. The NWF–GBE partnership will focus on rapid scale-up of early flagship projects and crowding in private investment.
- Through combining developer-driven project leadership, local and community engagement, strategic partnerships with industry, and strong capital backing, GBE is structured to advance the UK towards a clean-energy superpower—ensuring the net-zero energy transition is both inclusive and regionally beneficial.

The Crown Estate Act and The Capacity Increase Program

- The new government has modernized The Crown Estate through the Crown Estate Act 2025, granting expanded borrowing powers, a broader investment remit, and stronger governance. Crucially, the Act enables The Crown Estate to raise external finance for offshore energy infrastructure and supply chain capacity without liquidating assets.

- The Crown Estate, empowered by the new legislation, can now invest up to £1.5 bn over the next 15 years with greater flexibility, unlocking opportunities in nationally important areas such as offshore energy, supply chain infrastructure, and digital technologies supporting nature recovery. This marks a shift from passive manager to active delivery partner, allowing co-investment in infrastructure and strategic initiatives that support the 2030 clean power goals.

- Building on this policy foundation, The Crown Estate has confirmed its intention to advance the Capacity Increase Programme, first launched in November 2023, which is designed to optimize the potential of existing offshore wind leases. In May 2025, through the Capacity Increase Program, it confirmed its potential to unlock up to 4.7GW of additional offshore wind capacity by amending seabed rights at seven fixed-bottom projects across England and Wales.

- Floating offshore wind, meanwhile, continues to be advanced through separate leasing processes such as the Celtic Sea Round 5, highlighting the government's and The Crown Estate's dual-track approach to maximising offshore wind deployment. Under the new government, the programme has received explicit policy backing and been integrated into the 2030 clean power strategy, helping accelerate project build-out timelines and reduce leasing bottlenecks.

- In parallel, The Crown Estate has committed £400 mn to strengthen the offshore wind supply chain, targeting ports, manufacturing hubs, and key components to ensure deployment can scale in line with the UK's offshore wind target of 50GW by 2030.

- Together, the Crown Estate Act 2025, the Capacity Increase Programme, and the £400m investment position The Crown Estate as a central enabler of clean power delivery—aligning leasing reform, financial flexibility, and industrial capacity. For investors, this provides visibility on project flow and confidence that the UK offshore wind sector has the institutional backing to deliver at speed and scale.

Securing Clean Power Flexibility: Cap-and-Floor Scheme for Long-Duration Electricity Storage ("LDES")

- To support the next phase of clean power deployment, the UK government and Ofgem introduced a cap-and-floor revenue model for LDES in April 2025. This mechanism guarantees a minimum return to de-risk long-payback projects while capping excess profits to protect consumers. The goal is clear: without commercial certainty, critical storage assets needed to balance a renewables-heavy grid would remain underdeveloped.

- The first application window targets projects with at least 8 hours of storage duration. By prioritising longer-duration assets, the government aims to seed an early pipeline of commercially viable projects, demonstrate bankability, and establish the investment frameworks needed to scale. This forms part of the government's ambition to secure 4–6GW of LDES by 2030, directly supporting the 2030 Clean Power Action Plan.

- The system-level benefits are compelling: government analysis shows that deploying 20GW of LDES by 2050 could save the UK as much as £24 bn between 2030 and 2050.

- Solar Energy UK estimates that meeting the UK's utility-scale solar and battery storage targets by 2035 will require £66.3 bn in investment—£42.7 bn for solar and £23.7 bn for storage. Separately, Rystad Energy projects that utility-scale battery systems alone could attract up to $20 bn in investment by 2030.

- Meanwhile, NESO modelling recommends adding 2.7–7.7GW of new storage capacity by 2035, roughly double the UK's existing pumped hydro fleet in Scotland and Wales.

- Positioned alongside offshore wind and solar expansion, LDES is now viewed as a critical backbone of grid stability, ensuring renewable energy can be stored and dispatched reliably to meet net zero.

Upcoming Planning and Infrastructure Bill and Streamlining Nationally Significant Infrastructure Projects ("NSIP") Approval Process

- The UK government's Planning and Infrastructure Bill 2025 is a flagship legislative reform aimed at overhauling the planning process for large-scale projects, including energy infrastructure.
- By streamlining approvals, modernising outdated procedures, and reducing legal bottlenecks, the Bill seeks to accelerate delivery of critical infrastructure needed to meet the country's Clean Power 2030 goals.

Royal Assent & Implementation Timeline

- The Planning and Infrastructure Bill is expected to receive Royal Assent—and thus become law—around October 2025, with the initial implementation phase starting November 2025.
- Secondary legislation and guidance will follow between December 2025 and June 2026, with full enforcement from July 2026 onward.

Reducing Legal Barriers & Streamlining NSIP Approvals

- The reforms respond to a dramatic slowdown in DCO approvals—from 2.6 years in 2012 to 4.2 years in 2021—caused by burdensome documentation, repeated consultations, outdated National Policy Statements ("NPS"), and excessive legal challenges.
- The Bill proposes to simplify the NSIP process by mandating NPS be updated every five years, allowing faster adjustments as needed.
- It also restricts legal challenges by allowing appeals only in judicial review cases that are not deemed entirely without merit at oral permission hearings.

NSIP Threshold Reforms & Faster Renewable Deployment

- The Infrastructure Planning (Onshore Wind and Solar Generation) Order 2025, due to come into force on 31 December 2025, raises the NSIP threshold for both solar and onshore wind projects to 100MW, reversing the previous 50MW limit.
- Projects under 100MW will now be assessed via local planning authorities, effectively closing the inefficient “dead zone” of 50–150MW where project viability was hindered by complex—and costly—NSIP procedures.
- However, while projects under the 100MW threshold normally go through local authority planning, developers can request that the Secretary of State route them through the NSIP process if this offers advantages such as a single consent for cross-boundary schemes.
- Conversely, the Bill introduces a new power allowing the Secretary of State to direct that certain projects over 100MW be handled locally instead, reducing costs, shortening timelines, and unlocking capacity that might otherwise be delayed.
- Additionally, the Bill streamlines consultation requirements—removing the mandatory Preliminary Environmental Information step—potentially shaving up to one year off NSIP timelines, reducing administrative burdens and enabling faster deployment of both wind and solar infrastructure.

Reforming Grid Connections & Community Incentives

- To support the delivery of the Clean Power 2030 target and accommodate the rapid expansion of renewable energy generation, the UK Government has introduced a financial incentive for households located within 500 meters of new or upgraded electricity transmission infrastructure. This includes pylons and overhead lines required to connect emerging wind, solar, and energy storage projects. Eligible households will receive a discount of up to £250 per year on their energy bills for a period of ten years, helping to offset potential local impacts while encouraging public support for critical infrastructure development.
- Coupled with community benefit funds, these measures aim to reduce opposition and planning delays to essential grid reinforcements that unlock renewable capacity and accelerate decarbonisation.

Decisive Political Shift: Fast-tracking Large-Scale Renewable Projects

The new government has signalled a decisive change in approach by approving stalled large-scale renewable projects despite opposition, while simultaneously preparing the broader structural reforms proposed under the Planning and Infrastructure Bill. This sequencing highlights a clear priority—advance critical capacity additions now, while establishing a faster and more resilient approvals framework for the future.

Immediate Approvals of Utility Scale Solar Projects Signal New Government's Intent

- Within just two weeks of taking office in July 2024, DCOs were granted for three NSIPs, adding more than 1.3GW of solar capacity.
- This momentum has carried through subsequent months. In September 2024, the government approved the UK's largest solar project to date at 600MW, and by January 2025, two more projects in England—nearly 1GW combined, with integrated storage—secured consent.
- These early actions illustrate a clear shift in approach, not only through legislative changes, but through the new administration's political prioritisation of clean energy and more decisive leadership.

Leveraging Agricultural Land in Rural Areas to Develop Utility-scale Solar Projects

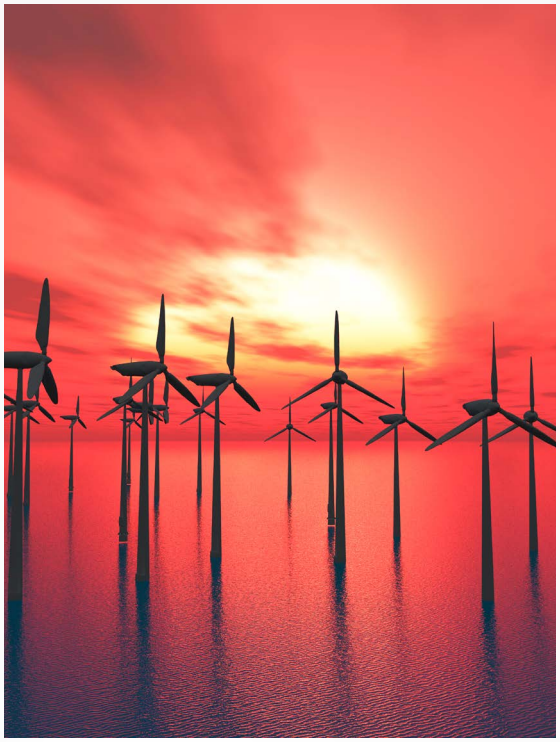
- The rapid acceleration of solar buildout is closely tied to the use of rural land, where availability and financial incentives for landowners create strong pull factors. For instance, a proposed cluster of 10 solar farms across the East of England and Northamptonshire—spanning 24,000 acres and totalling 4.3GW—highlights the scale of ambition.
- For farmers, the economics are compelling: the National Farmers' Union ("NFU") estimates solar leasing yields around £1,000 per acre annually, roughly ten times more than cereal farming. Yet, the growing appetite for solar development on high-quality farmland has triggered concerns around food security and environmental impact.
- To address this, the government is developing a new land use framework to guide solar projects towards suitable areas, protecting prime agricultural zones while still enabling large-scale deployment. Agrivoltaics is also gaining traction as a "dual-use" solution—allowing grazing and crop cultivation alongside energy generation.
- Such approaches demonstrate that solar need not displace farming; rather, it can enhance land productivity, biodiversity, and farm incomes while supporting the clean energy transition.

Major Utility Scale Solar Projects

Project Name	Developer	Capacity
Mallard Pass Solar Farm	Windel Energy / CanadianSolar	350MW
Sunnica Energy Farm	sunnica energy farm	500MW
Gate Burton Energy Park	low carbon powering tomorrow	500MW
Cottam Solar Project	Island Green Power	600MW
West Burton Solar Farm	Island Green Power	480MW
Heckington Fen Solar Farm	ecotricity	500MW

Offshore Wind Greenlight Signals Clean Power Push

- The Scottish Government has granted approval for the 4.1GW Berwick Bank offshore wind farm, one of the largest of its kind globally, with up to 307 turbines planned in the North Sea.
- The decision went ahead despite strong objections from conservation groups over potential impacts on seabird populations, reflecting the government's stance that accelerating offshore wind deployment is critical to meeting the UK's 2030 clean power goals.
- Authorities justified the move as essential for boosting national energy security, reducing consumer costs, and ensuring progress towards net zero, with approval contingent on the delivery of a seabird compensation plan.

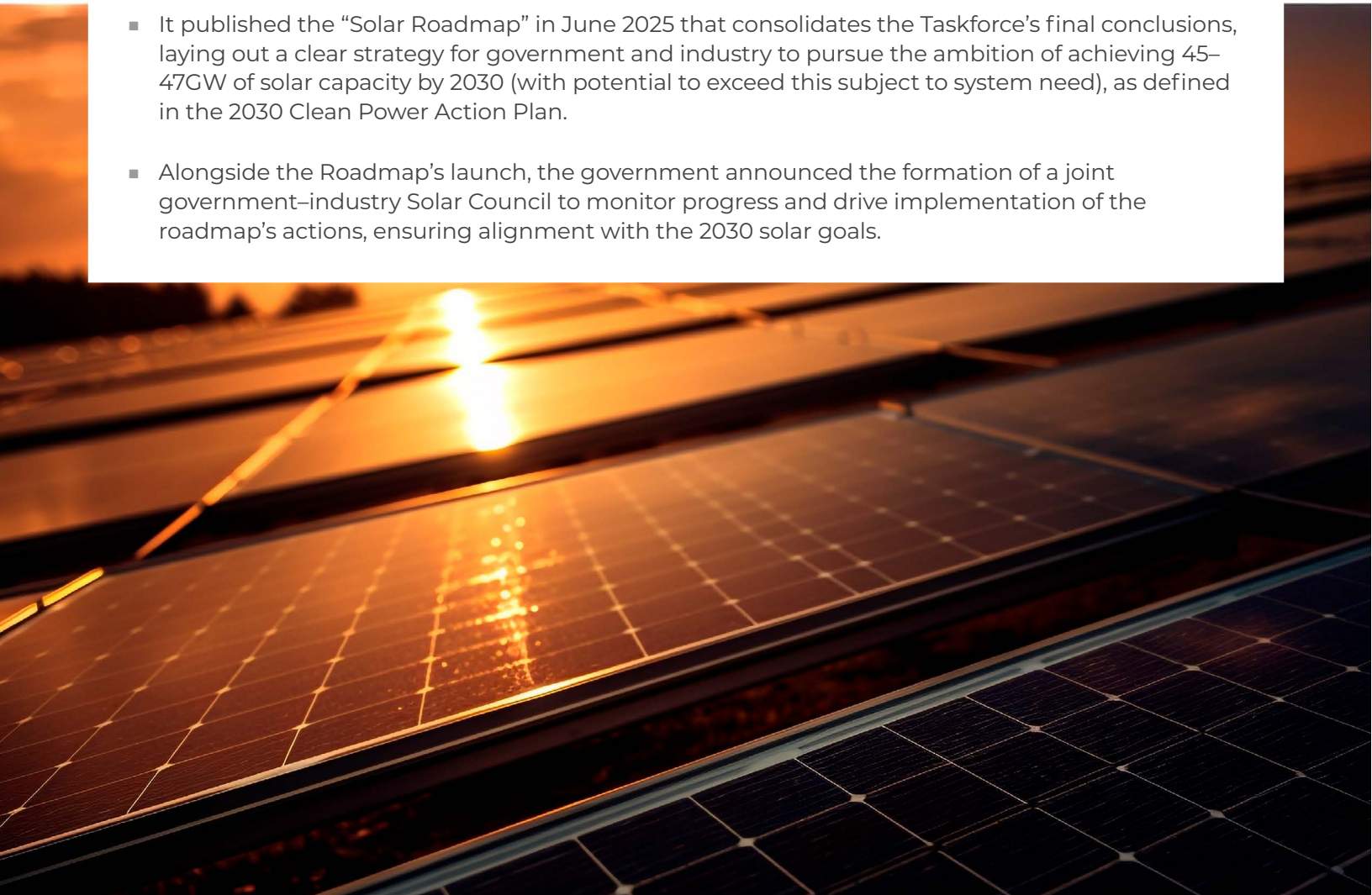


Strategic Roadmaps Playing Key Roles in the 2030 Clean Energy Goals

To drive delivery of the 2030 Clean Power Action Plan, the government is publishing strategic roadmaps that set out the steps required to achieve its goals and provide a framework for tracking progress. These roadmaps cover both technology-specific areas, such as solar and wind, and wider market reforms, offering investors greater clarity on the pathway to 2030.

UK Solar Roadmap 2025 and Solar Taskforce

- Originally established in May 2023, the government reconvened the Solar Taskforce in Autumn 2024 to identify new initiatives and actions required to meet the solar deployment ambition set out in the 2030 Clean Power Action Plan. The effort was supported by five dedicated subgroups focused on electricity networks, rooftop solar, supply chains & innovation, skills, and communications.
- It published the “Solar Roadmap” in June 2025 that consolidates the Taskforce’s final conclusions, laying out a clear strategy for government and industry to pursue the ambition of achieving 45–47GW of solar capacity by 2030 (with potential to exceed this subject to system need), as defined in the 2030 Clean Power Action Plan.
- Alongside the Roadmap’s launch, the government announced the formation of a joint government–industry Solar Council to monitor progress and drive implementation of the roadmap’s actions, ensuring alignment with the 2030 solar goals.



DESNZ Onshore Wind Taskforce Strategy - July 2025

- The government set up the Onshore Wind Taskforce in July 2024, with the mission to remove barriers to deployment, support environmental and system sustainability, and ensure benefits for communities, businesses, and consumers.
- The Taskforce's work culminated in the publication of the Onshore Wind Taskforce Strategy in July 2025, which lays out 42 specific actions to support delivery of 27–29GW of onshore wind capacity in the UK by 2030—nearly doubling current deployment levels.
- The strategy sets out measures across six key themes—including streamlined planning and consenting processes, radical grid connection reforms, community engagement, aviation and defence coordination, finance and market access, and strengthening supply chains and workforce.
- The July 2025 Strategy also establishes an Onshore Wind Council, bringing together industry, government departments, and devolved administrations to oversee delivery.
- The Council's role is to monitor capacity pipelines, track progress, and drive additional actions where necessary, ensuring that onshore wind contributes fully to the UK's 2030 Clean Power Action Plan.

Industry, Infrastructure and Clean Sector Plans

Driving Clean Energy Manufacturing and Industrial Growth

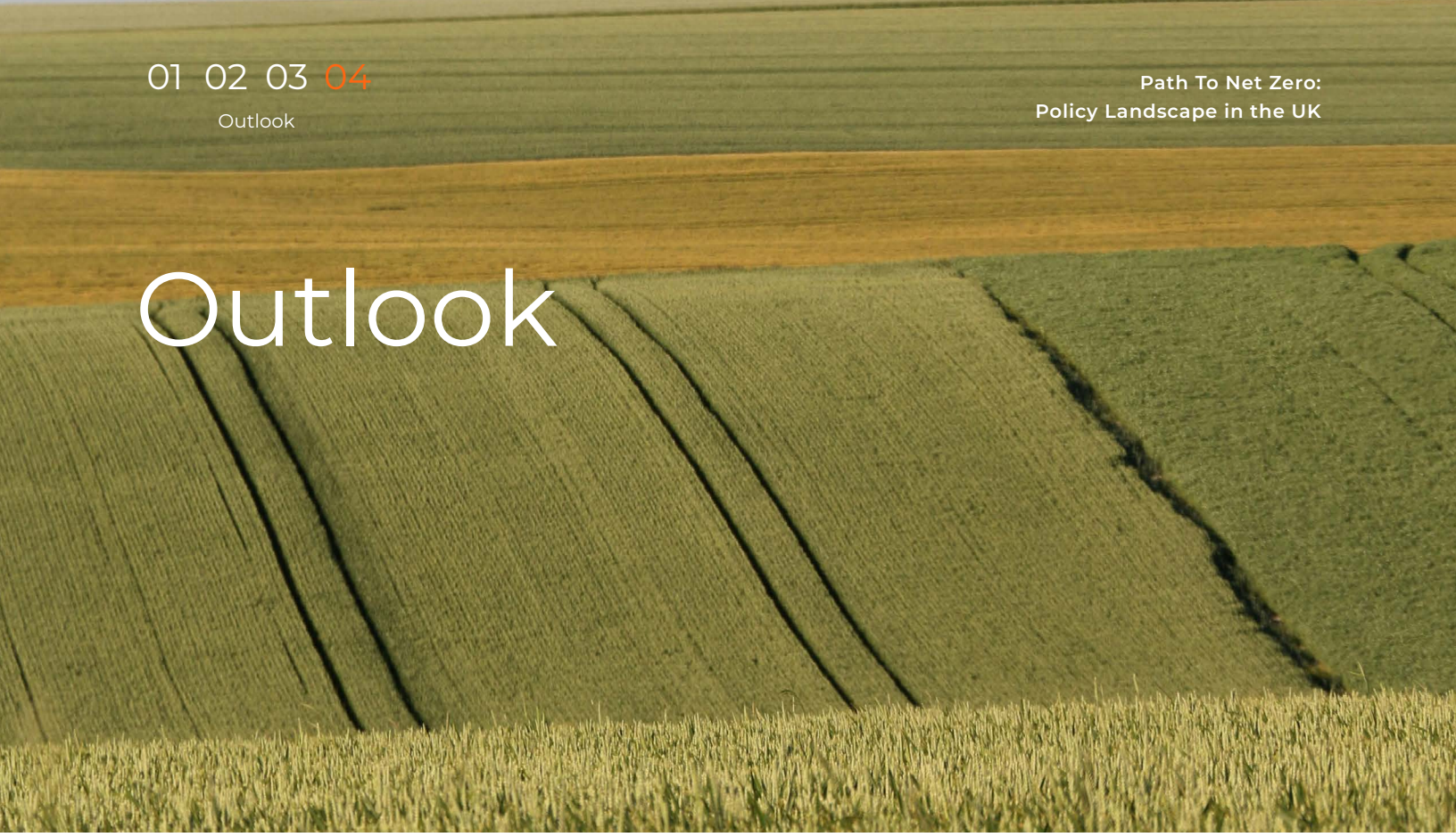
The Clean Energy Industries Sector Plan—developed in partnership with industry, devolved governments, and trade unions—positions the UK as a global hub for future clean energy industries. It focuses on leveraging the UK's coastal geography, innovation strengths, and skilled workforce to attract investment, strengthen supply chains, and create high-quality jobs. This strategy directly supports the government's goal of delivering clean power by 2030 by building domestic capacity for renewable energy manufacturing and deployment.

Institutionalising Long-Term Infrastructure Delivery for Clean Power

The 10-Year Infrastructure Strategy places clean energy at the heart of national planning, committing to a flexible, low-carbon electricity system by 2030. To ensure delivery stability, it introduces long-term planning tools such as five-year capital budgets and establishes the National Infrastructure and Service Transformation Authority ("NISTA") to coordinate investment, planning, and deployment.

Anchoring Clean Energy in the Modern Industrial Strategy

The Modern Industrial Strategy, launched in June 2025, sets a 10-year framework that identifies clean energy as one of eight strategic growth sectors. It signals a commitment to doubling clean energy investment by 2035 while tackling immediate barriers such as high electricity costs, slow grid access, and financing gaps. By aligning industrial policy with clean power delivery, the strategy elevates renewables from a climate goal to a core driver of national economic growth—underpinned by public–private investment and long-term certainty.



Outlook

Contracts for Difference ("CfD") Scheme Driving Low-Carbon Generation	Grid Connectivity Reforms Unlocking Grid Capacity for Renewable Growth	Great British Energy ("GBE") Bill Accelerate Low-Carbon Infrastructure
Planning and Infrastructure Bill Fast-Tracking Renewable Approvals	National Wealth Fund ("NFW") Net Zero Investment Agenda	The Crown Estate Act Driving Wind Capacity Growth

Looking ahead, the UK is entering a decisive phase for scaling utility-scale renewables, with momentum building across private capital, public funding, and policy reform.

Overcoming Historical Underinvestment

The UK has historically experienced underinvestment in innovation, supply chains, and grid infrastructure; current government policy is structured to deploy public funding in a way that mobilises substantial private capital and anchors investment domestically.

Strong Foundations Feeding Forward Momentum

Building on strong foundations—evidenced by £51 bn of low-carbon investment in 2024, the fourth highest globally—this approach is intended to accelerate technological advancement and enable the large-scale delivery of clean energy projects.

Boosted Investor Confidence Since Mid-2024

Since the new UK government took office in July 2024, £43.7 bn of private investment has been announced in the UK's clean energy industries, signalling renewed confidence in policy direction and delivery.

Future Commitments Through the Clean Energy Industries Sector Plan

The government's 10-year Clean Energy Industries Sector Plan (June 2025) doubles annual investment ambition to £30 bn by 2035, backed by measures to transform the national grid and develop domestic supply chains across offshore wind, solar, nuclear, hydrogen, and storage.

Public Capital as a Catalyst for System Change

Dedicated funds—including the NWF (£27.8 bn), the £1 bn Clean Energy Supply Chain Fund, and equity commitments through GBE—are designed to de-risk large-scale projects, strengthen domestic manufacturing, and crowd in further private investment.

Policy Architecture to Accelerate Delivery

Reforms to CfDs, CM auctions, grid connection processes, and planning rules are improving bankability, shortening delivery timelines, and ensuring that generation growth is matched with timely transmission and distribution upgrades.

Alignment with Long-term Goals

Together, these measures are aimed not only at meeting the 2030 Clean Power Action Plan target of 95% clean electricity but also at laying the infrastructure foundations for achieving the 2050 legally binding net-zero target.

Independent Progress Assessment

Independent assessments support the UK's progress toward its 2030 climate goals. The CCC, in its 2024 Progress Report, criticized the previous government for policy setbacks that stalled momentum, noting that only one-third of required emissions reductions were backed by credible plans.

However, the CCC's 2025 assessment shows significant improvement, with credible plans now covering 61% of the necessary reductions—nearly double the previous year's figure. While the Committee continues to emphasize the need for faster delivery in areas such as renewables, grid infrastructure, and electrification, the rapid progress reflects the early impact of policies introduced since mid-2024.

Positive Trajectory Despite Delivery Risks

The government recognizes the urgency of the 2030 target, with a tight delivery timeline. NESO confirms a strong project pipeline, but most offshore wind and transmission initiatives require full approvals by 2026, and large-scale onshore renewables and storage by 2028, to be operational by 2030. This demands a significantly faster pace in planning and permitting. Despite the challenges, growing investment, robust policy support, and institutional reforms signal a more bankable and mature clean energy market.

Positioning for 2030 and Beyond

Overall, the UK is positioning itself as one of the most attractive markets for utility-scale clean energy investment globally—progress is tangible, the policy environment is strengthening, and the trajectory towards 2030 and 2050 remains positive.

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M&A and Strategic Advisory

Mergers, Acquisitions and Divestitures, Joint Ventures and Valuations

43 Transactions

$1.6 Bn Value

Project Finance and Debt advisory

Project Finance, Corporate Debt and Restructurings

25 Transactions

$1.5 Bn Value

Capital Advisory

Mezzanine Debt and Equity Capital

12 Transactions

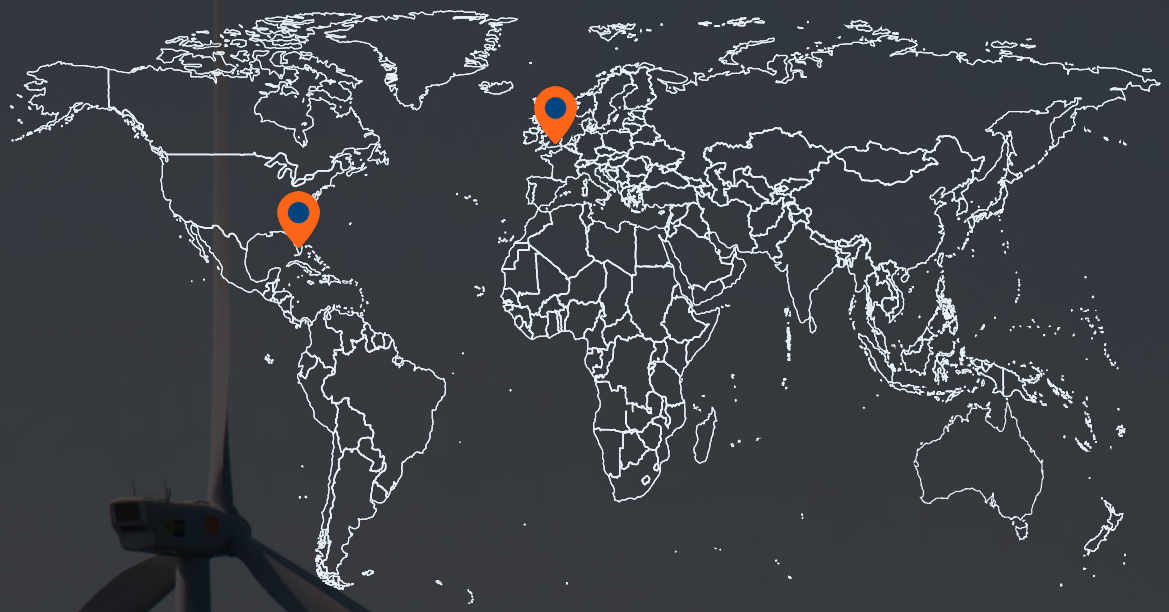
$1.0 Bn Value

Capital placement

Capital Placement Services for Sponsors and Highly Differentiated Fund Managers

7 Transactions

$0.8 Bn Value



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