International Comparative Legal Guides

Renewable Energy 2026

A practical cross-border resource to inform legal minds

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1 Overview of the Renewable Energy Sector

1.1 What is the basis of renewable energy policy and regulation in your jurisdiction and is there a statutory definition of 'renewable energy', 'clean energy' or equivalent terminology?

The Promotion of the Use of Energy from Renewables Sources Regulations 2011 (SI 2011/243) applies the definition set out in Directive 2009/28/EC (**Renewable Energy Directive**) on the promotion of the use of energy from renewable sources. This defines '*energy from renewable sources*' as '*energy from renewable non-fossil sources, namely wind, solar, aerothermal, geothermal, hydrothermal and ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas and biogases*', each of which is then defined separately.

This legislative framework required the government to ensure that renewable energy comprised 15% of the UK's total energy mix by 2020. The Renewable Energy Directive has now been superseded by Directive (EU) 2018/2001 (**RED II**). Although the UK has now been released from the renewable energy targets under RED II following Brexit, the UK-EU Trade and Cooperation Agreement includes a commitment to promote energy efficiency and the use of energy from renewable sources and reaffirmation of the EU's 2030 'targets' and the UK's 2030 'ambitions' for renewable energy and energy efficiency.

Ongoing policy and regulation of renewable energy is currently derived from retained EU law and English statute, notably binding commitments to:

- cut greenhouse gas emissions by 78% by 2035 compared to 1990 levels in the Carbon Budget Order 2021 (SI 2021/750); and
- achieve a 100% reduction of greenhouse gas emissions by 2050 compared to 1990 levels (the 'net zero' target) in the Climate Change Act 2008 (2050 Target Amendment) Order (SI 2019/1056).

There are various other policies, incentives, requirements and regulations that are detailed throughout this chapter below.

1.2 Describe the main participants in the renewable energy sector and the roles which they each perform.

Governmental participants

The Department for Energy Security and Net Zero (**DESNZ**) is responsible for overseeing the electricity sector, including in relation to renewable energy. DESNZ was formed on 7 February 2023, inheriting the energy policy responsibilities of the former Department for Business, Energy and Industrial Strategy (**BEIS**).

The DESNZ is supported by other public bodies, including:

- **The Gas and Electricity Markets Authority (GEMA)**: GEMA has primary responsibility for regulation of the energy sector. Its powers and duties are derived from statute (including the Gas Act 1986, the Electricity Act 1989 (**Electricity Act**), the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002 and the Energy Acts of 2004, 2008, 2010, 2011 and 2023), together with directly effective European Community legislation that was retained by the UK after its exit from the EU.
- **The Office of Gas and Electricity Markets (Ofgem)**: GEMA delegates regulation of the renewable energy sector to Ofgem, a non-ministerial government department. Ofgem administers environmental programmes and sustainability schemes on behalf of the government (see question 3.10 below for more detail). Key duties and functions concerning electricity include:
  - regulating distribution and transmission networks;
  - granting licences;
  - protecting the interests of existing and future electricity (and gas) consumers;
  - ensuring that electricity wholesale and retail markets are competitive; and
  - managing the commercial tender process for offshore transmission projects.

The Energy Act (which came into force on 26 October 2023) provides for the establishment of a new independent public body to oversee Britain's electricity and gas networks, which as of 1 October 2024 was renamed the National Energy System Operator (**NESO**), which has statutory advisory duties in relation to country-wide and regional distribution system operation, and the interactions across heat, transport, hydrogen, and carbon capture use and storage.

Private participants

- **Generation companies**: following the privatisation of the generation industry in the 1990s, an increasing number of generating companies have been established, including the 'big six', which currently comprises: British Gas; e.on; EDF; OVO; Scottish Power; and Octopus. As at the end of 2024, these six suppliers hold 91% of the domestic electricity and gas market, almost 20% higher than in 2020. Octopus is the largest, holding 23% while the composition of the suppliers has changed radically, notably with OVO's acquisition of SSE.
- **Transmission companies**: the transmission network is owned and maintained by regional transmission

companies: National Grid Electricity Transmission plc for England and Wales; Scottish Power Transmission Limited for southern Scotland; Scottish Hydro Electric Transmission plc for northern Scotland and the Scottish islands groups; and Northern Ireland Electricity for Northern Ireland. NESO is responsible for controlling the stable and secure operation of the National Electricity Transmission System (**NETS**).

- **Suppliers**: energy is purchased from the wholesale market by suppliers and then sold to customers.

1.3 Describe the government's role in the ownership and development of renewable energy and any policy commitments towards renewable energy, including applicable renewable energy targets.

Renewable energy assets will continue to be owned and developed by the private sector with the support of the government in order to satisfy its binding commitments to reduce the UK's greenhouse gas emissions, as described in question 1.1 above.

In December 2020, BEIS published a white paper entitled 'Powering our Net Zero Future' (**Energy White Paper**), setting out how the government intends to meet these targets and building on the government's 'Ten Point Plan for a Green Industrial Revolution' (**Ten Point Plan**) published in November 2020. Key features of the Energy White Paper and the Ten Point Plan include:

- targeting 50GW of installed offshore wind capacity by 2030 through £20 billion of private investment;
- investing £1 billion in the UK's energy innovation programme to develop future renewable technologies, such as green hydrogen, with the aim of 5GW of low-carbon production capacity by 2030;
- developing a biomass strategy, particularly in relation to biomass with carbon capture and storage; and
- increasing the funding available to study the use of hydrogen in homes and consulting on the role of 'hydrogen-ready' appliances.

The Climate Change Act 2008 was amended in 2019 to commit the UK to a legally binding emissions target of net zero by 2050 and provide that carbon budgets must be set every five years with enforceable caps on emissions for each budget period (see question 1.1). In October 2021, the government published its Net Zero Strategy: Build Back Greener (**Net Zero Strategy**) setting out how it proposes to meet the 2050 net-zero target. One of the principal ways in which the UK proposes to achieve this is by increasing the use of renewable energy and for the biggest polluters to pay the most for the transition through fair carbon pricing. In July 2022, the English High Court declared that the Net Zero Strategy fails to meet the government's obligations under the Climate Change Act and that it must be updated. In accordance with the High Court's decision, in March 2023, the UK government published its 'Powering Up Britain Plan', which included the UK's Energy Security Plan, the Net Zero Growth Plan, the Carbon Budget Deliver Plan and the government's response to the Independent Review of Net Zero and to the Climate Change Committee's 2022 Progress Report. The government also published its 'Green Finance Strategy' in March 2023. Some environmental groups claim the revised Net Zero Strategy risks falling short of meeting the legally binding climate change targets.

The Energy Act is expected to play a vital role in achieving the UK's net zero targets across a range of sectors. The government expects the measures introduced by the Energy Act to create significant savings for energy users, stimulate thousands of new jobs in the energy sector, and unlock private investment into clean technologies.

2 Renewable Energy Market

2.1 Describe the market for renewable energy in your jurisdiction. What are the main types of renewable energy deployed and what are the trends in terms of technology preference and size of facility?

Zero-carbon power sources in Britain's electricity mix outperformed traditional fossil fuel generation in 2024 by providing 50.8% of the electricity used, compared to 26.3% from gas and 0.6% from coal. In 2024, the UK became the first major economy to end coal-fired power generation with the closure of Ratcliffe-on-Soar, its last coal power plant. The UK is particularly well placed to take advantage of wind power and is the second largest offshore wind market in the world. As a result, onshore and offshore wind farms together are the largest source of renewable energy in the UK, with a 29.5% share of aggregate UK generation (including from fossil fuels) in 2024. Examples include Orsted's Hornsea One, located 120km off the Yorkshire coast in England, which is currently the world's largest offshore wind farm with a capacity of 1.2GW, and the Dogger Bank project, which, when completed, will be the world's largest offshore wind farm with a capacity of 3.6GW.

Bioenergy (biomass or waste-fuelled plant) projects are the UK's second-largest contributors to renewable energy generation after wind, providing 6.8% of the UK's electricity generation in 2024, followed by solar photovoltaic (**PV**) projects (which tend to be smaller scale, with the majority being less than 10MW) at 5%.

Hydropower (including tidal) projects contributed 2% of electricity generating capacity in 2024.

2.2 What role does the energy transition have in the level of commitment to, and investment in, renewables? What are the main drivers for change?

In 2019, following Parliament's declaration of a 'climate emergency' and recommendations from the independent Committee on Climate Change, the government legislated for net-zero greenhouse gas emissions by 2050, as discussed in questions 1.1 and 1.3. The Energy White Paper, Net Zero Strategy and Powering Up Britain Plan, discussed in detail in question 1.3, sets out how the UK will invest in renewable energy in order to support the energy transition. The Energy Act is intended to support further investment in the energy transition.

2.3 What role, if any, has civil society played in the promotion of renewable energy?

Civil society has been key to the promotion of renewable energy in the UK, with the environment consistently polling as one of the top three issues for the British public. This can be seen by the strong environmental, social and governance (**ESG**) movement in the UK. The rise of responsible investing, together with a strong activist shareholder culture in the UK, benefits the renewable energy sector. The UK's independent Office for Budget Responsibility prices the UK's commitment to reach net-zero emissions by 2050 at around £1.4 trillion; of that total, it anticipates only £344 billion coming from the public finances. Work such as the London Stock Exchange Group's support for green finance fund-raising,

whether through equity or bond markets, will play a pivotal role in ensuring companies make the transition to a greener, net-zero future while many of the commercial banks including HSBC, Barclays, and Natwest offer 'Green mortgages' and sustainability-linked loans where credit is provided on the premise of predetermined sustainability objectives.

2.4 What is the legal and regulatory framework for the generation, transmission and distribution of renewable energy?

The Electricity Act is the principal legislation governing electricity generation generally, including from renewable sources. Subject to applicable exemptions, an electricity generator requires a generation licence from Ofgem to operate. See question 4.1 for more detail.

The Energy Act 2013 serves as one of the principal pieces of legislation relating to renewables and introduced:

- provisions to enable the Secretary of State to set a decarbonisation target range in secondary legislation (as discussed above in question 1.1);
- a statutory framework for Contracts for Difference (**CfD**) (see question 3.2 below for more detail);
- the Capacity Market, being a market to ensure the security of electricity supply based on the government's forecast of electricity demand;
- Renewables Obligations Certificates (**ROCs**) (see question 3.10 for more detail); and
- access to markets via long-term contracts for independent renewable generators (including power purchase agreements (**PPAs**)), and through liquidity measures to enable the government to improve the liquidity of the electricity market.

Building on the Energy Act 2013, the Energy Act 2023 (**Energy Act**), which gained royal assent on 26 October 2023, serves to accelerate the deployment of low-carbon investments and technologies and safeguard and promote domestic energy supply. The key provisions include:

- introducing new business models for the transport and storage of carbon capture, utilisation and storage (**CCUS**) and industrial carbon capture (**ICC**) (see question 3.13);
- introducing new business models for low carbon hydrogen and hydrogen transport and storage (see questions 3.7 and 3.8);
- introducing the role of the Future System Operator (**FSO**), now designated as NESO (see question 1.2); and
- creating a licensing and zoning regime for heat networks.

2.5 What are the main challenges that limit investment in, and development of, renewable energy projects?

The challenges include:

- Grid inflexibilities and capacity issues mean that renewable energy projects can face long delays in connecting to the grid and the grid is subject to periods of overload. It was reported that, as of April 2025, there was 750GW in the connections queue representing twice the amount needed for 2050 according to NESO, although a series of interconnection reforms have been approved by Ofgem with the aim of clearing 'zombie' projects from the connection queue.
- Inconsistent and complex planning and regulatory processes, with projects often delayed, costly projects and facing local community opposition.
- Uncertainty as to the long-term laws, policies and the associated incentives relating to the renewable sector that may be adapted by successive governments is a challenge to any investment modelling. An example of this is the lifting of the *de facto* ban on onshore wind in the UK on 8 July 2024, which, whilst positive, will need to be part of a broader suite of planning reforms in the UK to facilitate tangible change in the industry.
- Intermittency of output (given that renewable sources, by their nature, will vary and not be continuous) presents an issue for renewables integrating into a stable power supply. This can be mitigated, to some extent, with energy storage systems. However, whilst the technology is developing rapidly and the costs are falling, such storage systems can be expensive (particularly on large-scale projects).
- Much of the technology involved with renewables projects is new or rapidly evolving and there is an investment risk associated with any nascent technology, including in respect of deployment issues and risk of obsolescence.

2.6 How are large utility-scale renewable power projects typically tendered?

The CfD scheme is the government's main mechanism for supporting low-carbon electricity generation (see question 3.2 below for more detail).

CfDs are awarded in a series of competitive auctions, which drives efficiency and cost reduction. Previously held every two years, as of March 2023, it was announced that allocation rounds will be held annually. The seventh CfD allocation round is expected to open in August 2025, while the sixth CfD allocation round awarded CfDs to 131 clean energy projects – the most successful round to date.

2.7 To what extent is your jurisdiction's energy demand met through domestic renewable power generation?

The share of UK electricity generated from renewable sources has increased dramatically in recent years, with a 500% increase in the amount of renewable capacity connected to the National Grid from 2009 to 2020.

In 2024, renewable generation represented a record share of 50.8% of generation, an increase of 6.5% from 2023, while generation from 'low carbon' sources (renewables and nuclear) represented 65%.[1]

3 Sale of Renewable Energy and Financial Incentives

3.1 What is the legal and regulatory framework for the sale of utility-scale renewable power?

The Energy Act 2013 and related secondary legislation provide the main legal and regulatory framework for the sale of utility-scale renewable power in the UK and implement the UK's Electricity Market Reform policy. The Energy Act 2013 supplements the Electricity Act and the Utilities Act 2000, which provide a legal and regulatory framework for the wholesale electricity market generally in the UK.

3.2 Are there financial or regulatory incentives available to promote investment in/sale of utility-scale renewable power?

The primary incentive schemes related to renewable energy include:

- The CfD scheme: the CfD scheme is the primary mechanism to incentivise new low-carbon electricity generation. The CfD is a quasi-PPA between an eligible generator and the Low Carbon Contracts Company (**LCCC**), a wholly government-owned company designated by powers established under the Energy Act 2013. Generators with a CfD sell their electricity into the wholesale electricity market in the typical way, the CfD then pays the difference between the market price for electricity and the generator's lowest estimate for the costs of developing, financing and operating the given technology (the strike price). When the market price is below the strike price, the generator receives a top-up payment from the LCCC for the additional amount. However, when the market price is above the strike price, the generator must pay back the difference to the LCCC. Although a CfD is a private law contract between a low-carbon electricity generator and the LCCC, it is issued under a detailed statutory framework under the Energy Act 2013.
- The Offtaker of Last Resort (**OLR**) scheme: the OLR scheme aims to promote the availability of PPAs. It is intended as a last resort to help independent renewable generators who cannot get a PPA through the usual commercial means by providing eligible generators with a guaranteed 'back-stop' route-to-market at a specified discount to the market price.
- Green Gas Support Scheme (**GGSS**): the GGSS provides financial incentives for new anaerobic digestion biomethane plants to increase the proportion of green gas in the gas grid. Participants will receive quarterly payments over a period of 15 years, based on the amount of eligible biomethane that a participant injects into the gas grid. The GGSS is open to applicants for four years from 30 November 2021. As announced in October 2023, the GGSS will be extended to 31 March 2028, providing prospective applicants more time to apply.
- Conclusion of the long awaited Review of Electricity Market Arrangements (**REMA**) is expected imminently. Its key feature would be to move from a single national electricity price to locational pricing across different zones of the UK.

3.3 What are the main sources of financing for the development of utility-scale renewable power projects?

In recent years, the offshore wind sector represented the primary source of financing activity for utility-scale renewable projects in the UK. Over the last decade, a low interest rate environment, coupled with a large number of lenders looking to participate in this sector, had provided project developers with favourable conditions to finance their projects. However, in 2023, interest rate rises, coupled with inflationary pressures, made for a less benign climate to finance large-scale infrastructure projects. The year 2024 saw a gradual easing of inflationary pressure although the cost of debt remains an issue for renewable energy developers. To date, the main source of debt financing has been commercial banks; however, we have seen participation from export credit agencies and also new entrants to the market, such as pension funds and infrastructure investors. A relatively new development in the market has been the limited recourse financing of battery energy storage (**BESS**) projects. We are currently working on a number of innovative portfolio finance structures that include BESS projects (alongside traditional renewables projects). These structures help developers to finance (relatively) small-scale greenfield renewables projects by combining them with other projects so as to increase the size of the loan facilities and mitigate the lenders' risk of exposure to a single project. We have also recently been involved in the financing of co-located battery storage projects alongside existing solar projects and we expect there to be a number of these types of financings as developers seek to leverage existing grid connections.

3.4 What is the legal and regulatory framework applicable to distributed/C&I renewable energy?

Distributed and commercial and industrial (**C&I**) renewable energy facilities are generally subject to the same legal and regulatory framework as utility-scale renewable energy facilities with respect to the sale of electricity, participation in the wholesale market and connection to distribution and transmission networks, save that there are exemptions from licensing requirements under the Electricity Act for particularly small facilities.

3.5 Are there financial or regulatory incentives available to promote investment in distributed/C&I renewable energy facilities?

Available incentives include:

- Feed-in Tariffs (**FiT**): the FiT scheme supports investment in small-scale renewable and low-carbon electricity generation projects up to 5MW capacity. It offers long-term support to projects and provides generation and export tariffs based on the costs of generation for the following technologies: solar PV; onshore wind power; hydropower; anaerobic digestion; and micro combined heat and power (up to 2kW). The FiT scheme closed to new entrants on 31 March 2019 but continues to support existing generation for up to 25 years.
- Smart Export Guarantee (**SEG**): following the closure of the FiT scheme to new installations, supplier-led SEG was introduced on 1 January 2020. Under the SEG, licensed electricity suppliers (with 150,000 domestic customers or more) are required to offer small-scale low-carbon generators a price per kWh for electricity exported to the National Grid. Remuneration is available to solar PV, wind, anaerobic digestion and hydro generators of up to 5MW in capacity, and micro combined heat and power installations up to 50kW. Mandated suppliers are required to provide at least one SEG-compliant tariff. They are free to determine the price and length of the contract, provided that remuneration is greater than zero at all times.

3.6 What are the main sources of financing for the development of distributed/C&I renewable energy facilities?

The majority of smaller-scale distributed and C&I renewable energy facilities have been financed on a balance sheet; however, project finance has grown in importance for investments in this sector. To date, the majority of this project

finance debt has been provided by commercial banks, either on a standalone project or portfolio basis. In the last 18 months we have seen an increase in the use of portfolio finance structures and we expect this trend to continue into 2026 and beyond.

3.7 What is the legal and regulatory framework applicable to the development of green hydrogen projects?

Currently, there is no regulatory regime in the UK (or England and Wales, in particular) specifically tailored to hydrogen. Existing regulations pre-date the advent of hydrogen as a viable commercial energy source. However, in August 2021, the government published a Hydrogen Strategy and subsequent supporting materials including, in December 2023, a Hydrogen Strategy Delivery Update that sets out the UK's strategy to reach up to 10GW of low carbon hydrogen production capacity by 2030, and a Hydrogen Production Delivery Roadmap that sets out key opportunities and likely expectations of the evolving hydrogen production landscape up to 2035.

As hydrogen is a gas, it is regulated by Ofgem as part of the gas network under the Gas Act 1986. These regulations include the requirement for a licence to transport or supply hydrogen. Gas licensees must comply with a breadth of industry codes and detailed health and safety regulations. The Energy Act now expressly provides for licensing of pipelines for the transport of hydrogen under the existing licensing regime in the Gas Act 1986. The Energy Act also introduces financial incentives through revenue support business models and a levy (see question 3.8 below) and allows the Secretary of State to appoint an allocation body, FSO, and set out the allocation process, as well as designate a counterparty to contract with hydrogen storage and transport providers. Importantly, much of the operational detail will be set out in the regulations.

The government's Ten Point Plan for a Green Industrial Revolution proposed a hydrogen neighbourhood trial by 2023 and a village trial by 2025. Following multiple consultations on legislating to effectively deliver a grid conversion hydrogen trial, the Energy Act provides for the Secretary of State to regulate and ensure consumer protection and for gas distribution network operators to follow processes to deliver the trial. However, in May 2024, DESNZ confirmed that work on a hydrogen town pilot will not progress until after 2026.

3.8 Are there financial or regulatory incentives available to promote investment in green hydrogen projects?

The Ten Point Plan sets out the government's commitment to a £240 million Net Zero Hydrogen Fund for the development and deployment of new low-carbon hydrogen production to de-risk investment and reduce lifetime costs. 15 successful applicants from round one (April 2022) have collectively been allocated £37.9 million, and seven successful applicants from round two (April 2023) have collectively been allocated over £21 million.

In June 2023, the government announced £80 million of grants to industrial businesses to fund switching to low-carbon fuels, such as hydrogen, and to developers turning biomass and waste into hydrogen production, with carbon capture.

In August 2023, a draft Hydrogen Production Business Model (**HPBM**), comprising a front-end agreement and Low Carbon Hydrogen Agreement (**LCHA**), was published with updates to the standard terms and conditions and front-end agreements published in February 2025. The HPBM provides the framework for entry into a revenue support contract similar to a CfD between low carbon hydrogen producers and the LCCC, pursuant to yearly allocation rounds. The Hydrogen Production Revenue Support (Directions, Eligibility and Counterparty) Regulations 2023, put into effect on 20 December 2023, builds on this by clarifying that, to qualify for revenue support, hydrogen must ultimately be produced in accordance with the Low Carbon Hydrogen Standard and meet an 'additionality' requirement. The first allocation round, which opened in July 2022, awarded 11 new projects the chance to finance negotiations with DESNZ, three of which have since signed LCHAs for government revenue support. The second allocation round (which is three times the size of the first) opened in December 2023 and closed on 19 April 2024 with 27 electrolytic projects announced on the shortlist in April 2025.

The Energy Act provides the Secretary of State power to designate a counterparty (in this case, the LCCC) to enter into hydrogen revenue support contracts and power to appoint a hydrogen levy administrator.

3.9 What are the main sources of financing for the development of green hydrogen projects in your jurisdiction?

The financing of green hydrogen projects in the UK remains at a nascent stage. However, in June 2022, the new publicly owned UK Infrastructure Bank announced its strategic plan to deploy £22 billion of capital to tackle climate change and boost regional growth and a central pillar of that plan was to accelerate the deployment of new technologies such as hydrogen. In addition, in July 2022, the UK government announced the opening of the Net Zero Hydrogen Fund, which will provide up to £240 million of grant funding for low-carbon hydrogen production projects. In February 2024, the UK Infrastructure Bank announced it had committed £30 million to support the expansion of UK-based green hydrogen pioneer, GeoPura. The primary issue for financing green hydrogen projects on a limited recourse basis remains the lack of a long-term identifiable revenue stream.

3.10 What is the legal and regulatory framework that applies for clean energy certificates/environmental attributes from renewable energy projects?

The Renewable Obligation scheme applies to large-scale renewable electricity projects in the UK, creating a market for the sale of environmental attributes. The scheme obliges UK electricity suppliers to source an annually increasing proportion of the electricity supplied to customers from renewable sources.

Ofgem issues ROCs to qualifying renewable generators in respect of the electricity they generate. Such generators can then sell those ROCs to suppliers or traders as tradeable commodities. Different renewable types receive different numbers of ROCs depending on their costs and size. Suppliers are then obligated to meet individual targets by purchasing ROCs either from renewable generators directly or from traders and brokers in the ROCs market. Ultimately, ROCs are used by suppliers to demonstrate that they have met their annual obligation.

This scheme closed to all new generating capacity on 31 March 2017 and has been replaced by the CfD scheme (see question 3.2). Projects that have been accredited before this date will be supported until 20 years from the date of accreditation or 31 March 2037, whichever is earlier. The Renewable

Energy Guarantees of Origin (**REGO**) scheme clarifies to consumers the proportion of electricity sourced by suppliers from renewable energy. Renewable generators in Great Britain and Northern Ireland can apply to Ofgem for REGOs. REGOs certify that electricity is from a renewable source. Renewable energy projects in the UK may also generate carbon credits and participate in the voluntary carbon trading market, if they can measure reductions in their emissions.

3.11 Are there financial or regulatory incentives or mechanisms in place to promote the purchase of renewable energy by the private sector?

The Renewable Heat Incentive (**RHI**) is a financial incentive to encourage the uptake of renewable heat by businesses, public sector and non-profit organisations and homeowners. The non-domestic RHI was introduced in 2011, with the domestic RHI following in 2014. The schemes are designed to help bridge the gap between the costs of fossil fuel heating technologies and low-carbon alternatives. Participants receive a tariff, set in pence per kWh of heat used, for either seven (domestic RHI) or 20 years (non-domestic RHI), which is set at a level to cover the additional costs of the renewable heating system. However, the non-domestic RHI scheme closed to new applicants on 31 March 2021 and the domestic RHI scheme closed to new applicants on 31 March 2022. The Boiler Upgrade Scheme (**BUS**) promotes the installation of heat pumps and biomass boilers in homes and non-domestic buildings in England and Wales by providing £450 million of grant funding, which was initially available over three years from 2022 to 2025. The scheme has since been extended to 2028 with a further £25 million of funding announced by DESNZ on 30 January 2025, bringing the total budget for 2024/2025 to £205 billion.

3.12 Is there a mandatory (or a developed voluntary) carbon emissions trading market in your jurisdiction?

The UK has a mandatory carbon emission trading market known as the UK Emissions Trading Scheme (**ETS**). The ETS is a cap-and-trade system that caps the total amount of greenhouse gas emissions that certain sectors (including power generation, aviation and heavy industry) are allowed to emit. Each participant is allocated a number of permits (an 'allowance'), and each participant is permitted to emit one tonne of carbon dioxide equivalent under each allowance. These allowances are to be reduced each year to align with the UK's net zero targets. Those participants that emit less than their allowances can sell their surplus allowances to those that emit more than their allowances.

There is also an increasingly sophisticated voluntary carbon trading market in the UK. This allows participants to buy carbon certificates to voluntarily offset their carbon emissions beyond what they are required to do under law. Carbon certificates are issued by verified projects across the globe that reduce, remove or abate greenhouse gas emissions. These certificates can be sold by the developers to generate revenue for their projects and can be traded by investors on a number of established carbon trading platforms. The International Emissions Trading Association published, in February 2023, model form trading documents (with English law as the governing law), which is a key step to standardising the carbon trading arrangements and indicates the maturity of the voluntary carbon market. In addition, publication of both the Voluntary Carbon Markets Integrity Initiative (**VCMI**) Claims Code of Practice in June 2023 and the Integrity Council for the Voluntary Carbon Market (**IC-VCM**) Core Carbon Principles in March 2023 operate to provide greater transparency and integrity in the voluntary carbon market. On 17 April 2025, the government issued a consultation on the proposed policy and framework for VCM requesting calls by 10 July 2025 from stakeholders in clarifying government policy. This follows the publication of the government's 'Principles for Voluntary Carbon and Nature Markets Integrity' on 15 November 2024 in order to assist compliance and monitoring by UK regulators and stakeholders and qualify good practice as the market continues to develop.

3.13 What is the legal and regulatory framework applicable to the development of carbon capture and storage projects?

The Energy Act 2008 first established the regulatory regime (as supplemented by further regulations) and introduced a licensing requirement for CCUS projects. The storage of carbon dioxide also requires a permit.

The North Sea Transition Authority (**NSTA**) is responsible for approving CCUS licences and storage permits, and applications for a CCUS licence may only be made in response to a formal invitation from this authority in respect of a specific area. The NSTA, with the Crown Estate Scotland and The Crown Estate, opened a carbon dioxide storage window from 14 May 2025 until 31 July 2025 for industry to nominate areas to be considered for offering in the next carbon storage licensing round.

CCUS developers will also be required to apply to the Crown Estate for relevant transportation and storage rights. The transport and storage regulatory (**TRI**) model was first published in December 2020 and has since gone through multiple iterations. The Energy Act introduces the licensing regime for the TRI model, with Ofgem as the economic regulator for CO_2 transport and storage and responsible for granting and enforcing licences. The Energy Act also provides the Secretary of State certain step-in rights where there would otherwise be a licence termination and to make provision for regulations to provide security for future abandonment or decommissioning of carbon dioxide-related sites, pipelines or installations.

3.14 Are there financial or regulatory incentives available to promote investment in carbon capture and storage projects?

The Carbon Capture and Storage Infrastructure Fund (**CCSIF**) was first announced in a budget in March 2020 with £1 billion confirmed at the spending review in November 2020 to finance the construction of CCUS facilities and associated infrastructure, such as pipelines and storage facilities. In March 2023, the Chancellor announced up to £20 billion in the spring budget to support the initial deployment of CCUS. The government has also launched an Industrial Clusters Mission, which aims to support the development by 2030 of up to four CCUS clusters. A CCUS Vision Paper was published in December 2023, announcing an expansion of the 'Track 1' clusters and development of the 'Track 2' clusters with two new CO_2 transport networks. Details of the ICC business model and the dispatchable power agreement (**DPA**), both based on the CfD mechanism, were first published by the government in December 2020. These have since been updated and serve as a

commercial framework for those projects to be granted capital by the government, initially through the CCSIF. The Energy Act provides the Secretary of State powers to offer financial assistance to support CCUS, designate and direct a counterparty to manage the business model contracts and appoint an allocation body for CCUS, and set out the allocation process in regulations and frameworks.

3.15 What are the main sources of financing for the development of carbon capture and storage projects in your jurisdiction?

The £3 billion HyNet carbon capture and storage transport scheme being developed by Eni and the £4 billion Northern Endurance Partnership project being developed by BP, Equinor and TotalEnergies were both backed by a regulated asset base (**RAB**) structure on the transport network, which is backed by a UK government support package during the operating phase on uninsurable risks from the storage facility (such as leakage) and the scheme becoming a stranded asset. Emitters that send carbon into the network will be subsidised via strike price mechanisms. Both of these projects were financed in the commercial bank market.

4 Consents and Permits

4.1 What are the primary consents and permits required to construct, commission and operate utility-scale renewable energy facilities? Does the consenting and permitting regime differ for specific types of renewable energy facilities, such as nuclear, offshore wind, battery storage, or others?

In England, utility-scale projects with more than 50MW of capacity, or 100MW for offshore wind, are subject to the Planning Act 2008 (**Planning Act**) and are deemed 'nationally significant infrastructure projects' requiring specific consent from the Planning Inspectorate, which acts on behalf of the Secretary of State for DESNZ. This excludes electricity storage projects (except for pumped hydro), which were recently carved out of this regime. In March 2025, the government launched the Planning and Infrastructure Bill to reform the planning system, to allow more development and infrastructure (including renewable energy) projects to go ahead.[2]

Consent is required under the Electricity Act for utility-scale projects that are not subject to the Planning Act or the Town and Country Planning Act 1990 (**TCPA**), such as offshore wind projects with a generating capacity of greater than 1MW but less than 100MW. Applications under the Electricity Act are considered by the Secretary of State for DESNZ.

The installation of the project will need to comply with development regulations, including the Construction (Design and Management) Regulations 2015, which sets construction requirements and restrictions.

The Electricity Act provides that it is an offence to generate electricity for the purposes of supply to any premises without a licence or exemption. Licences are granted by Ofgem. The Secretary of State for DESNZ may grant specific or class exemptions to this requirement.

The Electricity (Class Exemptions from the Requirement for a Licence) Order 2001 (SI 2001/3270) (**Class Exemptions Order**) provides a number of class-based exemptions to the general licensing requirements under the Electricity Act. Smaller utility-scale generators may benefit from the 'Class A' exemption, for facilities that do not at any time provide electric power in excess of 10MW (for facilities with a declared net capacity of greater than 100MW) or 50MW (for facilities with a declared net capacity of less than 100MW).

In addition, generators must comply with relevant health and safety legislation and industry codes in order to operate their facilities, such as the Balancing and Settlement Code, the Connection and Use of System Code (**CUSC**), the Grid Code, and the Distribution Connection and Use of System Agreement.

In respect of offshore wind projects, the Crown Estate Commissioners, on behalf of the Crown Estate, is the body responsible for awarding seabed rights in England and Wales (with the Crown Estate Scotland being responsible for Scottish Waters). Pursuant to an auction process, following a multi-tier qualification process, the Crown Estate will grant 'Agreements for Lease', which will generally cover the area where the generating asset will be located, as well as the offshore substation and cable route. The Agreement for Lease contains an option right for the developer to enter into a full lease, on satisfaction of conditions related to obtaining the necessary permits and consents. The planning permission required for such offshore wind projects is in the form of a development consent order (**DCO**) from the Secretary of State. A DCO application is made to the Planning Inspectorate (an executive agency of the Department for Levelling Up, Housing and Communities of the government) who considers the application and makes a recommendation to the Secretary of State, who will decide whether development consent should be granted for the proposed scheme.

As part of these consents, the developer will also likely need to submit an environmental impact assessment (**EIA**) to the Secretary of State, analysing the likely significance of the project's expected environmental impact. The application by the developer for a marine licence (if not subsumed into the DCO) from the Marine Management Organisation may also be required. In respect of the requisite onshore connections, developers will also require consent to construct a cable connection onshore, and an agreement to connect to the transmission system as operated by the National Grid Electricity System Operator (**NGESO**).

4.2 What are the primary consents and permits required to construct, commission and operate distributed/C&I renewable energy facilities?

In England, distributed and C&I renewable energy facilities are likely to fall beneath the 50MW threshold under the Planning Act and will instead be subject to approval under the TCPA. Onshore wind farms, including facilities with generating capacity in excess of 50MW, are subject to the Planning Act planning regime due to the perceived increased local impact caused by their construction and operation. Planning applications under the TCPA are made by generators to the local planning authority.

Certain microgrids with a generating capacity of 50kW or less may benefit from permitted development rights where planning permission is deemed to have been granted without the need for an application to the local planning authority.

The requirement for a generation licence under the Electricity Act applies equally to distributed renewable energy facilities, although distributed renewable energy facilities are likely to benefit from the Class A exemption under the Class Exemption Order.

Generators of distributed renewable energy must also comply with relevant industry codes in order to operate their facilities, as described in question 4.1 above.

4.3 What are the requirements for renewable energy facilities to be connected to and access the transmission network(s)?

In England, there is a set of standard licence conditions for each licensable activity and the CUSC provides the contractual framework and commercial terms between the NGESO and users of the NETS, while the Grid Code provides the technical code for connecting and using NETS. The CUSC sets out most of the operative provisions of the connection agreement and includes as appendices other potential agreements to be included.

While the procedure will vary for applicants, broadly speaking, generators seeking access to NETS must make an application to the NGESO, which, once reviewed, will be sent to a Transmission Owner (in England and Wales – National Grid Electricity Transmission plc). Once submitted, the NGESO has three months to make a connection offer, the applicant then has three months from receiving a contract offer to review and sign the offer and provide the relevant security. In most cases, the offer of connection contract documents include:

- a construction agreement in respect of the relevant connection facilities;
- a connection agreement governing the relationship between the generator and the NGESO; and
- an accession agreement to CUSC (if not already a party).

In respect of the 'connection queue' to access NETS (see question 2.5), reforms of the grid connection process (TMO4+) have been approved by Ofgem to enable projects that will prioritise certain projects (such as data centres and renewable energy projects).

4.4 What are the requirements for renewable energy facilities to be connected to and access the distribution network(s)?

The UK's distribution networks are operated by two sets of operators: 14 distribution network operators (**DNOs**), who operate larger distribution networks; and independent distribution network operators (**IDNOs**), who operate smaller networks within areas covered by DNOs.

In order to be connected to and access distribution networks, the renewable energy facility must apply to the relevant DNO or IDNO in accordance with the requirements of the Electricity Act. The DNO or IDNO must then offer connection terms to the facility as soon as practicable, subject to certain exemptions. Unless there are specific site requirements, the connection offer will be made on the DNO's standard terms.

4.5 Are microgrids able to operate? If so, what is the legislative basis and are there any financial or regulatory incentives available to promote investment in microgrids?

Microgrids may operate in England and Wales and are subject to the same legal and regulatory regime as distributed renewable energy facilities.

Until 2019, generators using microgrids were able to benefit from the FiT scheme, now replaced by the SEG scheme (see question 3.5 for more detail). There is a growing interest in the development in microgrids given the current constraints of the traditional grid.

4.6 Are there health, safety and environment laws/regulations which should be considered in relation to specific types of renewable energy or which may limit the deployment of specific types of renewable energy?

The development of renewable energy projects requires infrastructure, and all construction projects in the UK must comply with the Construction (Design and Management) Regulations 2015, which form the key health and safety framework for the construction industry. More generally, the UK also has extensive health and safety regulations to ensure employers are responsible for the health and safety of their employees and those impacted by their business.

Whilst environmental laws generally encourage renewables development (see question 1.1 above), the planning consent process (see question 4.1 above) requires the consideration of environmental and social matters, and most utility-scale projects will also require an EIA to assess the environmental risks of the project. Applications for large-scale projects will not be permitted if they are in an Area of Outstanding Natural Beauty or in a National Park, and wind projects are subject to further scrutiny in respect of protecting wildlife and (for offshore projects) marine conservation.

5 Storage

5.1 What is the legal and regulatory framework which applies to energy storage and specifically the storage of renewable energy?

Electricity storage (including the storage of renewable energy) was treated as a type of electricity generation for a long time. Accordingly, the applicable legal and regulatory framework that applies to electricity storage was the same as that applicable to electricity generation. However, the Energy Act creates a new definition of 'stored energy' and provides that generating electricity from stored energy is clarified as a definitive subdivision of generation under the Electricity Act.

The provisions relating to generation licences (and exemptions), planning permission and construction, described above in question 4.1, also apply to electricity storage projects. Noting the changes introduced by the Energy Act, there is now greater clarity on licensing for large scale storage providers while providing applicable exemptions to smaller providers.

All electricity storage projects will also need a completed lease on satisfactory terms and relevant planning permission in relation to the land in which it is located and, in respect of battery storage projects, must comply with various UK, European and international standards on battery matters.

5.2 Are there any financial or regulatory incentives available to promote the storage of renewable energy?

Energy storage systems benefit from the FiT scheme (provided applications have been submitted prior to 31 March 2019) and the RHI scheme as described in question 3.11 as well as, for storage co-located with a renewable asset, SEG payments. In 2021, the government launched the Longer Duration Energy Storage Demonstration competition to support Long Duration Electricity Storage (**LDES**) technologies with over £69 million awarded.

Additionally, to encourage investment and assist operators to manager high capital costs, the government has introduced

a LDES cap and floor scheme to provide a minimum income to operators, with the first application window for LDES projects opening in April 2025.

5.3 What are the main sources of financing for the development of energy storage projects in your jurisdiction?

The financing of energy storage projects on a standalone, limited recourse basis remains at a nascent but rapidly developing stage in the UK. In a traditional project, financing the relevant asset is limited in its application – which suits risk averse debt providers, whose return is typically limited to the interest on their loans – whereas a BESS project is typically granted the flexibility to perform a variety of services (which suits shareholders whose return on their investment is, in theory, unlimited). For developers, ideally the covenant package in their loan agreements would, for example, expressly permit the various uses in which the battery is intended to serve or could serve in the future. This runs somewhat contrary to the traditional project finance model where tight controls are placed on the project company. However, the development of optimisation agreements towards a relatively standardised form provides some comfort to lenders contributing to the growing involvement of commercial banks in this space. Broadly, these agreements constitute the offtake agreement for the project under which the optimisation provider manages the battery storage system to maximise its economic value using different services through advanced software algorithms (typically including a minimum product payment guaranteed to the developer each year calculated on a dollar per MW basis). We have seen a marked increase in the use of portfolio finance structures to finance BESS projects in the last 18 months. These structures use many of the features of traditional project financings but give developers greater flexibility and mitigate the risk to a lender of relying on a single project's revenue stream.

6 Foreign Investment and International Obligations

6.1 Are there any special requirements or limitations on foreign investors investing in renewable energy projects?

The National Security and Investment Act 2021 (**NSIA**) is the UK's primary means of scrutinising investment in certain core areas of the UK economy, including in relation to the energy sector and renewable energy projects. Whilst the NSIA applies equally to domestic as well as foreign investors, it is anticipated that transactions involving entities based in foreign countries of particular concern will be subject to greater scrutiny. The NSIA establishes a mandatory notification regime that requires certain transactions to be notified to the government for the purposes of a national security assessment. The government has the power to block or impose conditions on a transaction in order to protect national security.

In the renewable energy sector, the mandatory notification regime applies if various 'trigger events' are met (such as the acquisition of a greater than 25% stake) in respect of a qualifying entity that holds generating capacity of over 100MW in any individual asset or cumulative 1GW of generating or aggregation capacity.

6.2 Are there any currency exchange restrictions or restrictions on the transfer of funds derived from investment in renewable energy projects?

No exchange control restrictions affect inward or outward investment (direct or portfolio), the repatriation of income or capital, the holding of currency accounts, or the settlement of currency-trading transactions.

6.3 Are there any employment limitations or requirements which may impact on foreign investment in renewable energy projects?

No sectors of the economy are restricted to UK nationals or require majority equity holdings or other specified holdings by UK nationals. In practice, foreign companies can obtain work permits for foreign employees by demonstrating that their skill level or experience cannot be found among UK nationals.

6.4 Are there any limitations or requirements related to equipment and materials which may impact on foreign investment in renewable energy projects?

In respect of imports from outside the UK, there may be an obligation to comply with import licensing requirements and customs tariffs.

Aside from general restrictions applicable to materials that are harmful to health and safety and the environment, there are no other legal restrictions that apply to equipment or materials required to construct or operate renewable energy projects. There are, however, political concerns over UK dependency on overseas supply of key equipment and materials (particularly from China) and the UK government is actively investing in domestic manufacturing such as subsea cables to minimise reliance. UK Export Finance, the government credit agency, guidance is that foreign content should be no more than 80% of the contract value, meaning a minimum of 20% UK content.

7 Competition and Antitrust

7.1 Which governmental authority or regulator is responsible for the regulation of competition and antitrust in the renewable energy sector?

The relevant authorities are:

- the UK Competition and Markets Authority (**CMA**); and
- Ofgem.

Under the Enterprise and Regulatory Reform Act 2013, both the CMA and Ofgem have concurrent powers to apply competition law in the renewable energy sector.

Ofgem's powers in respect of the above had, until recently, been limited to commercial activities in the gas and electricity sectors but were extended under the Energy Act to cover storage and transportation activities involving carbon dioxide. It is anticipated that Ofgem's concurrent powers may be further extended in the future to cover heat networks. In comparison, the CMA's powers already cover all areas of the UK economy.

7.2 What power or authority does the relevant governmental authority or regulator have to prohibit or take action in relation to anti-competitive practices?

The CMA and Ofgem have a broad range of powers in respect of actual or suspected anti-competitive behaviour. These include the ability to:

- conduct market studies and, if appropriate, make a market investigation reference under which the CMA conducts an in-depth investigation into any feature, or combination of features, of a market in the UK;
- investigate suspected infringements (including by conducting 'dawn raids');
- give specific directions to end anti-competitive behaviour;
- impose financial penalties of up to 10% of an undertaking's annual group worldwide turnover; and
- apply to the court for an order to disqualify an individual from acting as a director for up to 15 years.

The CMA also has jurisdiction to review relevant merger situations for competitive concerns. A new regime covering mergers between energy network providers (such as electricity transmission and distribution licence holders) was introduced under the Energy Act. The CMA can remedy or potentially block such a merger where it substantially prejudices Ofgem's ability to carry out its price control functions.

In addition, the CMA has the power under the Enterprise Act 2002 to prosecute for criminal cartel offences (which covers agreements relating to price-fixing, market/customer sharing, output limitation or bid-rigging).

7.3 What are the key criteria applied by the relevant governmental authority or regulator to determine whether a practice is anti-competitive?

UK competition law prohibits anti-competitive agreements and conduct that amounts to an abuse of a dominant position.

Anti-competitive agreements

Agreements and concerted practices that, by object or effect, appreciably prevent, restrict or distort competition are prohibited. This captures formal written agreements, as well as informal oral agreements and even tacit understandings between businesses.

Some agreements, such as price-fixing or market-sharing cartels, are considered anti-competitive by nature, regardless of their actual effect. Other arrangements, such as exclusive purchasing or supply obligations, will only be prohibited where there is an actual anti-competitive effect. An exemption is available in certain circumstances where it can be demonstrated that the anti-competitive effects of a particular agreement or conduct are outweighed by the pro-competitive benefits for consumers.

Abuse of a dominant position

An undertaking will be considered to hold a dominant position where it has the ability to behave independently of competitive pressures. Factors such as market share, size and number of competitors, barriers to market entry, and customer buyer power are all relevant to assessing dominance.

Examples of abuse of a dominant position include charging unfair prices (either excessively high for consumers, or excessively low to drive out competitors), imposing other unfair trading conditions or refusing to supply existing customers without justification.

8 Dispute Resolution

8.1 Provide a short summary of the dispute resolution framework (statutory or contractual) that typically applies in the renewable energy sector, including procedures applying in the context of disputes between any applicable government authority/ regulator and the private sector.

Judicial review in the national courts may be available to challenge decisions made by the government or other public bodies (including Ofgem). The Judicial Review and Courts Act 2022 has made changes to the judicial review procedure; however, an application for judicial review must be made promptly and in any event within three months of the decision being challenged (subject to a few exceptions, where a shorter time limit applies). A number of judicial review challenges have been brought in relation to renewables.

Where the rights and obligations of the participants in a renewables project are governed by contract, the agreed dispute resolution mechanism will apply. For example, the CfD standard terms and conditions provide for disputes to be finally resolved via the London Court of International Arbitration (**LCIA**) or, for certain types of disputes, expert determination.

8.2 Are alternative dispute resolution or tiered dispute resolution clauses common in the renewable energy sector?

Yes, for example, the CfD standard terms and conditions provide for most types of disputes between the LCCC and the generator to be referred first to their senior representatives. If no amicable resolution can be achieved within a minimum period of 30 days, the dispute can then be referred to expert determination or LCIA arbitration as appropriate.

8.3 What interim or emergency relief can the courts grant?

The English courts have a broad discretion to grant interim or emergency relief. Such relief may take the form of: (i) interim injunctions ordering a party to carry out a specific act or to refrain from carrying out a specific act (such as commencing proceedings in a foreign court); (ii) freezing orders preventing the dissipation of assets; (iii) orders for the preservation of evidence; (iv) orders for the disclosure of documents; and (v) orders in support of arbitral proceedings.

Some contracts related to the development of renewables projects provide for disputes to be resolved by arbitration. Where that is the case, the possibility of interim or emergency relief under the applicable institutional rules (if any) should be considered.

8.4 Is your jurisdiction a party to and has it ratified the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards and/or the Convention on the Settlement of Investment Disputes between States and Nationals of Other States and/or any significant regional treaty for the recognition and enforcement of judgments and/or arbitral awards?

The UK has signed and ratified the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards

(**New York Convention**) and the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (**ICSID Convention**).

Its ratification of the New York Convention is subject to the reciprocity reservation (meaning it will only recognise and enforce awards made in the territory of another contracting state).

Following the expiry of the Brexit transition period (on 31 December 2020), the Recast Brussels Regulation and the 2007 Lugano Convention ceased to apply to the UK. On 1 January 2021, the UK acceded to the 2005 Hague Convention on Choice of Court Agreements (**2005 Hague Convention**) in its own right. However, the 2005 Hague Convention is narrower in scope than the Recast Brussels Regulation or the 2007 Lugano Convention. In 2020, the UK applied to join the 2007 Lugano Convention in its own right; however, accession is conditional on the consent of all other signatories. The EU has indicated that it is not prepared to consent to invite the UK to accede to the Lugano Convention. Therefore, for now, the UK is unable to benefit from the Lugano Convention. In January 2024, the UK government signed the Hague Convention of 2 July 2019 on the recognition and enforcement of foreign judgments in civil or commercial matters (**2019 Hague Convention**). The 2019 Hague Convention will come into force on 1 July 2025, roughly 12 months after its ratification on 27 June 2024. Although this is not a replacement to the Lugano Convention, it will provide a framework for enforcement of judgments in other contracting states, following the gap left by Brexit.

8.5 Are there any specific difficulties (whether as a matter of law or practice) in litigating, or seeking to enforce judgments or awards, against government authorities or the state?

Neither the UK government, the devolved Welsh government, nor other UK public bodies are immune to litigation. Both frequently appear as defendants in litigation and are often held to account by the national courts.

8.6 Are there examples where foreign investors in the renewable energy sector have successfully obtained domestic judgments or arbitral awards seated in your jurisdiction against government authorities or the state?

Various judicial review proceedings have been brought against the government to challenge decisions it has made in relation to renewable energy policy and specific projects. These have included challenges to the government's Net Zero Strategy and challenges to decisions to reject applications to participate in the RHI scheme. We have not, however, seen examples of foreign investors in the renewable energy sector obtaining domestic judgments or awards against government authorities or the state in civil actions.

9 Updates and Recent Developments

9.1 Please provide a summary of any recent cases, new legislation, regulations, and policy announcements in renewables in your jurisdiction.

The impact and implementation of the Energy Act – as the largest piece of energy legislation in over a decade – will continue to be felt across the industry and builds on multiple consultations and proposals – notably, the government's Ten Point Plan and the Energy White Paper in Q4 2020, the Smart Systems and Flexibility Plan in July 2021 and the Net Zero Strategy in October 2021, setting out its plan for the energy transition, including developing a smart system framework to build a flexible grid and allocating further funding for offshore wind, hydrogen and other renewables investments – all to drive its net-zero energy system. The government has shown willingness to reform some of the more challenging aspects of the UK planning process with the lifting of the ban on UK onshore wind, the Planning and Infrastructure Bill and the reforms to the grid connection queue. Influenced by global conflicts and tumultuous global markets as well as the net zero drive, UK policy and renewable investment is expected to continue to focus on energy security and increasing domestic renewable production including to insulate against global price inflation.

There is mainstream political consensus in the UK that is committed to increasing renewable generation capacity and the Labour government remains committed to this cause with the ban on the issuance of new oil and gas licences in the North Sea and the creation of Great British Energy, a new, publicly owned clean energy company, which received Royal Assent on 15 May 2025, backed by £8.3 billion in state funding for renewables projects.

In the case of *Ross v Secretary of State for Housing, Communities and Local Government* [2025] EWHC 1183 (Admin), the High Court interpreted the National Policy Statement for Renewable Infrastructure (**EN-3**) and confirmed that solar farms producing less than 50MW may include 'overplanting' panels – to install more capacity than needed – if fully justified and assessed in the planning process. The decision takes a broader view of EN-3, confirming that overplanting may be justified for a range of reasons beyond accounting for expected panel degradation. This indicates a shift to give developers more flexibility when structuring solar projects.

In *R (Boswell) v Secretary of State for Energy Security and Net Zero* [2024] EWHC 2128 (Admin), the High Court dismissed a judicial review application in relation to the grant of development consent for the Net Zero Teesside Project, a new gas-fired electricity station with post-combustion carbon capture: the UK's first full-chain carbon capture and storage scheme. The application challenged the Secretary of State's assessment of the project's environmental impacts, following in the wake of *R (Finch) v Surrey County Council* [2024] UKSC 20. The High Court rejected the application, underlining that EIAs are not designed to trap decision makers and that the court should not easily interfere with planning decisions supported by national policy objectives.

The year 2024 was the lowest carbon intensity year on record with notable feats, including the last coal station in the UK closing in September 2024, and zero carbon electricity sources making up 50.8% of the energy mix.

If the UK government continues to promote investment in renewable energy technology, we expect these records to be broken repeatedly in the short term. We also expect that electric vehicles, residential solar and battery storage will continue to gain prominence in the UK as a medium for the ongoing transformation of the energy sector.

9.2 How do you envisage the renewable energy landscape in your jurisdiction evolving over the next five years?

Significant growth in the renewable landscape is anticipated in the UK. The factors driving this are set out in sections 1 and 2

(including, in particular, government commitments to net-zero emissions by 2050, increased public and private sector investment, and technological advancements reducing costs of renewable technologies). Both domestic and international investments in UK renewables are expected to rise albeit with increasingly stringent trade barriers and global conflict, it remains unclear what, if any, impact this will have on foreign investment.

A further surge in offshore wind farms and energy storage projects is expected (with a pipeline of dozens of GW in development), and an increased integration of smart grid technologies. Community-based renewable projects and decentralised energy systems are expected to become more prevalent.

The Labour government has been vocal in its commitment to net zero with a publicly owned energy company, Great British Energy, marking a flagship policy to drive investment in renewables and ensure energy security. They have so far aggressively pushed the net zero agenda, scaling back on fossil fuels and increasing renewables investment.

Endnotes

1 chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://assets.publishing.service.gov.uk/media/67e4f62cf356a2dc0e39b522/Energy_Trends_March_2025.pdf

2 https://bills.parliament.uk/bills/3946

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