



# RenewableUK Stakeholder Representation – Autumn Budget 2025

HM Treasury  
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## **About RenewableUK**

RenewableUK is the UK's leading trade association for the renewable energy sector, representing a dynamic and diverse membership at the heart of the clean energy transition. We represent close to 500 member companies, including energy developers, supply chain businesses, technology innovators, and industry experts working across offshore and onshore wind, tidal stream, green hydrogen, energy storage, and future energy systems.

Together, they are building the UK's future energy system – one that delivers affordable, secure, and sustainable power. We bring the entire value chain together to accelerate deployment, drive investment, unlock export opportunities, and strengthen the UK's global leadership in renewable energy. From developers to manufacturers, from logistics to grid specialists, we champion the full spectrum of the clean energy supply chain to deliver benefits for industry, consumers, and the environment.

RenewableUK welcomes the opportunity to provide an Autumn Budget submission and would be happy to follow up with any further detail if required.



**Subject: An Autumn Budget to protect bill payers, increase growth and bolster energy security**

Since the last Autumn Budget, the Government has made great steps towards its Clean Power and Growth Missions, releasing the Clean Power 2030 Plan and the Industrial Strategy, both of which were warmly welcomed by the renewable energy industry. This year's Autumn Budget is well positioned as the next step to supporting their delivery. This submission focuses on building on these strong foundations to accelerate the delivery, complimenting the progress that has been made across many of these areas.

At the same time the sector faces significant challenges including high inflation, global trade barriers, investment backlogs and supply chain and skills constraints. It is essential that policy developments alleviate these pressures and accelerate investment.

The Chancellor should seize the opportunity of this Autumn Budget to address the pressing issues facing the UK today. Through targeted measures, which we outline below, this Autumn Budget can be a key enabler of **protecting bill payers, addressing constraints and increasing jobs and growth, whilst bolstering the UK's energy security and ensuring the government achieves its Clean Power Mission.**

The renewable energy industry is ready to work with the Government to unlock these benefits.

Yours sincerely,

Jane Cooper, Deputy CEO, RenewableUK

## Key Asks

### **Reduce bills and accelerate investment:**

- Fast track the roll out of the British Industrial Competitiveness Scheme.
- Move policy costs from electricity bills to gas and taxation.
- Set capacity targets for 2035 and 2040 and align Contracts for Difference (CfD) auctions accordingly.
- Create a fiscal environment that stimulates investment.

### **Enhance infrastructure:**

- Build industrial capacity and boost floating offshore wind by introducing a CfD ports, utilising the £1.8million earmarked by National Wealth Fund for ports investment.
- Provide revenue certainty for Long Duration Energy Storage to unlock £1.13billion of system savings.
- Streamline planning by resourcing statutory consultees and reforming Habitats Regulations Assessments.

### **Deliver jobs and prosperity:**

- Secure £120 million from Department for Science, Innovation and Technology to fund innovation and applied R&D in offshore wind, aligned with the Industrial Growth Plan and the Government's Industrial Strategy.
- Establish a Just Transition Fund to support workers transitioning from carbon intensive sectors to renewables.
- Reform the Apprenticeship Levy to increase employer incentives that boost delivery of apprenticeships in critical priority occupations and industries.
- Fund the next wave of technical excellence colleges on renewables to support the development of skills for young people.

## Economic benefits of UK wind industry

The UK wind industry delivers wide-ranging economic benefits that extend well beyond energy generation. It drives investment into coastal and rural communities, supports high-value job creation, and strengthens domestic supply chains. Wind energy enhances energy security by reducing reliance on imported fossil fuels and offers stable, low-cost electricity that shields consumers from global price volatility.

As a capital-intensive sector, it stimulates infrastructure development and innovation, while also contributing to regional regeneration and industrial growth. With strategic support, wind power is poised to be a cornerstone of the UK's clean energy economy and a catalyst for long-term prosperity.



## **Reducing bills and accelerating investment**

The UK's dependence on gas sparked an energy crisis when prices skyrocketed following Russia's invasion of Ukraine. This severely impacted bills, exacerbated fuel poverty and undermined UK competitiveness. The cost of government intervention to protect consumers totalled almost £40 billion<sup>1</sup>. We cannot afford a repeat of this and we support Government's policy for energy independency.

Investing in the Clean Power 2030 Mission is the only way to reduce our exposure to volatile gas prices and make energy security a reality. However, the inflationary fall-out of the war in Ukraine of this has – through higher interest rates – increased the cost of capital for investment in clean energy alternatives.

Onshore wind projects are particularly exposed to cost of capital given the high-CAPEX, low-OPEX nature of investments and the project finance approach encouraged by Contracts for Difference. Wood Mackenzie estimate that a 2% increase in interest rates results in a 20% increase in the levelised cost of electricity (LCOE) for a renewable energy project.<sup>2</sup>

While interest rates are, of course, set independently by the Bank of England, we ask the Treasury work with the renewable energy sector to explore options for reducing the cost of capital to boost investment and reduce bills through the fiscal measures outlined below.

To unlock private capital there is a need for targeted action to derisk investment including by providing a stable tax framework. Many of the proposed measures are relatively low cost for the government, with high return through reduced barriers for renewable projects and increased investor confidence.

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<sup>1</sup> [£40 billion spent protecting families and businesses from energy costs - GOV.UK](#)

<sup>2</sup> [Conflicts of interest: the cost of investing in the energy transition in a high interest-rate era | Wood Mackenzie](#)

To reduce bills and accelerate investment, RenewableUK proposes that the Chancellor:

- **Fast tracks the roll out of British Industrial Competitiveness Scheme (BICS) to help manufacturers cut energy costs.** RenewableUK welcomes the inclusion of the BICS in the Industrial Strategy. This will provide much needed relief from costs for electricity intensive businesses. However, the timeline for consultation and implementation has yet to be published meaning businesses are unable to plan ahead. Early indication of the timeline for introduction and accelerated delivery will allow businesses to make decisions on future investments.

Accelerating the British Industrial Competitiveness Scheme would reduce energy costs sooner for thousands of UK manufacturers, making domestic production more competitive with global markets. Early implementation would unlock investment, support export growth, and strengthen supply chains—especially in offshore wind and advanced manufacturing—boosting productivity and job creation across regions.

With numerous factories/ facilities in operation, being built and under consideration it is crucial that these are competitive when looking to serve domestic and export markets. The cost of energy for these facilities plays an important role in ensuring that the products they manufacture are cost comparable, in cost, to those produced in other countries.

- **Moves policy costs from bills onto gas and taxation so that the cost of electrification isn't artificially increased.** While the BICS is a welcome start, RenewableUK supports the Climate Change Committee's call for the removal of policy levies from all electricity bills to make electricity cheaper and accelerate electrification. Energy UK estimates that this rebalancing – shifting levies from electricity onto gas and taxation – could save consumers up to £400 annually<sup>3</sup>.

While this would require the Treasury to absorb costs currently recovered through bills, it would be a fairer way to recoup these costs, provide much needed relief for consumers and help the Government meet its commitment to reduce household energy bills by £300-400 by 2030.

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<sup>3</sup> [Energy-UK-Report-How-to-cut-bills-March-2025.pdf](#)

- **Strikes a balance between delivering social value and reducing costs.** While the Clean Industry Bonus, community benefits and shared ownership can all play an important role in delivering social value, they place an upward pressure on costs at a time when government is seeking to reduce bills. Government should work with industry to identify the measures that will deliver the best return for communities and consumers.
- **Ensures that the parameters for the Government’s future Contracts for Difference allocation rounds are set in line with the Government’s clean energy mission.** This should be tied to new 2035 and 2040 technology targets set in the Strategic Spatial Energy Plan, which would act as a “North Star” for ambitious annual target volumes set out in a long-term auction schedule.
- **Changes the Capital Allowances 25-year lifetime rule for offshore wind** by placing offshore wind projects into a new class pool for renewable assets eligible for 18% allowances, regardless of asset lifetime in line with the approach taken in other OECD countries.
- **Initiates as soon as possible the consultation on pre-development costs eligibility for capital allowances, as committed to in the Autumn Budget 2024.** Currently industry faces uncertainty over a considerable amount of DEVEX/CAPEX with no timeline for resolution of this issue.
- **Clarifies decommissioning tax relief, including:**
  - a. Increased flexibility around loss relief to enable Joint Ventures to gain benefit from full expensing.
  - b. Removal of the 25-year asset life distinction (for 100% v 50% First Year Allowances) to improve the capital allowances available on large capital projects.
- **Maintains reduced rate of Landfill Tax for inert soils:**
  - Onshore wind developers typically excavate inert soils and are charged the lower rate of £4.05 per tonne. Inert materials have a low environmental impact and this should continue to be reflected in a lower tax band.
  - HM Treasury’s recent consultation on reforms to Landfill Tax in England proposes to introduce a single tier rate for disposing of all types of waste materials, including inert soils. This rate will align with the current standard rate of £126 per tonne, meaning that a medium-large sized turbine will be subject to a cost of £106,000 for excavating inert soils.

- This will increase the cost of development for onshore wind projects across England at a time when the pipeline is at an early stage of development following the de facto ban. Additional costs will also be reflected in bills. The measure would have a particularly negative impact on smaller developers and community energy groups.

## **Enhancing infrastructure**

Sector-wide problems during the consenting process for wind farms are leading to delays in project deployment, reduced project capacity, and increased investment risk, which is putting the UK Government's clean power targets in jeopardy.

Measures in the Planning and Infrastructure Bill will, if passed, streamline planning and help deliver vital energy infrastructure while protecting our environment and enhancing biodiversity. Particularly welcome were amendments announced this week to refocus the work of Natural England and new powers for ministers to prevent councils rejecting applications while 'call-ins' are being considered.

However, there are still outstanding issues including the overly conservative way that the Habitats Regime is interpreted and practised by regulators and Statutory Nature Conservation Bodies. The existing approach is complex, disproportionate and inefficient and is causing challenges across all infrastructure (including transport, nuclear, and ports) and are particularly acute for marine projects.

Proper resourcing of statutory bodies is needed to accelerate consenting. Investing thousands in people will unlock many millions in capital investments.

Through targeted support for long duration storage (LDES), green hydrogen and transmission supply chain, we could ease grid constraints, cut costs for consumers and create confidence for investors to expand UK manufacturing capacity.

To enhance infrastructure, RenewableUK proposes that the Chancellor:

- **Improves resourcing and efficient processes in planning and consenting areas**, including departments, devolved governments, local authorities and relevant nature conservation bodies. These reforms are critical to helping accelerate renewable energy deployment and maximise industrial growth potential and will yield an extremely high return on investment for the UK.
- **Introduces the provisions outlined in Amendment 350 to the Planning and Infrastructure Bill** which was submitted by Lord Hunt of Kings Heath, which would streamline the consenting process for offshore wind and other major infrastructure projects, while maintaining robust environmental protections.
- **Works with the judiciary to reduce the time it takes a judicial review to move through the court system.** We very much welcome the Chancellor's recent statement on this.
- **Publishes the decision on removing the CCL levy from green hydrogen.**
- **Continues National Wealth Fund investment in energy storage and clarify investment aspirations.**
- **Finalises the cap and floor for LDES, with a view to bringing to market a diverse mix of technologies.** Aurora estimates that deploying up to 24GW of LDES in the UK by 2035 could: reduce system costs by £1.13 billion per year, cut household bills by £26 annually, lower reliance on gas by 50TWh/year and reduce carbon emissions by 10MtCO<sub>2</sub>/year.<sup>4</sup>
- **Establishes a mechanism and measures that support the development of transmission supply chains** for electricity networks and offshore wind and provide confidence to invest in new factories and facilities in the UK.
- **Works with relevant government departments and industry to create a business model that mobilises port investment** and de-risks investment for first movers. This should include the introduction of a CfD for ports, which could be funded via the National Wealth Fund, which has earmarked £1.8 billion for port

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<sup>4</sup> [Aurora - Long duration electricity storage MCS](#)



development, as recommended by Tim Pick in the *Seizing Our Opportunities*<sup>5</sup> report.

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<sup>5</sup> [Seizing our opportunities: independent report of the Offshore Wind Champion](#)



### **Delivering jobs and prosperity**

The UK's wind industry is already supporting economic growth and job creation, with almost 2000 companies operating in the supply chain. The onshore and offshore wind sectors together employ over 55,000 people, with over 110,000 positions projected to be sustained by 2030.

By adopting fiscal measures that focus on R&D allocations and capital investment support for training incentives, along with the reform of the Apprenticeship Levy, we can strengthen our domestic capabilities.

To deliver jobs and prosperity, RenewableUK proposes that the Chancellor:

- **Targets investment in supply chain, ports and workforce development** which will support the scaling of offshore wind, and emerging technologies, while securing high-value jobs, manufacturing opportunities, and provide long-term competitiveness.
- **Maintains renewable energy supply chain funding through Great British Energy**, which, in tandem with industry funding, will help to unlock new offshore wind manufacturing, innovative technologies such as green hydrogen, batteries and electrolyzers and services opportunities in the UK, leading to £25 bn in GVA over the next 10 years.
- **Secure £120 million from Department for Science, Innovation and Technology to fund innovation and applied R&D in offshore wind, aligned with the Industrial Growth Plan (IGP) and the Government's Industrial Strategy**. Innovation is crucial for driving growth and productivity, with the UK excelling in high-growth sectors such as green industries, digital technology and advanced manufacturing. To maintain our position as a global leader in supporting the most innovative businesses, it is essential to bring capital expenditure within the scope of R&D.
- **Incentivises training, retraining, apprenticeships and tertiary education for renewable energy jobs** that are essential to ensuring there is a workforce available to deliver the renewable energy projects. These can be provided through tax reliefs and incentive payments, and should apply to both the educators and employees as well as the students and trainees. Measures should include:
  - **The establishment of a Just Transition Fund**, similar to that of the Scottish Government's, where they invested £500m to support workers transitioning from carbon intensive sectors to renewables, ensuring good quality employment and opportunities for acquiring skills and training, and supporting affected areas by working with communities.
  - **Reforms to the Apprenticeship Levy** so that it is fit for identified necessary new green jobs and provides greater flexibility for employers, as well as increased employer incentives that boost delivery of apprenticeships in critical priority occupations and industries.
  - **The introduction of a tax relief for clean energy training investment**. Building on current exemptions for investment in work-related training, government should establish a tax relief for employer investment in

upskilling and retraining existing workers that enables employees to refresh, update and gain new skills at lower and intermediate levels. This could align with a Just Transition Fund.

- **Funding the next wave of technical excellence colleges on renewables to support the development of skills for young people.**