

Rt Hon Sir Keir Starmer MP
Prime Minister
10 Downing Street
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Rt Hon Rachel Reeves
Chancellor of the Exchequer
1 Horse Guards Road
SW1A 2HQ



Rt Hon Ed Miliband MP
Secretary of State for Energy Security and Net-Zero
55 Whitehall
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July 7, 2024

Dear Prime Minister, Chancellor of the Exchequer and Secretary of State

SECURE OUR FUTURE: MAXIMISE CONTRACTS FOR DIFFERENCE ALLOCATION ROUNDS

Earlier this year it was revealed that the UK became the first major economy in the world to halve its emissions between 1990 and 2022. As the country where the industrial revolution was ignited, this is a major achievement which sends a strong signal to the world of our ambition to lead the renewables revolution.

The UK's flagship Contracts for Difference (CfD) scheme, which gives low-carbon projects a guaranteed price for the clean electricity they generate, has been a trailblazer for boosting investment in the UK's renewables generation which has increased from 7% of the UK's electricity mix in 2010 to over 40% today.

As the rest of the world picks up the pace on the race to net-zero, CfD must continue to be a world-leading scheme in the crucial years ahead to maintain the UK's early-mover advantage. That is why the next UK Government must maximise capacity secured through CfD allocation rounds in line with our full potential, helping to deliver certainty for our supply chain and the thousands of high-value jobs our country needs.

Despite Allocation Round 6 (AR6) receiving a welcome record-level funding boost in the Spring Budget, we are set to fall short of delivering the required capacity to stay on track to meet our targets. With a large pipeline of shovel-ready renewable energy projects across onshore and offshore technologies, there is an enormous opportunity within our grasp to boost the UK's economy and energy security by uplifting the AR6 budget.

With inflationary pressures challenging several Allocation Round 4 projects and no offshore wind being procured in Allocation Round 5 last year, Allocation Rounds 6 and 7 are set to be watershed moments for realising the UK's clean energy future. Now is the time to give confidence to investors, developers and supply chain by demonstrating we are serious about maximising our deployment potential with an ambitious budget.

By enabling the stable deployment of our pipeline through CfD, the UK's renewable energy industry can make the investments needed to upgrade our critical electricity networks and ports infrastructure, scale-up our capabilities and upskill our workforce to seize the enormous economic opportunities on the horizon. It will also ensure the UK meets current targets, such as 50GW of offshore wind by 2030 with at least 5GW of floating offshore wind, which depends on the success of vital Scottish projects such as those in ScotWind.

Crucial to any successful industry, however, is a strong supply chain with a diverse range of small and medium-sized businesses which support our developers. The **67 signatories** to this letter, who currently represent approximately **20,000 jobs** in the UK, design the products, deliver the projects, offer the services and drive the innovation which both enable and rely upon the steady deployment of renewables through CfD.

As the new UK Government with a clear mandate to make Britain a clean energy superpower, we are calling on you to commit your immediate support to maximising capacity in Contracts for Difference Allocation Rounds in the crucial years ahead to secure our prosperous, net-zero future.

Yours sincerely

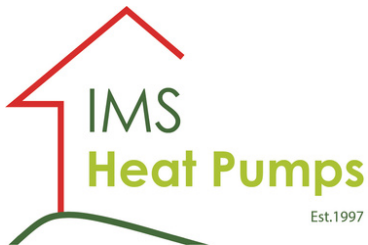
A handwritten signature in black ink that reads "Claire Mack".

Claire Mack
Scottish Renewables Chief Executive

SIGNED BY:



CLARKSONS



I&H BROWN

Invenergy



PORT OF CROMARTY FIRTH



Severfield



BUCHAN OFFSHORE WIND

