

NextEnergy Capital

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NextEnergy Capital Urges the Government to Reject Proposed Changes to UK Renewables Obligation and Feed-in-Tariffs Schemes

NextEnergy Capital ("NEC"), a leading global renewables manager specialised in the solar+ infrastructure sector, urges the UK Government to reject retrospective changes to the [Renewables Obligation](#) ("RO") and [Feed-in Tariffs schemes](#) ("FiT"), citing the impact on consumer costs and long-term renewable energy investment.

The proposed adjustments, on which the Government consulted prior to the New Year break, would alter how inflation is applied to revenues earned by renewable energy generators, affecting projects developed between 2002 and 2019. The RO and FiT schemes underpin thousands of solar and wind projects that have been instrumental in developing and maturing the UK's successful clean critical infrastructure energy industry, and which are vital to Britain's Clean Power 2030 ("CP30") plan.

The Government states the change could cut household bills by approximately £5 a year. However, NextEnergy Capital on (behalf of NextEnergy Solar Fund) worked with market-leading energy consultancy LCP Delta to assess the cumulative effect of the proposed change on the cost of capital to the renewable energy sector. It found the proposed changes would potentially lead to a net increase in the overall cost to the consumer of £584 million - £2.5 billion from 2026 to 2050.

Britain's reputation for regulatory certainty has been a cornerstone of its success in attracting clean energy investment. The impact on investor confidence of the proposed changes was immediate: share prices for listed renewable funds fell following the consultation's launch. When policy risk increases, investors require higher returns to compensate, translating directly into more expensive financing for new projects. These increased costs will slow renewable energy deployment, delay projects, and lock households into volatile global gas prices and higher bills for decades to come. The proposed changes will therefore have the opposite effect to what is intended, and potentially undo the impact of the welcome news that prices may [come down](#) in April.

NEC responded directly to the Government's consultation, ensuring clear and robust feedback was provided on behalf of its listed fund NextEnergy Solar Fund, its shareholders, and industry partners.

The results of the financial modelling with LCP Delta are available [here](#).

Ross Grier, Chief Investment Officer of NextEnergy Capital, said:

"Changing these schemes retrospectively will reduce confidence, increase political risk, and make it more difficult for the UK to attract investment, at precisely the time when the UK needs to attract billions of pounds in order to achieve its Clean Power 2030 goals. We strongly believe that the Government's proposed changes will increase the overall cost to consumers and that any potential short-term benefits will be far outweighed by the long-term impacts on electricity prices."

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About NextEnergy Group

NextEnergy Solar Fund is managed by NextEnergy Capital, part of the NextEnergy Group. NextEnergy Group was founded in 2007 to become a leading market participant in the international solar sector which now employs over 400 professionals. Since its inception, NextEnergy Group has been active in the development, construction, and ownership of solar assets across multiple jurisdictions. NextEnergy Group operates via its three business units: NextEnergy Capital (Investment Management), WiseEnergy (Operating Asset Management), and Starlight (Asset Development).

- **NextEnergy Capital:** has over 18 years of specialist solar expertise having invested in over 530 individual solar plants across the world. NextEnergy Capital currently manages four institutional funds with a total capacity in excess of 4GW+ and has funds under management of \$4.8bn. More information is available at www.nextenergycapital.com
- **WiseEnergy®:** is a leading specialist operating asset manager in the solar sector. Since its founding, WiseEnergy has provided solar asset management, monitoring and technical due diligence services to over 1,600 utility-scale solar power plants with an installed capacity in excess of 3.5GW. More information is available at www.wise-energy.com
- **Starlight:** has developed over 100 utility-scale projects internationally and continues to progress a large pipeline of c.12W of both green and brownfield project developments across global geographies. More information is available at www.starlight-energy.com