

Reform UK Threatens to Cancel Wind and Solar Contracts Ahead of Clean Energy Auction

July 17, 2025

— Categories: *Economics*



Reform UK has issued a stark warning to major renewable energy firms that their wind and solar subsidy agreements could be scrapped if the party gains power in the next election or holds influence in a future Parliament. The announcement comes only weeks ahead of the United Kingdom's (UK) upcoming clean energy subsidy auction, with Allocation

Round 7 set to close for applications on 19 July 2025, prompting unease within the energy industry.

Deputy leader Richard Tice wrote directly to some of the country's largest clean energy developers, including SSE, Scottish Power, Ørsted, Equinor, Vattenfall, RWE, Centrica, and Octopus Energy. In his letter, Tice called the current subsidy arrangements under the Contracts for Difference (CfD) scheme “politically and commercially unsafe” and vowed to cancel all net-zero commitments Reform UK deems economically burdensome.

This intervention comes just ahead of Allocation Round 7 (AR7), the government's next major CfD auction, which plays a critical role in financing the UK's transition to low-carbon energy. The program, aimed at providing price stability for both investors and consumers, grants long-term contracts, usually lasting 15 years, to developers of renewable energy projects. It remains central to achieving the government's target of 95 percent low-carbon electricity generation by 2030.

Reform UK's threat has alarmed clean energy leaders and investors. Industry groups argue that undermining future CfD contracts would damage market confidence, risk thousands of skilled jobs, and jeopardize the UK's broader energy security. Executives also warned that political volatility could deter global investment and increase dependence on imported fossil fuels.

Supporters of the current system note that past auctions, such as Allocation Round 6, have successfully delivered cost-efficient offshore wind projects. Many industry experts view CfD reforms, including longer

contract durations and broader eligibility, as essential to accelerating project delivery and stabilizing consumer prices over time.

Critics of Reform UK's position caution that withdrawing support for the clean energy sector could delay the country's shift away from volatile global gas markets. Each gigawatt (GW) of offshore wind, they argue, helps reduce reliance on fossil fuels and strengthens domestic energy resilience.

In summary, Reform UK's pledge to cancel clean energy subsidies has injected new uncertainty into an already tense energy landscape. With the next auction imminent, the political debate over net-zero policies, investor confidence, and long-term energy affordability is intensifying, placing the future of the UK's clean energy leadership firmly in the spotlight.