

Ofgem Greenlights £24 Billion Boost to Future-Proof UK Energy Grid

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Ofgem has approved a landmark £24 billion investment into the UK's electricity transmission networks, a move aimed at modernizing the country's energy infrastructure and supporting the transition to a net-zero future. The funding, which forms part of the broader RIIO-2 regulatory framework running from 2021 to 2026, is set to be used by major energy

firms to reinforce and expand the high-voltage grid that powers homes and businesses across the nation.

The decision comes at a critical time as the UK seeks to shift away from fossil fuels and scale up renewable energy sources such as offshore wind and solar. With electricity demand expected to rise significantly due to the increasing use of electric vehicles, heat pumps, and data-intensive technologies, this investment is seen as essential to creating a resilient, future-ready grid. Ofgem has stated that the funding will enable the grid to accommodate more low-carbon energy while improving reliability and minimizing power outages.

National Grid, along with other transmission operators including Scottish Power and SSE, will be tasked with delivering the infrastructure upgrades while meeting strict performance benchmarks. These targets are tied to reliability, environmental outcomes, and value for money, with financial penalties in place for companies that fail to meet them. The aim is to ensure that the transition is both efficient and accountable.

Industry leaders have welcomed the move, highlighting its potential to generate thousands of skilled jobs and stimulate economic growth, particularly in regions where new grid infrastructure will be built. The upgrades will also play a key role in improving energy security by reducing dependence on imported fossil fuels.

While the investment is significant, there are concerns about how it may impact consumer bills. Ofgem has stressed that affordability remains a core consideration and that cost controls will be closely monitored to protect households, particularly those already struggling with high energy prices.

Ultimately, this major approval reflects a growing sense of urgency and commitment to building a cleaner, more reliable energy system that can support the UK's long-term environmental and economic goals.