

# Press release: New clean energy projects set to power 3.6 million homes

- Competition drives down the cost for consumers – new offshore wind projects will be delivered as low as £58/MWh from 2022-23
- Further boost to the UK's low-carbon supply chain, as part of the government's ambitious Industrial Strategy and upcoming Clean Growth Plan

Eleven new energy projects worth up to £176m per year have been successful in the [latest competitive auction for renewable technologies](#), the government has announced today (Monday 11 September).

The projects, which are set to generate over 3GW of electricity, enough to power 3.6 million homes, demonstrate that the UK continues to be an attractive place to invest in clean energy.

The government is committed to investing in clean technology and driving economic growth as set out in our ambitious Industrial Strategy and upcoming Clean Growth Plan.

The competitive approach is continuing to drive cost reductions in the renewable energy industry – the cost of new offshore wind projects starting to generate electricity from 2022-23 are now 50% lower than the first auction held in 2015 (1). The other successful technologies, Advanced Conversion Technologies and Dedicated Biomass with Combined Heat and Power, also achieved significant savings.

Competition has also driven down the costs for consumers. The capacity delivered in this auction cost up to £528m per year less than it would have in the absence of competition.

Projects are to be delivered across Great Britain from Wales, to the Scottish Highlands and the West Midlands from 2021.

**Minister for Energy and Industry, Richard Harrington, said:**

We've placed clean growth at the heart of the Industrial Strategy to unlock opportunities across the country, while cutting carbon emissions.

The offshore wind sector alone will invest £17.5bn in the UK up to 2021 and thousands of new jobs in British businesses will be created by the projects announced today. This government will continue to seize these opportunities as the world moves towards a low carbon future, and will set out ambitious proposals in the upcoming Clean Growth Plan.

This investment will help the UK meet its climate targets while supporting jobs in Britain's growing renewable industry. The UK has the largest offshore wind capacity in the world and low carbon businesses have a combined turnover of £43 billion, employing 234,000 people.

## **Notes to Editors**

The Contract for Difference auction results can be found [here](#).

Contracts for Difference, which provide long-term certainty for investors, are designed to drive investment in a new generation of clean, secure electricity supplies. This is the second round of Contracts for Difference auctions, with the first held in 2015. Successful projects receive 15 year contracts.

(1) The cost of offshore wind projects are now 50% lower than the first auction held in 2015 when comparing the lowest clearing price for successful offshore wind projects commissioning in 2018/19 and the lowest clearing price for offshore wind projects commissioning in 2022/23.

Total budget impact for contracts allocated in the second CFD auction round is forecast by National Grid at up to £176.2m/year (in 2012 prices). However, actual annual spend will depend on how wholesale prices and project-specific operational factors change over time.

The Low Carbon Contracts Company (LCCC) now has 10 working days in which to make an offer to successful developers. Developers then have 10 working days after the offer is made to return signed contracts.