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Financing the UK energy transition

2026

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Energy transition investment survey 2026

The UK energy transition promises a resilient, independent, carbon neutral, and prosperous UK. It requires significant capital investment, much of which needs to come from the private sector.

Cost pressures on energy billpayers and the need to improve UK industrial and AI competitiveness also mean that providing an attractive private investment landscape remains both challenging and an urgent priority.

For the second year, we surveyed a large cross-section of the energy transition investment community, representing at least £9 trillion in assets under management, on their confidence to invest in low carbon energy technology and infrastructure in the UK.

UK energy transition investors remain positive about the transition: nearly all (93%) agree it is 'more of an opportunity than a challenge' but there are three main actions that will increase their confidence.

1

Faster energy policy delivery

Four-fifths (80%) said they need faster planning or energy policy delivery, and more than three quarters (77%) said faster planning and permitting are a key energy policy priority.

2

Enhanced grid infrastructure

70% said an expanded and more modern electricity grid is a key energy transition enabler. Specifically, they said optimisers, grid-balancing services, data and technology solutions, and hardware manufacturing need policy support to enable investment.

3

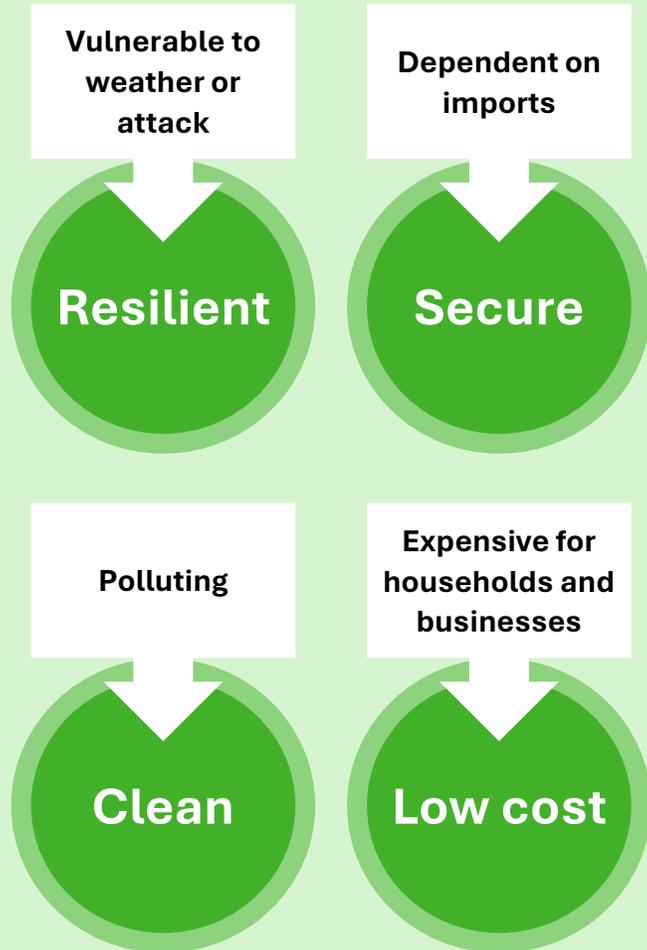
Clarity on risk and cashflow

90% said clear visibility of risk or predictable cashflows are key characteristics of an attractive business opportunity in addition to return on investment. 68% said creating a positive outcome for clients is a top five driver to invest in the energy transition.

The challenge

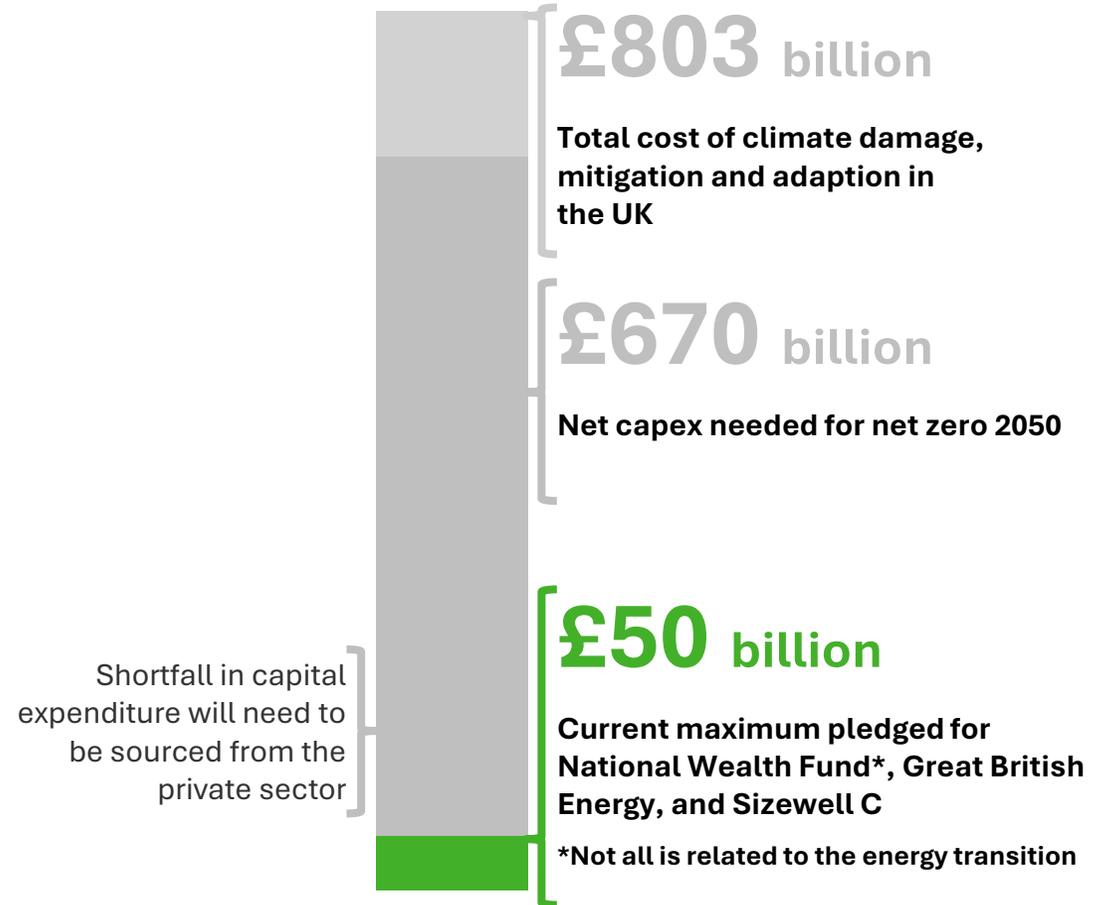
The energy transition promises a resilient, independent, clean, and prosperous UK...

Transformation goals for our energy system:



...but it needs a lot of capital, and most will need to come from the private sector.

Energy transition cost estimates:



Source: [Economic and fiscal outlook – March 2025 - Office for Budget Responsibility](#); [Clean Power 2030 Action Plan](#), [Seventh Carbon Budget](#), [Spending Review 2025](#)

Methodology

We surveyed >100 organisations and interviewed 37 investors in the energy transition

Surveys & interviews

106

Investors surveyed

37

In-depth qualitative interviews

Organisations

59%

Institutional investors, including public equity, infrastructure funds, private equity, impact funds, real estate, debt, and venture capital.

41%

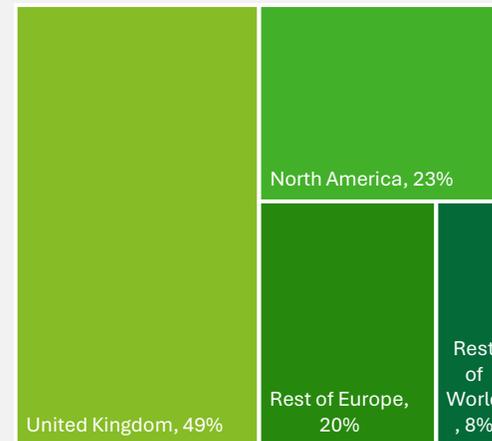
Corporate investors, including power and utilities, industrial products, oil & gas, renewables, contractors, engineers, retailers, ports, chemicals, data centres, and grid operators.

Seniority

74%

C-suite, managing director, president or vice president

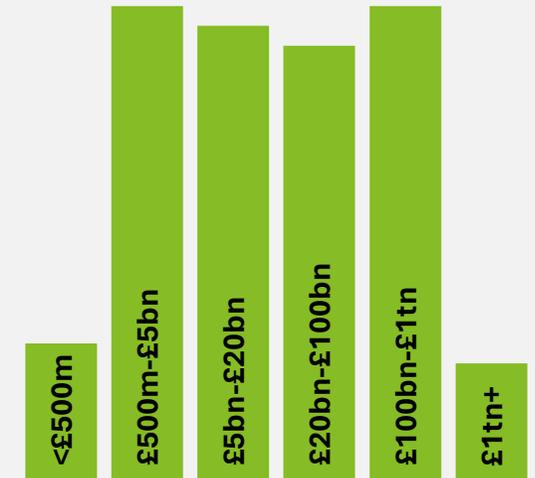
Headquarters



Assets

£9tn

Estimated minimum total assets under management



Investor sentiment

Investors are more committed to energy transition than a year ago

90% of respondents told us their attitude towards energy transition had strengthened in the past 12 months.

There was also strong consensus that meeting decarbonisation or net zero requirements is a key driver behind their investments.

Over nine out of ten investors agreed energy transition is more of an opportunity than a challenge.

More than three quarters said their attitude is stronger because energy transition investments drove a competitive advantage.

Change in attitude towards energy transition in past 12 months

Weakened Stayed the same

5% 5%

Strengthened

90%

Commitment to energy transition strengthened because:

Unlocks growth and investment opportunities, 77%

Enhances resilience and risk mitigation, 74%

Improved data, capabilities, tool and methodologies exist, 65%

Increased client expectations, 58%

Delivers positive outcomes for clients, 52%

Enhances reputation, 40%

Attracts the best talent, 31%

Attracts more clients, 27%

Attracts more capital, 25%

Most invest in energy transition to:

meet **decarbonisation or net zero requirements**

96%

And:

93%

agree energy transition is more of an **opportunity than a challenge**

Nearly a third of investors are highly confident the UK will achieve net zero by 2050

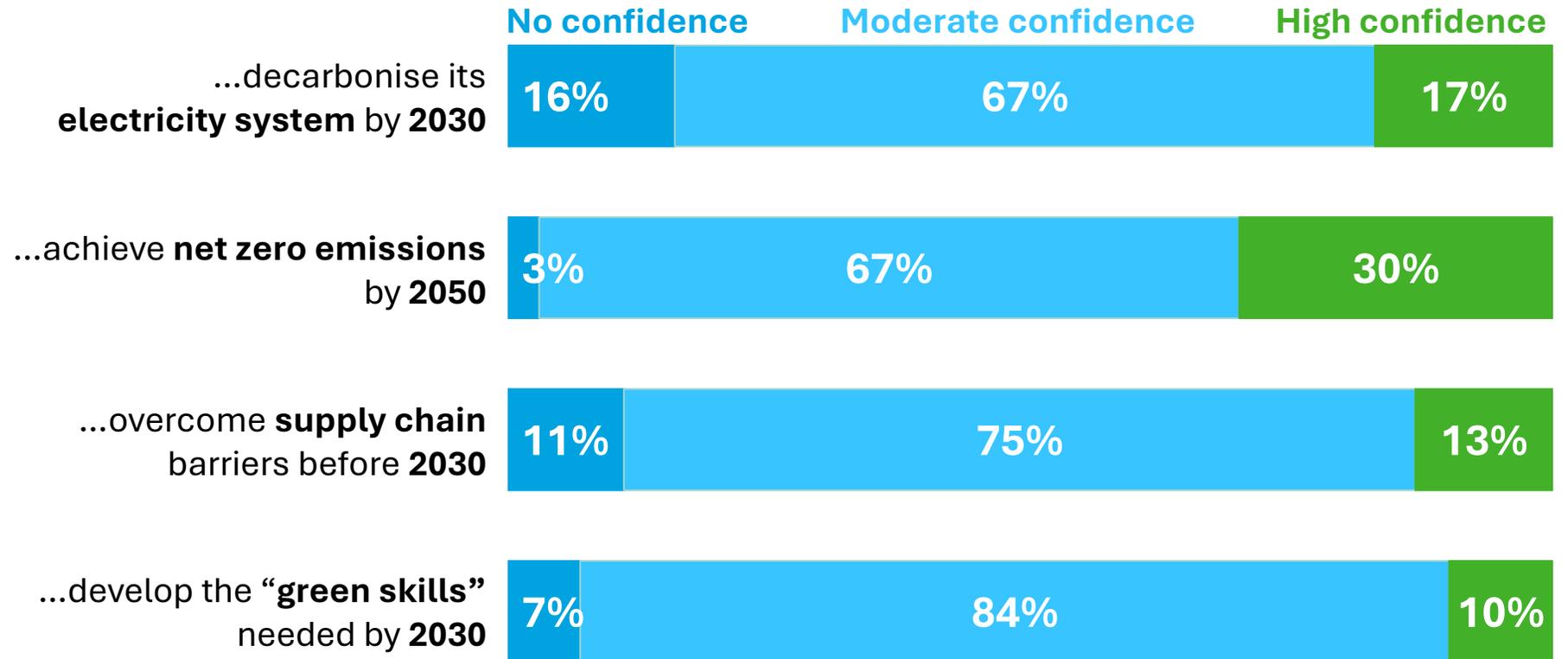
Investors are cautiously optimistic that the UK will decarbonise its electricity system by 2030 and achieve net zero by 2050.

Investors are more confident we will reach the longer term 2050 net zero targets.

If the UK does not hit its 2030 target, two likely reasons are the lack of access to the necessary supply chain and “green skills”.

Just 10% of energy transition investors are highly confident the UK will develop the “green skills” needed by 2030.

The UK will...



Investors are more confident in the UK government's commitment than in its delivery

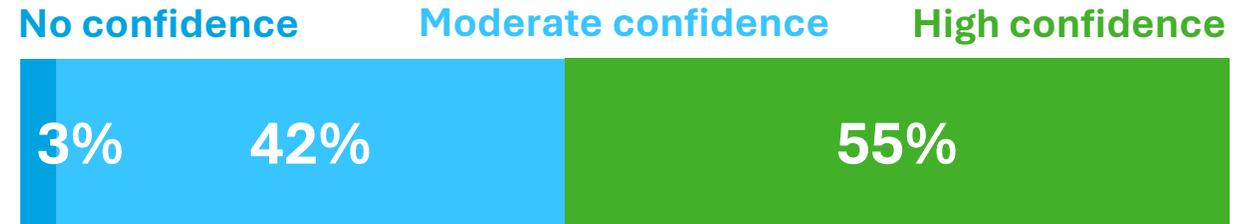
Over half of investors have high confidence the UK government will maintain its commitment to net zero.

However, fewer investors have high confidence the UK government is acting to effectively drive the energy transition.

The 84% of investors who have moderate confidence suggests investors feel somewhat uncertain about Government's ability to deliver on its commitments.

The UK government...

...will **maintain its commitment** to net zero



...is acting to **effectively drive** the energy transition

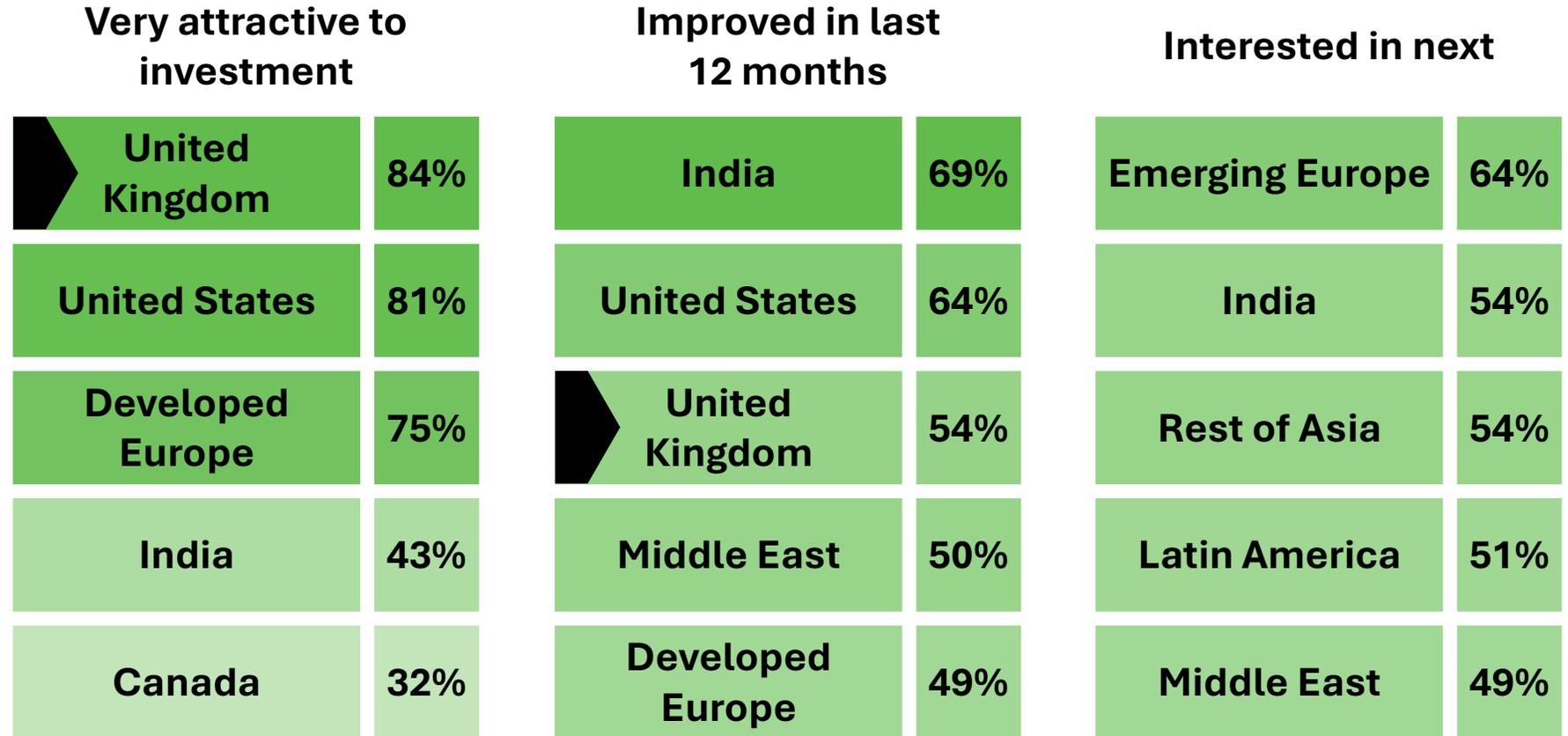


Investors interested in the UK are also interested in US, and find India increasingly attractive

Naturally, among investors interested in the UK energy transition, more than four-fifths say the UK is very attractive to investment.

The UK's competitors for such capital are India and the US, with Emerging Europe poised to be the next top attraction for energy transition investment.

The US continues to be an attractive destination for energy transition finance despite recent energy policy shifts.



“Developed Europe” excludes UK. “Emerging Europe” includes central and eastern European countries.

Encouraging energy transition investment

To unlock capital for the UK energy transition, investors...



80%

...want faster delivery of
planning or energy

policy



70%

say we need a bigger
and better

grid



90%

choose projects on
certainty on cashflow or

risk

Investors want faster, more coordinated and targeted energy policy delivery along with stability

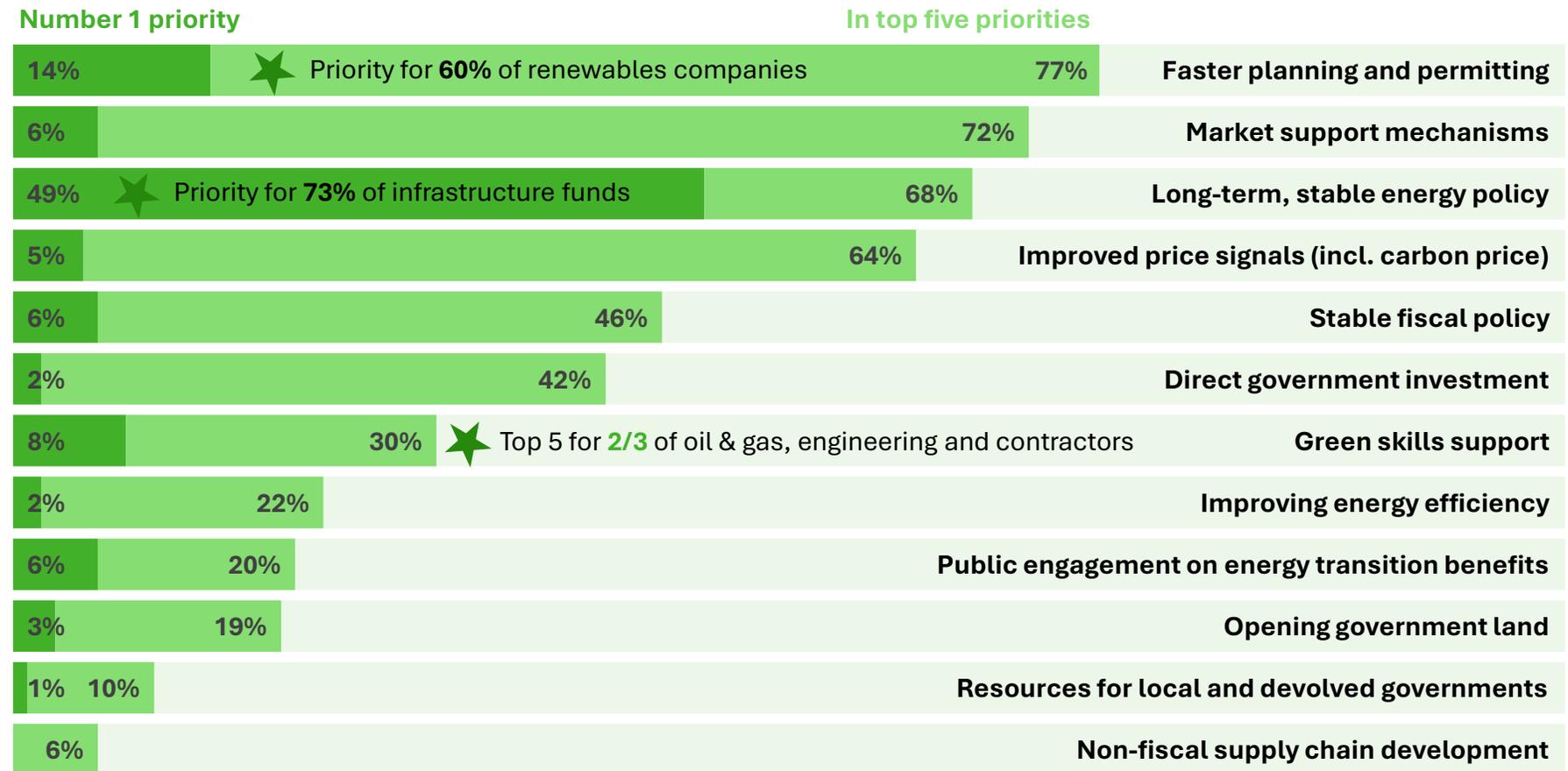


The top policy priority for half the investors was – by far - long-term, stable energy policy.

Faster planning and permitting is in 77% of the investors’ top five priorities and the number one priority for 60% of renewables companies.

It is a challenge for government to deliver both faster energy policymaking and long-term, stable energy policy.

Most important energy policy-related factors for investing in the energy transition



Early-stage projects want more direct Government funding, scaling needs blended finance

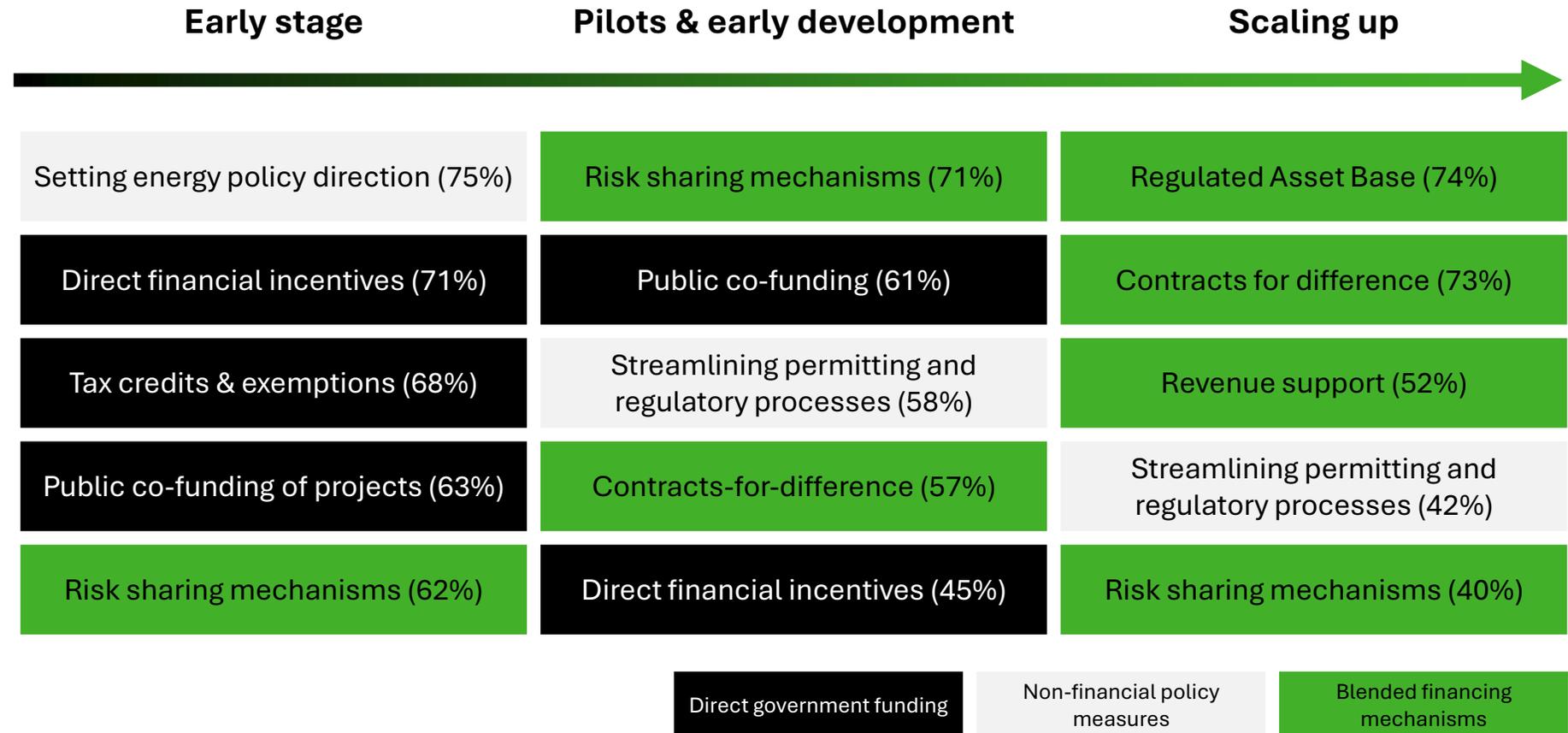
80% ...want faster delivery of planning or energy policy

Investors ranked policy interventions for specific types of project.

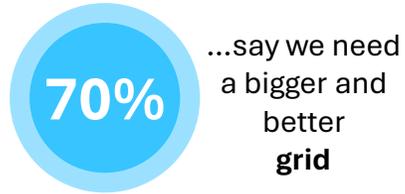
For early-stage projects, investors want direct government funding measures, including tax credits, exemptions and public co-funding in addition to energy policy direction.

For scaling up, blended finance mechanisms are preferred, such as Contracts for Difference (CfDs), Regulated Asset Base (RABs) and revenue support.

Top five market support mechanisms by project stage



Seven in ten investors say a bigger and better grid is a top five energy transition enabler

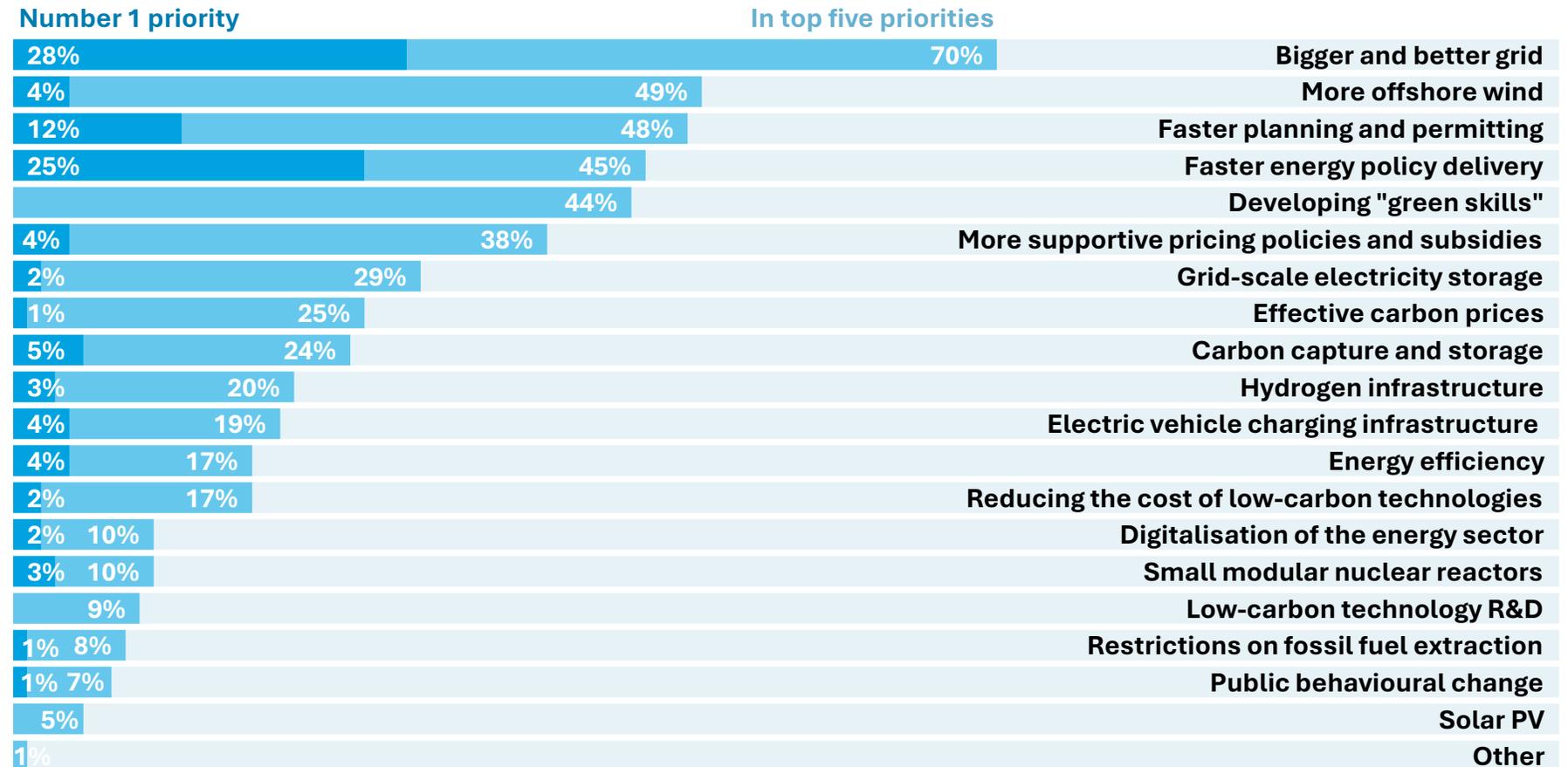


A bigger and better grid is the most important enabler of the energy transition, according to investors.

Nearly half the investors said offshore wind is top five enabler.

Together, 80% of investors say faster planning and permitting, or faster energy policy delivery, or both, are in their top five.

Key energy transition enablers



Optimisers, data & tech, and hardware manufacturing need the most policy support in the grid supply chain

70% ...say we need a bigger and better grid

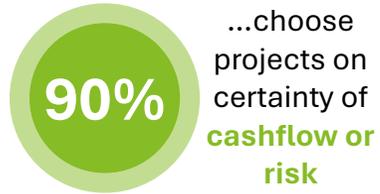
Investors stated which different parts of the grid supply chain need investment and policy support.

No part of the grid supply chain is deemed to have enough investment and policy support.

Optimisers (grid balancing services), data & tech solutions, and hardware manufacturing need the most policy support.

	Enough investment and policy support	More investment with some policy support	More investment and policy support crucial	
Optimisers	3%	13%	83%	Policy support desired
Data & tech solutions	6%	20%	71%	
Hardware manufacturing	3%	28%	68%	
Construction & Installation	-	40%	58%	
Raw materials and basic components	-	45%	52%	
Consulting, support & training	8%	82%	9%	Investment ready
Hardware distribution	5%	85%	8%	
Maintenance	2%	88%	8%	

Attractive business opportunities have the right return profile, clarity on risk, predictable cashflows and link to sustainability

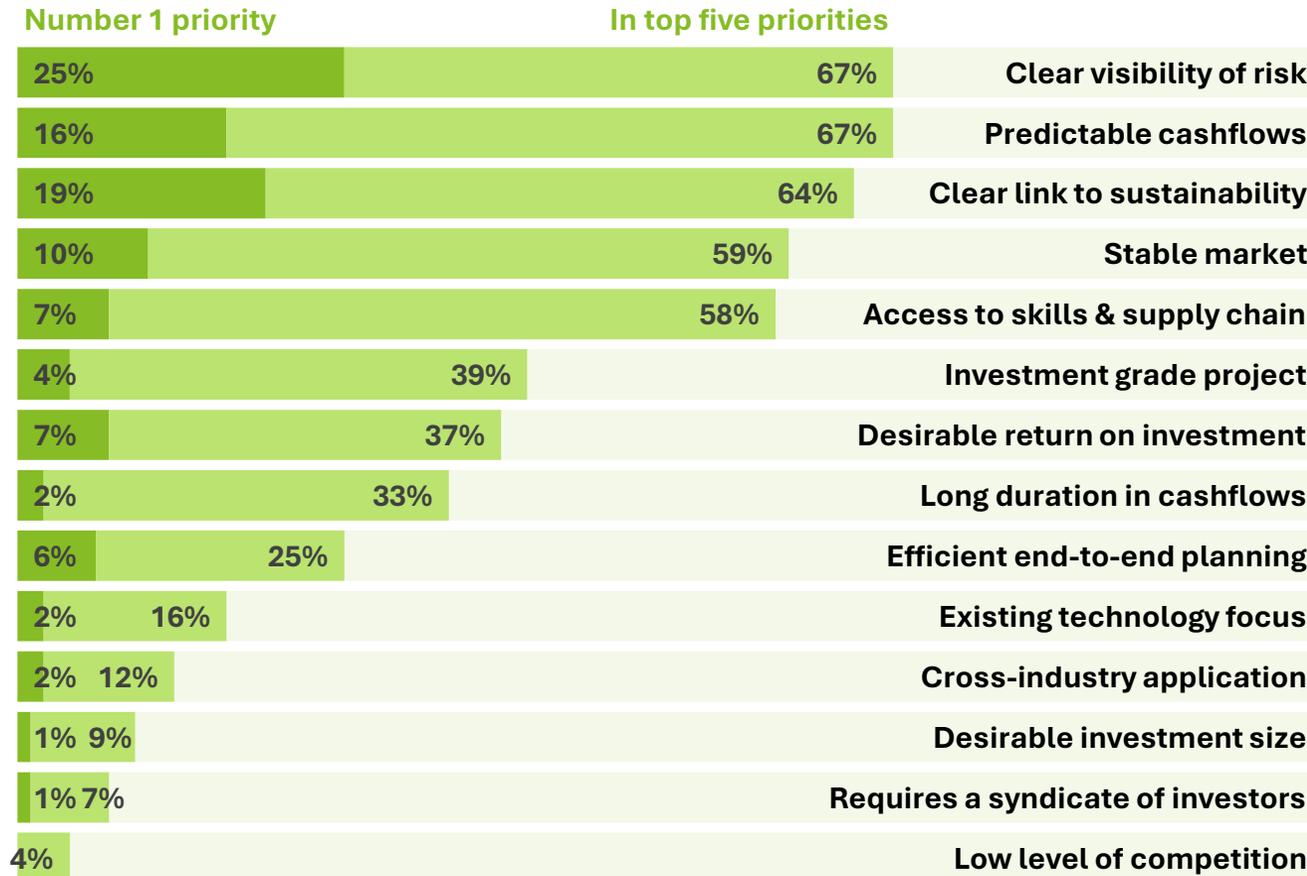


The three most important features when picking an investment opportunity are clear visibility of risk, predictable cashflows, and a clear link to sustainability.

One third of the investors picked all three of these in their top five.

However, 90% will only invest in the energy transition if returns match opportunities elsewhere.

Key characteristics of an attractive business opportunity



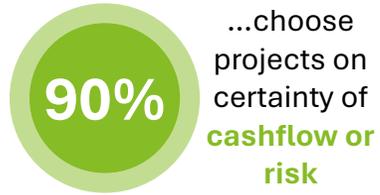
33% of investors picked all three of these top features in their top five

13% of investors chose this top five selection



...will **only invest** in energy transition if **returns match opportunities elsewhere**

Investors have low tolerance for health & safety, geopolitical and planning related risks

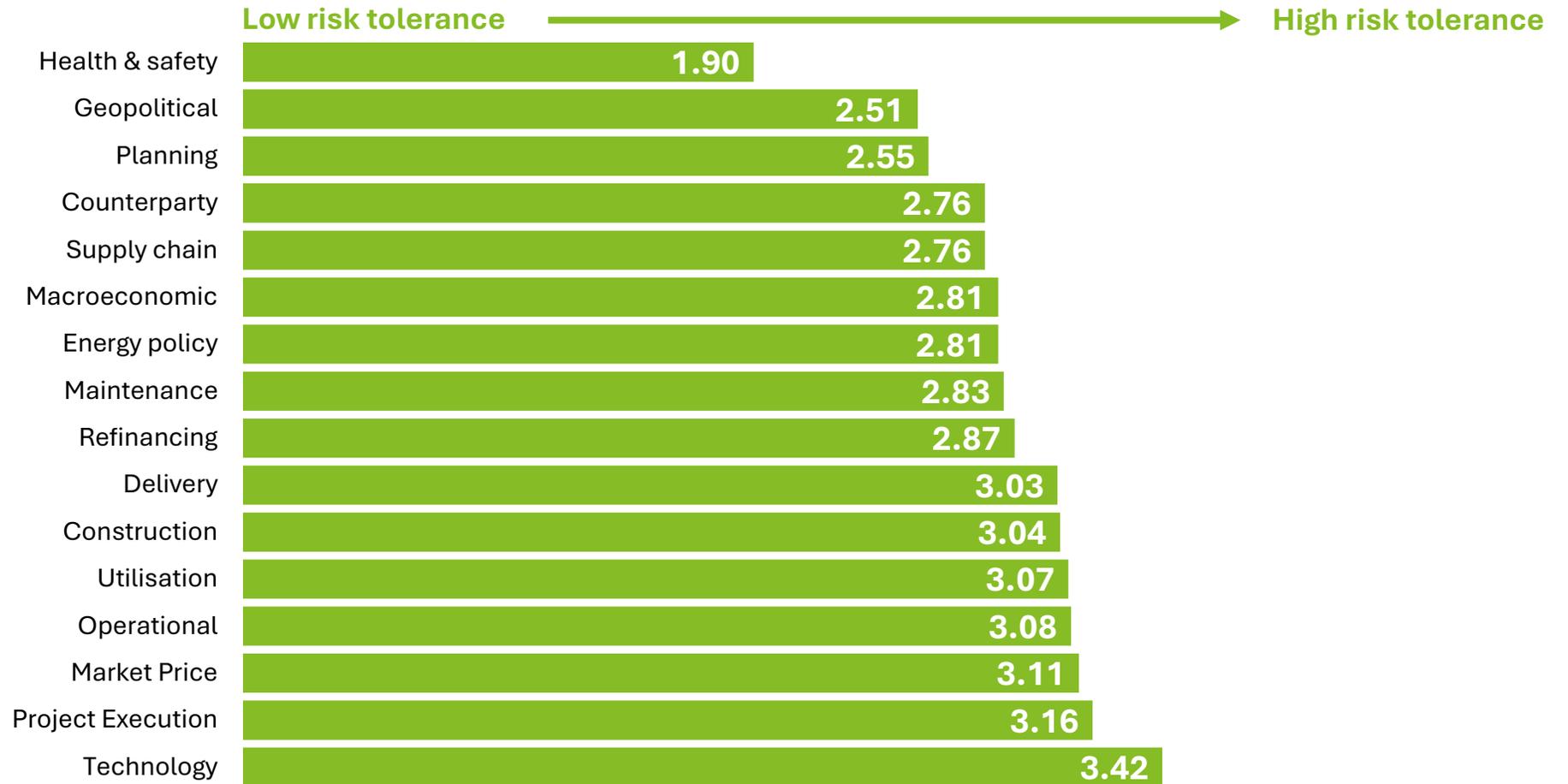


Investors ranked their tolerance for each risk category on a scale of one to five.

Investors have a low tolerance for health and safety and geopolitical risks.

As elsewhere in the survey, low tolerance for planning risk shows that planning is a key preoccupation of investors.

Level of appetite for types of risk



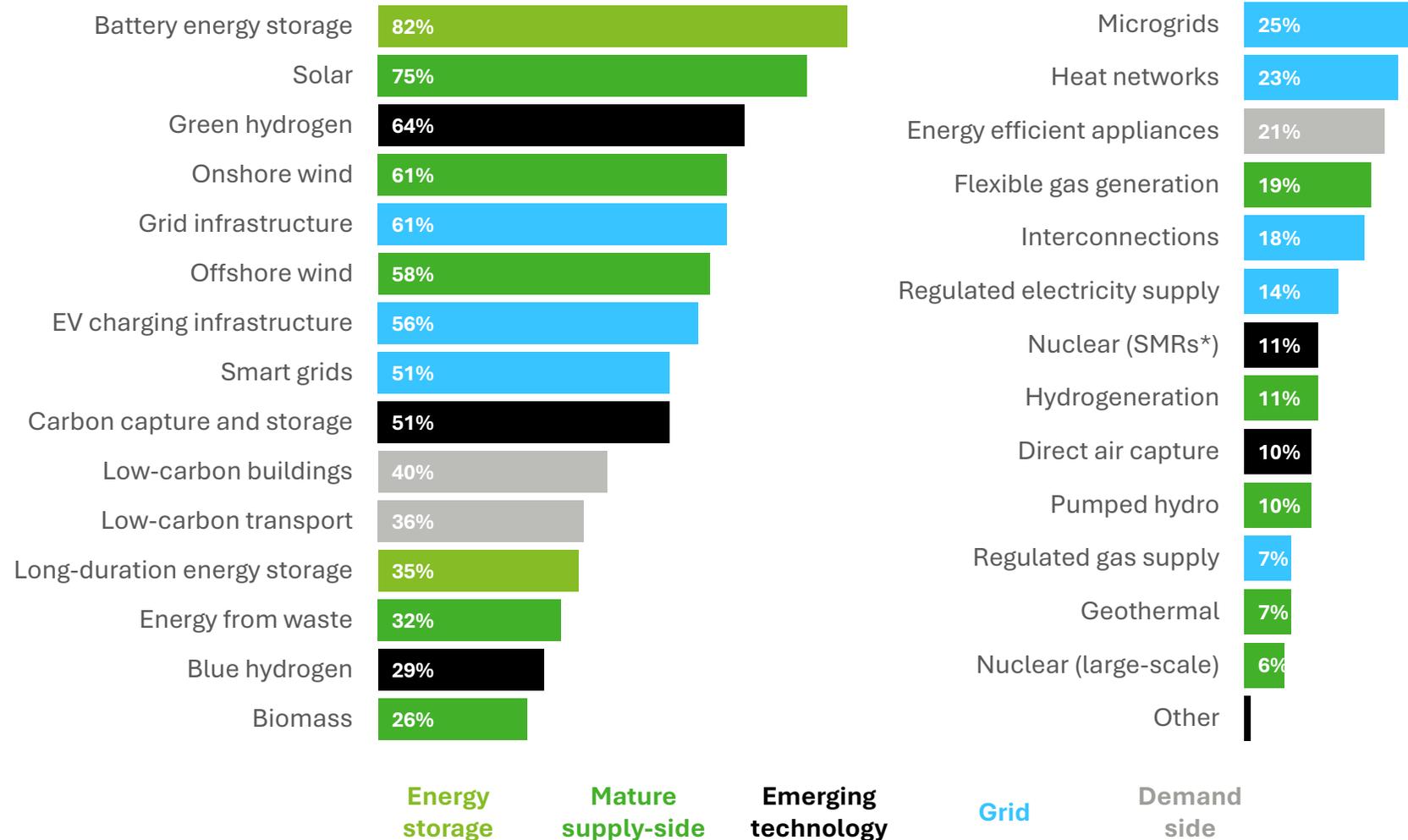
Energy storage, mature supply-side, and grid infrastructure are most attractive opportunities

Investors are interested in a range of energy transition technologies, but energy storage, mature supply side, emerging technologies and grid investments are most popular.

Technologies with clear scalability, such as solar and battery storage, are particularly popular.

More niche technologies, such as nuclear – including Small Modular Reactors (SMRs) may have committed specialist investors.

Percentage of investors interested in each technology



N=106 investors investing in, or interested in, the UK energy transition. Data collected in October and November 2025, * = Small Modular Reactors

Get in touch

To explore the findings in more detail and discuss how they impact your organisation, get in touch with one of our energy transition experts.



Daniel Grosvenor

UK Energy, Resources &
Industrials Leader
dgrosvenor@deloitte.co.uk



Lorraine Mackin

Vice Chair Infrastructure and
Sustainability
lmackin@deloitte.co.uk



David Hirst

Infrastructure M&A Partner
dhirst@deloitte.co.uk



Shaun Reynolds

UK Energy, Resources &
Industrials M&A Leader
shreynolds@deloitte.co.uk



Elysia Merza

UK Energy Transition
Public Finance Director
elysiamerza@deloitte.co.uk



Liz Wells

Energy and Infrastructure
Planning & Consenting
lswells@deloitte.co.uk



Arran Taylor

Yorkshire & Humber Energy
Transition Lead
arrtaylor@deloitte.co.uk



Netti Farkas-Mills

UK Energy, Resources &
Industrials Insight Leader
nfarkasmills@deloitte.co.uk

ACKNOWLEDGEMENTS

The authors thank Charlie Smith, Ariema Singh and Miles Macallister for their contribution to delivering the survey.



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