Strengthening the UK Supply Chain: Policy Recommendations for Growth and Resilience

April 2026

About us

As an established trade association working for and representing the entire solar and energy storage value chain, Solar Energy UK represents a thriving member-led community of businesses and associates, including installers, manufacturers, distributors, large-scale developers, investors, and law firms.

Our underlying ethos has remained the same since our foundation in 1978 – to be a powerful voice for our members by catalysing their collective strengths to build a clean energy system for everyone's benefit.

Our mission is to empower the UK solar transformation. Together with our members, we are paving the way for solar to deliver 60GW and 30GW storage by 2030 by enabling a bigger and better solar and storage industry.

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Special thanks to members of our UK Supply Chain Steering Group, which has been crucial to the development of the document, who include:

Ross Allen, Research and Development Director, Alexandra Security
Norman Davies, Project Services Director, Anesco
Dr Jo Fleming, Managing Director, Corrie Energy Partners
Lukas Gazda, Company Director, BMZ Innovation Group Ltd
Richard Griffin, Sales Manager UK and Ireland, Fronius UK
Alex Harris, Head of Purchasing, Midsummer Energy
Daniel Kastner, Managing Director, Fronius UK
Russell Mees, Managing Director, SolarSense
Alana Peake, Head of Procurement, Good Energy
James Pullin, General Manager, Noble Green Energy
Kamal Rajput, Strategic Business Development Lead, Tata Steel UK
Neil Spann, Chief Executive Officer, Power Roll
Jerry Stokes, Consultant, Power Roll
Dave Tattershall, Founder and Chairman, Solarport
Tomas Tuominen, Chief Commercial Officer, Island Green Power
Justin Thesiger, Managing Director – Global Supply Chain, Low Carbon
Adrian Thomas, Senior Business Development Manager, Aiko Solar
Mark Wakeford, Chairman, Evo Energy

Please note that report and its contents do not necessarily represent the views of any of these organisations.

Foreword

Ensuring the UK has a robust domestic supply chain is not merely a bold ambition; it is a vital objective in achieving energy sovereignty. As we face an increasingly complex geopolitical landscape, maximising the domestic origin of products and services will bring profound benefits for both our energy resilience and national security.

To seize this opportunity, it is crucial that we strengthen our domestic supply chain and ensure that, where appropriate, components used in solar and storage projects, as well as the labour required to install them and the wide range of supporting services needed by businesses in the sector, are sourced within the UK. This complements Solar Energy UK's long-standing commitment to improve transparency and ethical practice in global solar supply chains, including through our involvement in the Solar Stewardship Initiative.

The policy recommendations set out in this paper for growing the UK supply chain are not simply aspirational statements; they are designed to drive a cultural shift across government and industry. The UK's solar and storage sector holds enormous potential, and by fully realising it we can help deliver the clean power future, economic prosperity, and energy security our country needs.

Chris Hewett
Chief Executive, Solar Energy UK

Kamal Rajput, Strategic Business Development Lead, Tata Steel UK
Dave Tattershall, Founder and Chairman, Solarport
Co-Chairs, UK Supply Chain Steering Group

Introduction

The UK's solar and storage sector is continuing to grow rapidly and has a central role to play in the clean energy transition. A strong and secure supply chain – which encompasses many different products and services needed by the industry including components and equipment, labour, business and legal support as well as project financing – is a key enabler of success and is vital to the achievement of the sector's national deployment targets.

Over recent years Solar Energy UK has worked extensively to improve transparency and sustainability in the global solar and storage supply chain. In partnership with SolarPower Europe – the industry's European trade association – we established the Solar Stewardship Initiative (SSI), a supply chain assurance scheme which sets standards for responsible production, sourcing and stewardship within the global solar value chain. In December 2025 the SSI issued its latest publication, launching a Buyer's Guide to empower developers, investors, public bodies and private businesses to responsibly procure solar modules and materials.

Alongside this, supporting the growth of the UK's domestic solar and storage supply chain is also a key priority for Solar Energy UK. Doing so can deliver major economic benefits to the UK, creating jobs and helping to boost growth, and also play an important role in enhancing the country's energy security by reducing our reliance on imports and exposure to international supply chain shocks. There are significant opportunities to build the UK market for 'balance of systems' components, such as the steel racking and mounting systems used in solar installations, as well as capitalising on the UK's world leading research and innovation ecosystem to drive the development of next generation solar technologies including alternatives to conventional solar panels.

In July 2025 Solar Energy UK and the Department for Energy Security and Net Zero published the UK Solar Roadmap, which set out a comprehensive action plan to radically increase the deployment of all forms of solar across the UK. This included a number of actions specifically focused on supply chains and innovation which Solar Energy UK is working closely with the Government to deliver. For example, in April 2026 we released Growing the UK Solar Supply Chain: A practical guide for businesses which provides information and advice for domestic solar and storage companies that are looking to expand and scale up, as well as a directory of organisations and schemes from which they can access support.

This document builds on the work Solar Energy UK is undertaking through the Roadmap and makes a series of recommendations to further strengthen the role of domestic firms in the solar and storage supply chain. It recognises that any measures which are introduced must promote the growth of the industry in the UK without placing upward pressure on development costs, to ensure that projects remain viable and consumer bills are kept low. We make the following 10 recommendations across five key areas:

Scale of the opportunity

1. The Government should provide clarity to the solar and storage sector about the project pipeline that will be needed beyond 2030
2. The Government should work with the solar and storage sector to produce a supply chain capability assessment and encourage the prioritisation of local content and services

Funding and investment

3. The Government should work with the solar and storage sector to develop an industry-appropriate mechanism for incentivising investment in domestic supply chains
4. Great British Energy should work with the solar and storage sector to strengthen the domestic supply chain through strategic investments, including in the UK's Engineering, Procurement and Construction market

Skills and workforce

5. Clean Energy Technical Excellence Colleges should have a specific objective to develop the workforce and skills base needed by the solar and storage sector

Research and innovation

6. A strategy for supporting the commercialisation of innovative solar and storage technologies should be developed, including the provision of targeted industrial research funding
7. More domestic testing facilities should be established for UK firms developing innovative solar and storage technologies, including in outdoor and real-world environments

Growth and resilience

8. The Government should create an 'Office for Solar and Storage' within the Department for Business and Trade
9. The Government should work with the solar and storage sector to produce a database of the components, systems and wider services offered by UK firms
10. The solar and storage sector, supported by Government, should promote fair contracting practices and encourage the use of project bank accounts where feasible and appropriate

The solar and storage value chain encompasses a diverse range of companies and activities – from manufacturers, distributors and installers to planning, legal and financial services, across the entire lifecycle of a project from initial design to decommissioning. Driving the growth of the domestic solar and storage industry will therefore support activity in many different parts of the economy and help to ensure that the benefits of the clean energy transition are felt broadly across the UK.

Scale of the opportunity

Recommendation 1: The Government should provide clarity to the solar and storage sector about the project pipeline that will be needed beyond 2030

In the Clean Power 2030 Action Plan the Government set an ambitious target for the sector of reaching 45-47 GW of solar capacity through utility-scale projects by 2030, and a further 9-10 GW through rooftop installations. Delivering this is a central focus for the solar and storage sector, but for companies looking to make long-term investments in the industry greater clarity is also needed around the project pipeline through to 2035 and beyond.

UK firms that are considering scaling up their operations to supply the solar and storage sector are required to make significant financial decisions, for example about whether to purchase new equipment or secure new premises that could be used for manufacturing. For these sorts of investments to be viable for businesses, certainty is needed about the future trajectory of the industry. While the Government's 2030 targets provide a clear indication of planned growth over the next four years, improved clarity about capacity requirements further into the future will give firms greater confidence and enable them to make more robust decisions about expansion.

To drive investment, growth and job creation in the solar and storage sector the Government should work with key stakeholders including industry, Ofgem and the National Energy Systems Operator (NESO) to agree clear capacity expectations to at least 2035 – and ideally beyond – to provide as much certainty as possible about the long-term project pipeline.

In addition, it is crucial that the wider policy environment – including the planning, grid and building regulation regimes – supports the development of the domestic solar and storage supply chain. A streamlined planning process, timely access to grid connections and supportive building regulations are all vital to the successful delivery of solar and storage projects, which in turn stimulate supply chain activity. Ensuring there is alignment across all aspects of policy making is essential to supporting the growth of the sector and realising its potential economic benefits to the UK.

Scale of the opportunity

Recommendation 2: The Government should work with the solar and storage sector to produce a supply chain capability assessment and encourage the prioritisation of local content and services

Stimulating the market for domestic content and services is ultimately crucial to building the UK's solar and storage supply chain. **In order to develop a pathway to increase local content, boost economic growth and create UK jobs the Government should work with the solar and storage industry to produce a supply chain capability assessment, to understand the specific constraints and opportunities facing the sector.**

Such an analysis has already been produced for the offshore wind industry, and a similar review was also recommended for the onshore wind sector in the Onshore Wind Taskforce Strategy. Conducting a supply chain capability assessment for the solar and storage industry would enable a detailed evidence-base to be built. This assessment would consider the full potential for utilising local content and services across both utility-scale and rooftop sectors, and support the design of effective interventions to grow the market. The analysis should encompass the entire value chain – including components, labour and business, legal and financial services – and the overall lifecycle of projects from planning through to decommissioning and product recycling which supports the development of a circular economy.

Both Government and industry recognise that there are significant economic and security advantages to prioritising the use of domestically produced content and services within the solar and storage sector. Ensuring that this is achieved without placing upward pressure on costs and impacting the viability of projects is a crucial policy challenge, and the development of a supply chain capability assessment will therefore be a key step in determining how the proportion of UK content and services used across the industry can be enhanced successfully and sustainably in both the short and long-term.

Funding and investment

Recommendation 3: The Government should work with the solar and storage sector to develop an industry-appropriate mechanism for incentivising investment in domestic supply chains

Incentivising investment into domestic solar and storage supply chains is fundamental to driving the growth of the industry and realising the economic benefits that it can deliver for the UK. In recent years the Government has introduced mechanisms to support domestic supply chains in other renewable sectors, such as the Clean Industry Bonus initiative for the offshore wind industry which operates through the Contracts for Difference framework. There are also notable international examples of programmes which promote local procurement for solar and storage projects, including Austria's 'Made in Europe' scheme (see boxes below for further details).

The solar and storage supply chain is distinct from that for other technologies such as offshore wind and has a different developer base, meaning that directly replicating interventions such as the Clean Industry Bonus will not be effective. **Government, working with the sector, should therefore develop a bespoke, industry-appropriate mechanism for incentivising investment into UK solar and storage supply chains. While this should draw on learning from models in other sectors and jurisdictions, it must ultimately be tailored to the specific needs of the solar and storage industry in this country.**

Clean Industry Bonus

The Clean Industry Bonus was introduced in the offshore wind industry as part of Contracts for Difference Allocation Round 7, to incentivise developers to invest in facilities and initiatives which strengthen local and/or sustainable supply chains. To be eligible to apply for a Contract for Difference an offshore wind developer must meet a minimum standard of investment. Extra Contract for Difference revenue is also available for developers who submit proposals to invest more than the minimum standard, which are assessed competitively by the Department for Energy Security and Net Zero.

'Made in Europe' scheme

The 'Made in Europe' scheme was introduced by the Austrian Government in 2025. It provides financial support to the value of 20-30% for solar and energy storage projects that use components manufactured within Europe, aiming to support local solar manufacturing and jobs and reduce reliance on imports.

Funding and investment

Recommendation 4: Great British Energy should work with the solar and storage sector to strengthen the domestic supply chain through strategic investments, including in the UK's Engineering, Procurement and Construction market

Great British Energy, the UK's publicly owned energy investment company, can play a vital role in supporting domestic supply chains across the renewable industry. It has already committed £300 million to the offshore wind supply chain through its Clean Energy Supply Chain Fund, which will be used to build UK manufacturing capacity for key offshore wind components which are globally constrained. Building on this, **Great British Energy should work with the solar and storage sector to identify opportunities to grow key parts of the UK's supply chain through strategic investment, and create conditions for further private support to be crowded in.**

There are various parts of the supply chain where investment by Great British Energy could be impactful for the solar and storage industry and create greater opportunities for developers to utilise domestic labour and services in their projects. These include the Engineering, Procurement and Construction (see box below) and Independent Connection Provider markets, as well as installation and operations and maintenance provision. In each case Great British Energy would need to determine the most appropriate investment mechanism with potential partners, but this could include options such as guarantees or credit support if equity investment was not suitable.

Engineering, Procurement and Construction

For large-scale projects, including those in the solar and storage industry, an Engineering, Procurement and Construction (EPC) contractor will take overall responsibility for all aspects of delivery – including design, sourcing materials and building the installation – and for ensuring this is completed to a set timeline and budget. There are currently very few UK EPCs operating in the solar and storage market meaning that overseas contractors will generally be utilised when a large development is under construction.

Skills and workforce

Recommendation 5: Clean Energy Technical Excellence Colleges should have a specific objective to develop the workforce and skills base needed by the solar and storage sector

In addition to components and equipment, skilled labour is an essential resource for solar and storage projects of all sizes and represents a vital aspect of the supply chain. Growing the domestic solar and storage workforce is crucial to realising the economic benefits of the clean energy transition. The Government has already started investing in skills development in the residential solar sector through the Warm Homes Skills Programme and should now build on this to ensure the UK seizes the opportunity to create good jobs and a secure labour force across the solar and storage industry.

In the Clean Energy Jobs Plan the Government announced that it will create five Clean Energy Technical Excellence Colleges, which will specialise in training the skilled workers needed by the renewables industry both locally and nationally (see box below). A key focus for these new institutions should be to support the training and development of the solar and storage workforce, including those already working in the sector who want to progress as well as those who are transitioning in from other industries. **Clean Energy Technical Excellence Colleges should therefore have a specific objective to work closely with employers in all parts of the solar and storage sector – residential, commercial and utility-scale – to establish the skills base needed for the delivery of its capacity targets for 2030 and beyond.**

Strengthening the pipeline of future workers will also be crucial. It is important to ensure that we have sufficient numbers of students and apprentices on a pathway to being electrically trained, as these skills are particularly in need throughout the renewables industry. Government should consider what more needs to be done to achieve this, including how it can reduce the apprenticeship non-completion rate.

Clean Energy Technical Excellence Colleges

Clean Energy Technical Excellence Colleges (TECs) are being created by Government to co-ordinate training provision for the renewables industry both locally and nationally. Supported by £175m of investment five Clean Energy TECs will be set up across England, with delivery planned to begin from April 2026. As well as working with training providers in their area to help address the skills needs of local clean energy employers, Clean Energy TECs will also take on a national role by establishing networks with colleges in other parts of the country which have similar skills needs and acting as a system leader.

Research and innovation

Recommendation 6: A strategy for supporting the commercialisation of innovative solar and storage technologies should be developed, including the provision of targeted industrial research funding

Supporting the development of innovative solar and storage technologies is fundamental to strengthening the domestic supply chain. Positioning the UK at the forefront of producing the next generation of solar and storage devices will drive the growth of the sector and is essential to realising its economic potential.

The commercialisation phase of product development represents the critical point in transforming an innovative idea into a viable technology that can be manufactured in the UK. **The Government should work with the solar and storage industry to produce a specific commercialisation strategy, setting out policy interventions that can be introduced to enable domestic firms to scale up their innovations successfully.** This strategy should encompass all parts of the solar and storage value chain including next generation module technology, inverters, connections, tracking systems, batteries and artificial intelligence.

Ensuring that companies which are developing new solar and storage technologies have access to appropriate levels of industrial research funding will be a key aspect of any such strategy. Supporting firms with projects that are making the transition from the laboratory to real-world testing and then early stage deployment should be a particular focus, as this is an especially important phase in the journey to market. Consideration should be given to introducing a targeted funding stream for innovative solar products, in the same way that UK Research and Innovation's Faraday Challenge has provided specific support for the development of new battery storage technologies. This is something that other countries such as Japan are already implementing (see box below), and would enable additional private investment to be leveraged in.

In addition, a strategy should also explore how wider assets such as the Government Estate can be used to support commercialisation. For example, enabling innovative solar and storage technologies which have been developed in the UK to be used on Government buildings and land could potentially help to 'pump prime' the market, providing an opportunity for domestic companies to demonstrate that their products can be deployed successfully in the real-world.

Japan's Green Innovation Fund

To support the country's objective of achieving carbon neutrality by 2050 Japan's Ministry of Economy, Trade and Industry has established the Green Innovation Fund, which provides continuous support to clean energy research and development projects. This includes a programme specifically focusing on next generation solar cells with a total budget of 80.05 billion yen (approximately £375 million), which aims to support the development of new technologies that can achieve the same electricity costs as conventional solar panels by 2030.

Research and innovation

Recommendation 7: More domestic testing facilities should be established for UK firms developing innovative solar and storage technologies, including in outdoor and real-world environments

Limited access to domestic testing facilities presents an additional challenge for UK companies developing innovative solar and storage technologies. Such facilities are crucial for initial product development (where a device is tested in a laboratory), field testing (where its effectiveness is assessed in a real-world environment) and final accreditation (where a product is certified as compliant with International Electrotechnical Commission standards). However, UK firms are often required to utilise testing facilities in other countries due to restricted domestic availability, leading to higher costs and longer project timelines.

The National Physical Laboratory (NPL) and certain academic institutions are currently the main providers of testing services in the UK and play a key role in supporting innovation in the solar and storage industry. These facilities are particularly suitable for initial development testing but are in high demand, with further options for UK firms to test their products domestically limited.

The UK Solar Roadmap included a commitment by the UK Government and NPL to consider establishing a PV innovation and infrastructure platform which would include a solar technology and characterisation laboratory. Solar Energy UK and its members are currently working with Government and NPL officials to develop this proposition. Building on this, the **Government should work with the solar and storage sector to identify what further action can be taken to improve access to testing facilities for UK firms – particularly outside of a laboratory environment – including how to fund these and ensure equitable access for small and medium-sized enterprises.**

Providing a directory of UK solar and storage supply chain testing facilities would be a valuable step in enhancing the visibility of available provision, and further leveraging assets such as the UK's Catapult Centres would also provide innovative solar and storage firms with access to equipment and the resources needed to scale up manufacturing. In addition, consideration should be given to how a broader network of sites could be used to support outdoor testing, such as university estates and agricultural colleges, potentially helping to enable accreditation in real-world environments.

Growth and resilience

Recommendation 8: The Government should create an 'Office for Solar and Storage' within the Department for Business and Trade

The UK's solar and storage sector is extremely varied, encompassing large multinational companies alongside many small and medium-sized enterprises. The scope of activity undertaken by firms operating within the industry is very broad and encompasses not only the likes of manufacturing, installation and product development but also areas such as project financing where the UK already has a prominent international role, and recycling services which are likely to expand significantly in the coming years as existing installations come to the end of their lifecycle. As a result of this diversity the business needs of firms within the solar and storage sector – and the advice, guidance and support they will require from Government – are likely to be very different.

As part of its work with Government on the UK Solar Roadmap, Solar Energy UK has supported the development of Growing the UK Solar Supply Chain: A practical guide for businesses, a resource to help solar and storage companies which are looking to expand and scale up by bringing information about relevant support schemes into a single location. **As the industry continues to grow the Government should build on its existing support by setting up an 'Office for Solar and Storage' within the Department for Business and Trade.**

Establishing a dedicated Government office would bring a number of advantages, helping to maximise the solar and storage sector's economic potential. As well as enhancing Government's capacity to assist and advise UK firms operating in the industry, it would also provide resource to ensure that policy interventions are designed, implemented and monitored effectively across what is a complex sector landscape. Furthermore, an 'Office of Solar and Storage' would provide a clear point of contact within Government for potential funders, helping to drive inward investment into the solar and storage supply chain.

Growth and resilience

Recommendation 9: The Government should work with the solar and storage sector to produce a database of the components, systems and wider services offered by UK firms

Enhancing the visibility of the domestic companies which are part of the solar and storage supply chain is essential to growing the sector in the UK. This will support Government in building its understanding of the full scope of industry activity, assisting it to design effective policy interventions, as well as improving awareness within the sector itself of domestic procurement opportunities and helping to build the UK market.

In the steel industry, one tool which has been used to improve the visibility of domestic providers is the Digital Steel Catalogue (see below), a database of products offered by UK firms which supply the sector. **The Government should work with the solar and storage sector to develop a similar resource including details of reputable components, systems and wider services provided by domestic companies operating throughout the entire value chain.**

Digital Steel Catalogue

UK Steel – the trade association representing Britain's steel producers – launched a Digital Steel Catalogue in June 2025, following a recommendation by the Government-backed Steel Procurement Taskforce. The Catalogue is a digital platform enabling contractors to easily search for UK-made steel products and gain a clearer understanding of construction steel offered by UK firms.

A requirement to consult the Digital Steel Catalogue before making design and procurement decisions has also been embedded into the Government's Guidance on Procuring Steel in Government Contracts (PPN 022). This ensures that organisations purchasing steel have appropriate information about UK-manufactured steel products before specifying their project requirements.

Growth and resilience

Recommendation 10: The solar and storage sector, supported by Government, should promote fair contracting practices and encourage the use of project bank accounts where feasible and appropriate

As the UK's solar and storge industry grows, supporting the resilience of domestic firms will become ever more important. There is a particular need to ensure that risk is assigned and managed appropriately throughout the supply chain. Where a firm bears a disproportionate level of risk – for example due to contractual or payment terms favouring a particular party – this increases the possibility of business failure, which can in turn disrupt other parts of the supply chain.

The UK Solar Roadmap includes a recommendation for Solar Energy UK to develop an exemplary fair contracts and fair payment document, and as part of this is currently working to produce a model risk register for the industry. Building on this, **Government should consider how it can work with the solar and storage sector to promote fair contracting practices to support business resilience, as well as the use of project bank accounts (see box below) for solar and storage projects where this is feasible and appropriate.** This is a mechanism which is being used increasingly in other industries and by certain public bodies to address issues around payment delay.

Project bank accounts

Under conventional payment structures, once a project or key milestone is completed the client will pay the main contractor first, who will then pay their sub-contractors and suppliers, with funds gradually cascading down the supply chain. For firms lower down the supply chain this creates the risk of a significant delay in payment if money is not released promptly, or of not being paid at all if a company further up the supply chain becomes insolvent.

Project bank accounts have been designed to mitigate these problems. In this model, the client's funds are held in a dedicated ring-fenced bank account for the project, with appropriate payments being released directly and simultaneously to all companies in the supply chain upon completion. Project bank accounts are becoming more widely used in certain industries such as construction and are also being utilised by some public bodies including National Highways.

Solar Energy UK
6 Langley Street, London WC2H 9JA

solarenergyuk.org

linkedin.com/company/solarenergyuk