

Regen  
Ground Floor, Bradninch Court  
Castle Street, Exeter  
EX4 3PL  
Tel: 01392 494399  
mhyman@regen.co.uk

Rt Hon Kwasi Kwarteng MP  
House of Commons  
London  
SW1A 0AA

04 October 2021

Dear Secretary of State,

**Re: Supporting 10 GW of onshore renewables in the 2021 Contracts for Difference auctions**

I am writing to welcome the commitment in your speech today to fully decarbonise our electricity system by 2035 and to urge you to put us on course for this goal, and create a national hedge against power prices, by doubling the capacity of onshore renewables supported in the forthcoming Contracts for Difference (CfD) auction from 5 GW to 10 GW.

Regen is an independent centre of expertise in sustainable energy with over 150 member companies that share our mission to accelerate the transition to a net zero energy system.

The CfD auction due in December is an opportunity to quickly start to deliver on your target. The low cost of new solar and onshore wind projects means the government could be much more ambitious on the amount of renewables it awards CfDs to, at no cost to the bill payer.

The auction is also an opportunity sitting right in front of us to hedge against rising power prices quickly and effectively. CfDs are an excellent energy price hedge. In return for revenue certainty, generators pay back to the public purse when prices are high – directly reducing electricity bills.

Regen's [analysis](#) suggests that there are plenty of projects in the pipeline eligible to compete for CfDs, with 10 GW of onshore wind and solar with planning permission, a further 9 GW in the planning system, and another 20 GW in the wider pipeline of projects that have secured a grid connection.

We also call on the government to commit to holding annual CfD auctions over the coming decade. This would allow developers to build their project portfolios, investors to raise capital, utilities to invest in grid infrastructure and supply chain companies to build the jobs, skills and capabilities needed to efficiently deliver net zero.

Committing to backing 10 GW of onshore renewables would address future power price increases, while at the same time indicating to the global stage ahead of COP26 that the UK is taking the action to deliver on its commitment to achieve net zero and transform the UK economy.

Yours sincerely,



Merlin Hyman OBE  
Chief executive, Regen

CC: Sarah Redwood, director, renewable energy deployment, BEIS