EXPLANATORY MEMORANDUM TO

THE FEED-IN TARIFFS (AMENDMENT) ORDER 2026

2026 No. 2

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Energy Security and Net Zero and is laid before Parliament by Command of His Majesty.

2. Declaration

2.1 Michael Shanks, Minister for Energy at the Department for Energy Security and Net Zero confirms that this Explanatory Memorandum meets the required standard.

2.2 Lucy Longstaff, Deputy Director for Renewables Delivery, at the Department for Energy Security and Net Zero confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Fergus Bailey at the Department for Energy Security and Net Zero can be contacted by email at the following address with any queries regarding the instrument: RO@energysecurity.gov.uk.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 The instrument delays the deadline by which the administrator of the Feed-in Tariff ("FIT") scheme (Ofgem) must publish updated tariffs. This deadline will be moved from 1 February 2026 to 1 April 2026. The delayed deadline will apply only to the 2026 FIT year. For subsequent years from 2027 onwards, the original publication deadline of 1 February 2027 will apply.

Where does the legislation extend to, and apply?

4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales and Scotland.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England and Wales and Scotland.

5. Policy Context

What is being done and why?

5.1 The FIT scheme was introduced to encourage the deployment of small-scale low carbon electricity generation in Great Britain.

5.2 The FIT scheme supports renewable installations of up to 5 megawatts ("MW") and supports over 800,000 installations. It is funded through levies on household and business electricity bills. Although the scheme closed to new applicants in 2019, existing generators will continue to receive support until 2044.

5.3 The Government is committed to making the energy system more efficient and affordable for consumers, whilst ensuring that generators receive a fair return. The Government has consulted on proposals to change how FIT tariffs are adjusted for inflation – from the Retail Price Index (RPI) to the Consumer Price Index (CPI).

5.4 This change, if implemented, would curtail the future cost of the FIT scheme, in turn reducing the future cost burden on domestic and non-domestic electricity consumers, who ultimately bear the costs of the scheme. If a decision is taken to implement this proposal it will require an amendment to the electricity supply license conditions. Ofgem currently publishes updated FIT tariff rates on 1 February every year, as required by the Feed-in Tariffs Order 2012. Delaying the 2026 publication of FIT tariff rates will allow the new indexation methodology being consulted on to apply for the 2026/2027 financial year.

What was the previous policy, how is this different?

5.5 Feed-in Tariffs are adjusted annually for inflation, and Ofgem is required by the FIT Order to publish the updated rates for the following FIT year on or before 1st February each year. This instrument amends the date by which Ofgem must publish a table setting out tariffs for the 2026/27 FIT year. The requirement will be to publish the tariff rates on or before 1st April 2026 instead of the 1st February 2026. For subsequent years, the publication date will revert to on or before 1 February.

6. Legislative and Legal Context

How has the law changed?

6.1 Sections 41 to 43 of the Energy Act 2008 give the Secretary of State powers to establish a scheme of financial incentives to encourage small-scale low carbon generation of electricity. In particular, section 43(3)(a) of the Energy Act 2008 gives the Secretary of State the power to confer functions on Ofgem in connection with the administration of such a scheme.

6.2 The powers in sections 41 to 43 were used to establish the FIT scheme. This instrument will rely on the section 43(3)(a) power.

6.3 Currently, paragraph 16(2) of the Feed-in Tariffs Order 2012 requires Ofgem to publish tariff rates for each upcoming FIT Year on or before 1st February. This instrument creates an exception to this requirement by inserting a provision allowing Ofgem to publish tariff rates on or before 1st April 2026 for FIT Year 17 (the 2026/27 year) only.

6.4 This approach was taken so that the existing obligation on Ofgem to publish tariff rates on or before 1st February each year would endure in all subsequent years. This reflects that the need to publish tariff rates after the usual date only arises for the 2026/27 year.

Why was this approach taken to change the law?

6.5 This change is the only possible approach to make the necessary changes.

7. Consultation

Summary of consultation outcome and methodology

7.1 A consultation was not undertaken for this instrument, because this change will have minimal impact to the FIT scheme and is a temporary measure which will only affect the scheme in 2026. The substance of the broader policy to change inflation

indexation of the FIT scheme was consulted on between the 31 October and the 12 December 2025.

8. Applicable Guidance

8.1 Ofgem already provides detailed guidance for electricity suppliers and potential participants in the FIT scheme in a variety of forms. That guidance will be updated to reflect the temporary FIT rate publication date change effected by this Order.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because we do not consider that there is a significant impact on business, charities or voluntary bodies. An Analytical Annex was published alongside the consultation on the substantive proposal to change inflation indexation of the FIT scheme. This sets out the potential impacts of these changes.

Impact on businesses, charities and voluntary bodies

9.2 There is no significant impact on business, charities or voluntary bodies. Delaying publication of updated tariffs by two months may temporarily impact how businesses on the scheme forecast their income from the scheme but as this is only an administrative change and is foreseeable, we judge it will not have a significant impact.

9.3 The legislation does not impact small or micro businesses who use the scheme.

9.4 There is no need to take action to minimise the impact of the requirements on small or micro businesses (employing up to 50 people), as they will not be negatively impacted by this change.

9.5 There is no, or no significant, impact on the public sector.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 This is a temporary change that moves the tariff publication date from the 1 February to the 1 April 2026. This measure will not require ongoing monitoring and reviewing by the Department of Energy Security & Net Zero.

10.2 The instrument does not include a statutory review clause. This is because the instrument does not make regulatory provision in relation to any qualifying activity as defined under the Small Business, Enterprise and Employment Act 2015, and so does not require a statutory review clause under that Act.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 As the instrument is subject to negative procedure and does not amend primary legislation, no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").