FINULENT SOLUTIONS

READING BETWEEN THE NUMBERS

AR7's Solar Story

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With the outcomes of Allocation Round 7 (AR7) up and about – project timelines and engineering approaches across the sector gain new shapes.

AR7 was the UK government's latest auction for Contracts for Difference (CfDs). Essentially long-term power purchase agreements that give renewable energy projects price certainty.

Developers bid for these contracts, committing to deliver electricity at a strike price. If the market price falls below that, they receive top-up payments. And if it rises above, they pay the difference back.

This is a way for the government to de-risk investment in new renewable capacity. And the results tell us which technologies are winning and where the sector’s headed.

AR7’s conclusion in early February revealed the early contours of the UK’s renewable policy and competitive reality that solar projects now face. Much more than a typical CfD cycle in that light.

AN AR7 SNAPSHOT

3.5GW	£65/MWh	2.1x	157
Solar Capacity Secured	Avg. Strike Price	Oversubscription Rate	Solar Projects

3.5 GW of solar capacity is a 22% rise over AR6 allocations. And the average strike price falling down from previous rounds reflects both improved cost structures and rising competition.

Developers are also clearly selective about choosing projects that advance to the bid stage – with a focus on more grid-ready schemes

A key observation

Optimised project structures have successfully offset cost pressures.

AR7 IN UK ENERGY POLICY

The government has made its hands clear, heading into its 2030 clean power target.

Accelerating more like. Because AR7's allocation patterns tell quite a bit on how the government plans to meet its net-zero commitments by 2050.

Solar's expanding role: Solar now holds about 28% of the total AR7 capacity, up from 21% in AR6. It's a recognition that utility solar in particular has been delivering quick deployment timelines and predictable schedules.

Scale signals: Important to note, projects below 50MW secured only 18% of solar allocation while those above 100MW took 64%. Scale and readiness get quite some policy backing.

Net-zero goals
Solar's 28% share makes it a critical step

Deployment pace
Quicker construction timelines make solar an essential bridge

Geographic range
A deliberate spread across England, Scotland, and Wales to sidestep regional grid strain

SOLAR DESIGN IMPLICATIONS

DC oversizing being pushed harder

- Moving from ~1.2 to 1.3–1.5 DC/AC ratios
- Maximises yield within capped export capacity
- Especially critical with grid constraints & curtailment risk

Inverter strategy shifting to modular + multi-MPPT

Preference for string inverters over central inverters in many cases

Benefits:

- Faster procurement
- Easier replacements
- Better performance under partial shading / mismatch
- Reduces downtime risk vs large central failures

Tracker vs fixed tilt: Now a financing decision

Trackers still dominant, but:

- Fixed tilt used where programme certainty > marginal yield gain
- Lenders increasingly favour simpler, proven layouts to de-risk delivery

Curtailment-aware design

Projects being engineered assuming non-zero curtailment from day 1

Includes:

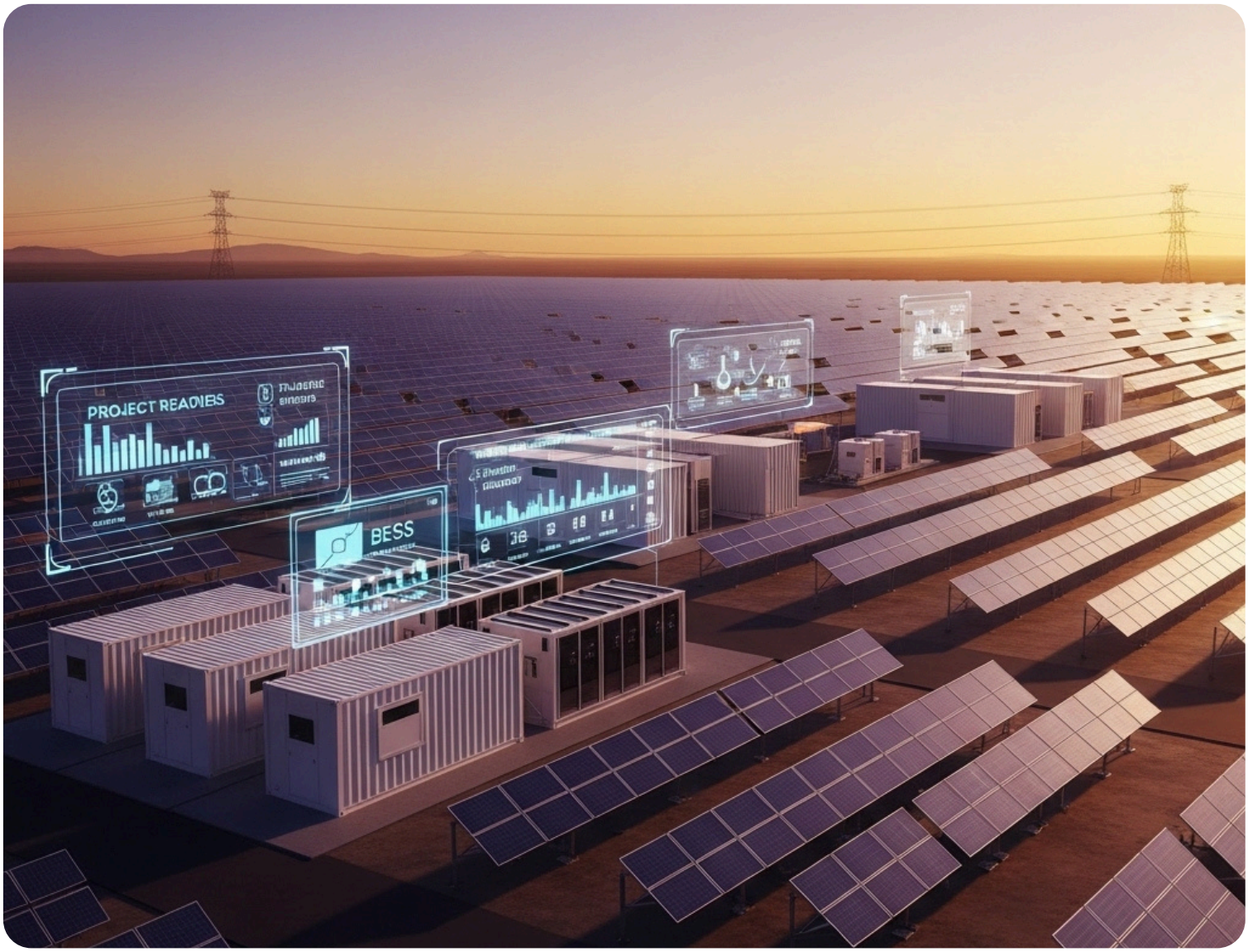
- Clipping optimisation
- DC sizing tuned to expected grid constraints
- Shift from “max theoretical yield” to max monetisable yield

MOMENTUM IN THE PIPELINE

Storage as a standard: Co-location has become a baseline expectation for most projects. Projects that secured contracts **without** storage are now planning retrofit integration.

Plan-ready projects become key*:* Schemes with approvals in hand or at least in the final committee stage hold the most value.

AR8 preparation: Projects are actively trying to achieve their planning and grid milestones by July this year to compete effectively.



EXPECTATIONS FOR AR8

Stricter eligibility rules
AR8 requires formal Gate 2 grid connection offers from NESO before entry, mainly to prove finalized grid access. Previously surrendered CfD capacity from AR1-7 will stay excluded, to avoid speculative re-bids and level the field.

Hybrid metering expansions
AR8 allows multiple CfD facilities of the same technology (or matching merchant assets) to share one BMU, metered via SCADA at generation points for sub-BMU splits. And projects delivered in the same allocation round typically cannot share infrastructure (except phased offshore wind or tidal projects), with LCCC checks in place to prevent misuse.

Accelerated timelines and FLOW adjustments
Projects must certainly demonstrate pre-bid progress on consents, grid works, and supply chains. For Floating Offshore Wind (FLOW), the Final Longstop Date can be extended to up to 10 years for complex projects. This provides flexibility to manage delays while still enforcing delivery timelines.

Competitive Landscape
Clean Power 2030 targets and NESO reforms favor projects with clear delivery plans over sheer capacity volume.

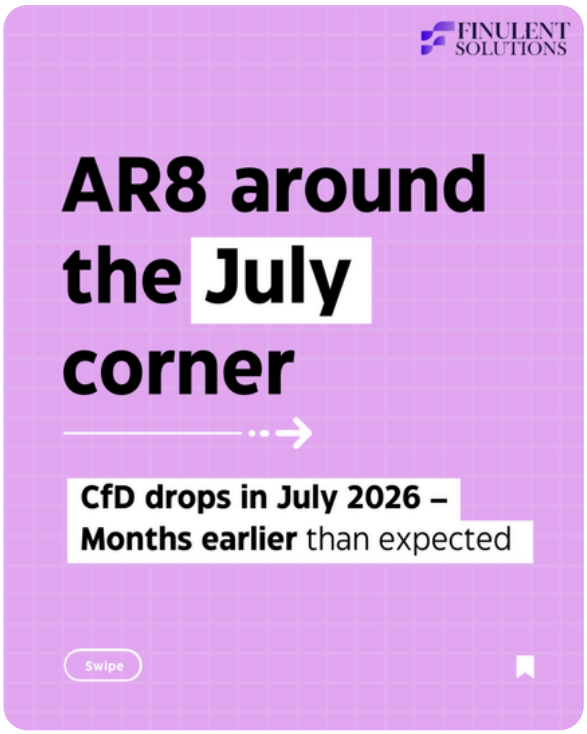
THE 2026-2028 WINDOW

The reality for UK solar is crystal clear. While the road to scale is open, it requires precision and readiness. So for developers and asset managers, the message is to advance grid ready projects for AR8.

It's an environment that values preparation over promise – because the coming years for the UK will require designs that adapt with an ever-changing landscape

FINUSHOTS

Read more



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