



Gravis's view on the changes to the Renewables Obligation Scheme



Will Argent, manager of TM Gravis UK Infrastructure Income and Clean Energy Income funds, gives his view on the UK and devolved governments' response to the consultation on changes to inflation indexation in the Renewables Obligation Scheme.

“As investors, our preference would have been for no change to the current basis of indexation, as both proposals were detrimental for investors in RO assets and the likely benefits for consumers relatively small. That said, it became increasingly clear that the government was likely to proceed with one of the options, particularly following the November announcement to move 75% of the domestic share of RO funding onto the Exchequer from April 2026, with expected savings passed through to household bills.

“Against that backdrop, Option 1 is the least damaging outcome in terms of its likely impact on future revenues from existing RO assets. While it does chip away at confidence in the UK’s regulatory stability, it does not, in my view, undermine it. The longer-term implications for future investment decisions or the cost of capital are difficult to quantify, but it is unhelpful at the margin.

“Importantly, the removal of uncertainty is a positive for listed renewable energy companies. Markets had priced in the risk of a more punitive outcome, and the positive share price reaction this morning reflects a sense of relative relief. The decision removes a major overhang for the sector and could also help unlock asset transactions, as buyers now have clearer visibility on the revenue framework at a time when many listed companies are looking to dispose of assets to strengthen balance sheets.”

ENDS

Notes to editors:

The Renewables Obligation (RO) and Feed-in Tariff (FIT) schemes supported the growth of renewable generation in the UK between 2002 and 2019. Both are now closed to new projects but continue to pay existing assets under long-term contracts.

The full government response can be found here: [Renewables Obligation scheme: changes to inflation indexation – UK and devolved governments response](#)

For more information, please contact:

Sam Slator
sam.slator@graviscapital.com
07547994945



Important information

This press release is issued by Gravis Advisory Limited (“GAL”), which is authorised and regulated by the Financial Conduct Authority. GAL’s registered office address is 24 Savile Row, London, United Kingdom, W1S 2ES. The company is registered in England and Wales under registration number 09910124.

The TM Gravis UK Infrastructure Income and Gravis Clean Energy Income Funds (the “Funds”) are sub-funds of TM Gravis Funds ICVC, which is a UK UCITS scheme and an umbrella company for the purposes of the OEIC Regulations. The Authorised Fund Manager of TM Gravis Funds ICVC is Thesis Unit Trust Management Limited (TUTMAN), Exchange Building, St John’s Street, Chichester, West Sussex, PO19 1UP. TUTMAN is authorised and regulated by the Financial Conduct Authority. GAL is the investment manager of the Fund.

Any decision to invest in a Fund must be based solely on the information contained in the Prospectus, the latest Key Investor Information Document and the latest annual or interim report and financial statements.

GAL does not offer investment advice and this press release should not be considered a recommendation, invitation or inducement to invest in a Fund. Prospective investors are recommended to seek professional advice before making a decision to invest.

Your capital is at risk and you may not get back the full amount invested. Past performance is not a reliable indicator of future results. Prospective investors should consider the risks connected to an investment in a Fund, which include (but are not limited to) exchange rate risk, counterparty risk, inflation and interest rate risk and volatility. Please see the Risk Factors section in the Prospectus for further information.

This press release has been prepared by GAL using all reasonable skill, care and diligence. It contains information and analysis that is believed to be accurate at the time of publication but is subject to change without notice. It is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. Any recipients outside the UK should inform themselves of and observe any applicable legal or regulatory requirements in their jurisdiction.