

To: Interested Parties

Date: 18 February 2026
Email: LDES@ofgem.gov.uk

Open Letter: Establishing the Long Duration Electricity Storage Scheme Under Section 26 of the Planning and Infrastructure Act 2025

On 10 October 2024, the UK Government announced its decision to create a cap and floor scheme to unlock investment in Long Duration Electricity Storage installations (**'the LDES Scheme'**). Having concluded that the LDES Scheme would be in the best interests of existing and future energy consumers, we agreed to work with the Government in this endeavour as both the delivery body and ultimate regulator of the scheme.

The LDES Scheme reached an important milestone today. With the entry into force of s.26 of the Planning and Infrastructure Act 2025, Ofgem has been placed under a statutory duty to establish and operate a scheme for the purpose of encouraging the development and use of LDES installations. The passage of (what is now) s. 26 through Parliament has progressed alongside Ofgem's development work to date. Ofgem is publishing this letter to make clear what the entry into force of s.26 means for the LDES Scheme going forward.

As this new statutory duty has been anticipated since the introduction of the Planning and Infrastructure Bill to Parliament in March 2025, Ofgem has already completed significant development work at pace in relation to the LDES Scheme. In particular:-

1. *in March 2025, Ofgem and DESNZ jointly published a Technical Decision Document that confirmed the key details of the LDES Scheme and the process that would be followed;*
2. *in April 2025, Ofgem (i) opened the first application window for parties seeking support via the LDES Scheme, and (ii) published its Eligibility Criteria Assessment Framework to set out the information that applicants would be required to provide to be assessed as eligible to proceed to the next stage of the process;*
3. *in September 2025, Ofgem published (i) its final decisions regarding eligibility, and (ii) the assessment framework for eligible parties proceeding to Project Assessment; and*

4. *from September 2025 onwards, Ofgem has been progressing the assessment of eligible parties. That work continues.*

Throughout, Ofgem has consulted with relevant stakeholders and with central Government.

Ofgem has now adopted the development work undertaken on the LDES Scheme to date, including any and all decisions, supporting analysis, and publications made to date in support of that work, for the purpose of discharging its statutory duty under s. 26. As has always been anticipated and as required by the 2025 Act, the LDES Scheme will be established and operated pursuant to s. 26 of the Act.

Great Britain is at a pivotal point in its net zero journey. The policy intent underpinning the LDES Scheme remains the successful commissioning of new LDES projects as soon as reasonably practicable to support both the UK Government's Clean Power 2030 Action Plan and Ofgem's Forward Work Programme. These ambitious commitments continue to require Ofgem to work at pace to allow suitable time for the construction of any LDES projects that are awarded a cap and floor. By formally adopting the development work undertaken to date, Ofgem can best ensure that the LDES Scheme, its ultimate policy intent, and the new statutory obligations upon Ofgem under s.26, are delivered in time. Ofgem will now continue to work towards the forthcoming publication of our initial minded to decisions arising out of Project Assessment.

Yours faithfully,

Gordon Hutcheson Hayward-Grant



Deputy Director, LDES