





Market Pulse

This quarterly review is developed and published by BEAMA, the representative trade association for energy infrastructure and systems.

Investment in the supply chain for electrical products is essential for delivering the UK's Net Zero requirement, while there is significant scope for industrial growth and job creation in the evolving electricity sector. Given the Government's pressing Clean Power by 2030 target and further challenges to come, pressure is now mounting to build capacity and ensure a cost-effective energy transition. This report is aimed at providing a measure for how well we are delivering against known targets and if we are on track to achieve the growth needed.



Contents

CEO Foreword	4
Headlines	5
New data from BEAMA members	6
Introducing BEAMA	7
Our members	8
Our approach to data	10
Supply chain investment modelling	11
Policy tracker	12
LATEST FINDINGS	13
BEAMA Members' Trends Survey	14
BUSINESS OPTIMISM	15
SALES	16
EXPORTS	17
CAPACITY UTILISATION	18
UNIT COST	19
INVESTMENT INTENTIONS – NEXT 12 MONTHS	20
INVESTMENT INTENTIONS – 5 YEAR VIEW	21
SKILLS & EMPLOYMENT – HIRING INTENTIONS	22
Electricity Networks Infrastructure	23
Networks manufacturing sector growth	26
Smart Meter Installations	28
Heat Pump Installations	29
Vehicle Registrations – All Fuel Types & Public EV	7.0
Chargepoint Installs	30
Conclusion	31
BEAMA Member Case Studies	32





Yselkla Farmer CEO BFAMA



CEO Foreword

Over the course of the last 12 months since the election we are seeing an upward trend in optimism and investment intentions, with the trajectory for capital investment over the next 5 years showing huge positivity.

I see a lot of this optimism being driven by the progressive package of measures stemming from the Industrial Strategy. We have worked hard with Government to ensure the growth opportunities within our sector are acknowledged within the Industrial Strategy, including Networks identified as a foundational sector and recognition for the opportunities from the broader range of low carbon electric heat and hot water products that we hope will form part of the warm homes agenda in the UK. We also see global trade tensions easing driving up business optimism.

However, sales are down due to the effects of uncertainty in late 2024 and early 2025 so positive messages have to be followed by actual market improvement. This draws into focus the importance of now delivering on the Industrial Strategy program, and following through with assertive and substantial action. This includes a firm regulatory decision on SF6, connections reform and other regulatory enablers for EV infrastructure growth, and a policy for electricity price reform that enables customer choice and targets bill reduction for those that need it most, supporting the delivery of the Warm Homes Plan.

Skills remains the number one critical priority and regulatory delays a close second impeding investment in the UK. We know the actions set out in the Industrial Strategy will increase the investment in UK manufacturing; by how much will be determined by the speed of decisive action from Government and continued close cooperation with the industry. This is an exciting time to be working at BEAMA and I am proud to have our members supported under this ambitious program.

As part of this BEAMA takes the lead with ENA and DESNZ on the development of a Grid Industrial Growth Plan which we hope will bring together actions needed to drive up capacity and investment within the transmission and distribution supply chain.

What we can see from this Market Pulse is new evidence demonstrating the size and growth of the electricity networks sector, with turnover and employment significantly up in the last two years and almost £150m of investment in additional capacity either planned or already made. The average company expects turnover to double by 2035 and UK employment to more than double.

Green shoots of growth are there amongst a sea of potential. What follows in terms of Government action in the next 12 months will determine a pivotal period of change for our sector.

Headlines



Key headlines:

BUSINESS OPTIMISM

bounced back to well above the 5 year average in Q2 2025.

SALES

took a major drop in Q2 of 2025, the most significant since the pandemic.

EXPORTS

had a significant recovery in Q2 of 2025, climbing back to well above the 5-year average.

AVERAGE CAPACITY UTILISATION

was at a relatively low level in Q1 and Q2 of 2025, despite parts of the supply chain for electricity networks reporting operating at full capacity.

UNIT COSTS

eased again after increases in late 2024 and early 2025.

IMPROVED

short term intention to invest after a somewhat subdued 2024

INVESTMENT INTENTIONS

over the longer term show huge positivity.

POSITIVE INTENTIONS

for hiring tempered by challenges in satisfying salary expectations and overall employment costs.



New data from BEAMA members shows significant contribution to the UK economy

For the first time, new data from BEAMA members gives a strong indication of the size of the network manufacturing sector and its contribution to the UK economy. It shows a sector that is already growing, with turnover and employment for the average company potentially doubling by 2035. It indicates significant potential for growth in the UK networks manufacturing industry, with turnover and employment potentially doubling by 2035.

To realise this potential growth, BEAMA members will need the right policy and regulatory support – in particular, sufficient certainty of the pipeline of future demand for equipment.





TURNOVER

of over £2bn

EMPLOYMENT

in every region of England, as well as Scotland and Wales

INVESTMENT

of over £150m announced or made in the last five years

TURNOVER GROWTH

average BEAMA ENI member expects UK turnover to double by 2035

EMPLOYMENT GROWTH

average ENI member expects UK employment to more than double by 2035

LOCAL CONTENT

of 20-40% for the median ENI member

Introducing BEAMA

The trade association for energy infrastructure & systems, BEAMA is the UK manufacturing representative body for the electrotechnical sector, providing leadership, expertise and independent influence in the areas of product safety, performance, energy efficiency, digitalisation and sustainability. Our activities span a broad spectrum of technology groups, from electricity networks through to electrical infrastructure and service technologies in the built environment.



Our sector

UK TURNOVER

£14 BILLION 90,000

PEOPLE EMPLOYED IN THE UK £5
BILLION
WORLDWIDE

Low carbon potential

£1tn¹
GLOBAL MARKET
OPPORTUNITY

400,000²

NEW UK JOBS NEEDED BY 2050

- 1 https://www.mckinsey.com/capabilities/sustainability/our-insights/opportunities-for-uk-businesses-in-the-net-zero-transition
- 2 https://www.nationalgrid.com/hundreds-thousands-people-needed-power-uks-net-zero-energy-commitment









Our members













































































































Callmag

























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SIEMENS

































































Our approach to data

It is important that policymakers utilise the findings of our Market Pulse in decision making. Data sources on delivery from outside of BEAMA could be improved to help analyse progress and to help our members make investment decisions. BEAMA also has a rich data history from our long-running work on member statistics, tracking trends in our industry, and publishing our globally renowned and respected Contract Price Adjustment indices.

Market Pulse provides a snapshot of a larger body of work as we work closely with Government and other key stakeholders, including utilities, to analyse our market data and build up the information we can share. Understanding the position of the UK's electrotechnical and energy supply chain is the key to devising a successful industrial strategy, to driving growth and investment in UK advanced manufacturing and to delivering clean power. Market Pulse provides the background to gaining the clarity needed for an evidence-led policy and regulatory framework.

There is a lot of data we have that can help us understand what is needed from the market today. The Future Energy Scenarios National Grid NESO database³ is an important resource in setting the benchmark for successful delivery but data on delivery is still patchy, and in some areas, we are unable to confidently analyse progress without more complete datasets and monitoring. We comment on this in places in the report but will pick this up in more detail with Government and stakeholders going forward as we develop this work.

Modelling from our 2022 report with the Energy Systems Catapult demonstrated clearly the 6th Carbon Budget necessitates early action and the next 5 -10 years will be a crucial period of investment in manufacturing capacity for electrical products to support the energy transformation. We can therefore provide evidence that Labour's Clean Power 2030 Mission is absolutely the right way to go.

BEAMA Energy Systems Catapult – Growing the Supply Chain for a Net 7ero **Energy System** 85% of our members expect to scale up by 20-100% to meet future needs, with some expecting to scale up 10 times current capacity

³ Future Energy Scenarios (FES) | ESO (nationalgrideso.com)

Supply chain investment modelling

BEAMA members say they can meet the needs from the electricity sector for a least cost Net Zero future by 2050... ...but before they can invest, there are several risks and constraints faced by the sector that need to be addressed...

...that can be overcome through a number of recommendations from BEAMA members:





£3bn per annum investment into domestic technologies such as heat pumps, chargers and storage prior to 2035

The electricity system supply chain is internationally competitive and complex

Beyond the UK Net Zero
Strategy, develop further plans
on longer-term infrastructure
deployment with more detailed
supply chain needs



E7bn per annum investment into electricity distribution networks prior to 2035 – including 20–40% increase in lines, cables and substations

Uncertainty on direction in UK policy has stalled investment

Form an industrial electricity supply chain council, backed by Government, which will develop a 5-year plan to support capital investment



85% BEAMA members surveyed expect to scale up by 20-100% to meet future needs, with some expecting to scale by 10x

There is typically an approximate five year lag time between investment and the resultant scale up

Near-term finance to adequately stimulate the market



The installer base for low carbon heating needs to be increased by a factor of 20

Skills shortages in key sectors are throttling demand

Review of the regulatory and planning system to enable investment ahead of need

Plan to urgently tackle scarcity of apprentices and support transfer of skills from high carbon sectors

Policy tracker

Immediately after last year's general election, we shared with the new Government how to make great strides towards our vision for a low carbon, flexible and secure energy system, identifying policy measures that could help rectify current difficulties in the supply chain.

There has been progress on many of these policies, but most changes are yet to be fully implemented. Understanding the work that remains, and the close link between regulation and investment, helps to explain some of the latest findings from our member survey that are set out in the following section.

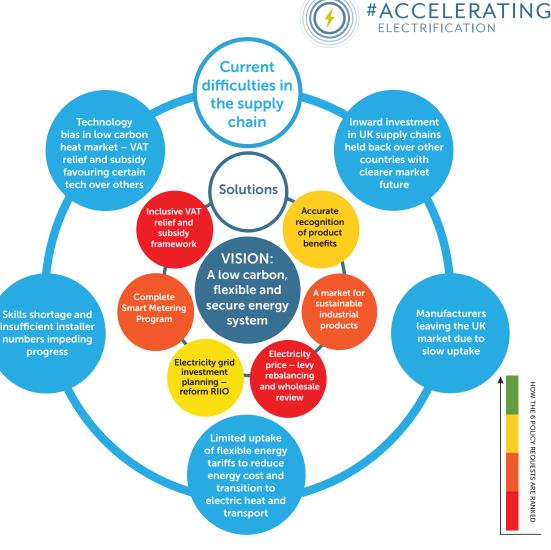
The updated diagram on the right shows where most progress is being made, and where work needs to be accelerated. If we see sustained momentum on a policy package that moves us closer to making low carbon options the best choice for consumers, this will encourage investment and we will see improvements in the indicators covered in our member survey.

This is reflected in our Industrial Strategy White Paper, which emphasised:

- Strong and clear demand is a prerequisite for investment
- Demand is heavily determined by policy and regulation
- Action is needed now to allow industry time to react to positive signals

Specific policy priorities for the next quarter should be:

- Publish a consultation on electricity pricing
- **Ensure** that the Warm Homes Plan and Future Homes Standard are published this autumn, align with the Industrial Strategy and Low Carbon Flexibility Roadmap, and contain as much delivery detail as possible
- **Increase** momentum in smart meter rollout, grid development, EV charging deployment and industrial strategy measures
- Align the development of the Industrial Decarbonisation strategy with BEAMA's roadmap



The Industrial Strategy is an important step in the right direction – providing certainty for UK businesses on the future policy framework. It identifies many of the key barriers to investment in the UK, such as high energy prices and skills gaps and a recognition of networks as a foundation sector.

David Pownall, VP Power Systems UK&I, Schneider Electric



BEAMA Members' Trends Survey



BEAMA surveys members on a quarterly basis to gauge the state of the electrical and energy equipment industry by gathering data on sales, exports, unit costs, capacity utilisation, hiring, investment intentions and their business optimism.

The latest results give insight into the industry, and should be of particular interest to a Government looking to advance Clean Power ambitions in line with the Industrial Strategy.

- Business Optimism Confidence rebounded strongly in Q2 2025, driven by trade agreements and UK government strategy, though tempered by wider global uncertainty.
- ➤ Sales Despite rising optimism, Q2 2025 saw the sharpest sales drop since the pandemic, with recovery expected next quarter.
- ► Exports Export sales bounced back well above the 5-year average, led by Europe and Asia, with further growth forecast.
- ➤ Capacity Utilisation Average capacity use stayed below the 5-year average, masking sectoral imbalances between full utilisation and unused potential.
- Unit Costs After surges in late 2024, unit costs eased in Q2 2025, though high energy and labour costs remain.

- ▶ Investment Intentions (Next 12 Months) Firms reported renewed positivity, with spending focused on product improvement and R&D.
- Investment Intentions (5 Year View) Long-term plans show strong investment across all areas, particularly product improvement, equipment, and e-business.
- ➤ Skills & Employment Members want to expand their workforce but face difficulties with skills shortages and rising employment costs.



BUSINESS OPTIMISM



Business optimism bounced back to well above the 5 year average in Q2 2025.

Are you more, or less, optimistic than you were 3 months ago about the general business situation in your industry?

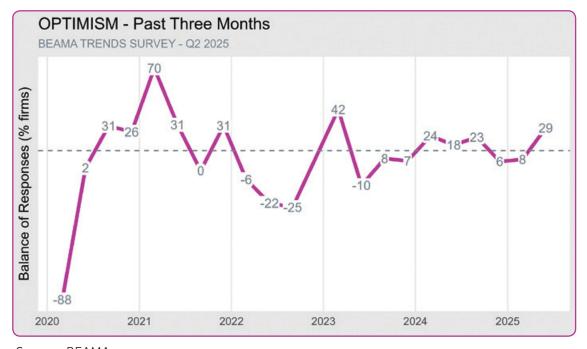
BEAMA tracks the business optimism of members. At the end of 2024 and in Q1 of 2025, this took a huge fall, generally attributed to grave uncertainty and fears over the state of the global economy, international trading conditions, and UK government strategy decisions that were then in development.

The reaching of some kind of trade accommodation between the UK and USA, along with positive trade agreements with the EU and India have eased concerns over the international position.

Further positive decisions on Industrial Strategy from UK government, notably towards Grid Infrastructure growth, Clean Power, and development of electrification particularly for heating have also contributed to growth in optimism.

For other sectors, some projects that had been put on hold at the point of greatest global uncertainty are now being moved forward, improving business confidence.

The bounceback is tempered by the continuation of difficult macroeconomic situations and geo-political concerns, along with the need to develop positive UK strategic goals into certainty of demand within markets.



Source: BEAMA

We're seeing the same thing BEAMA highlights — optimism is up, but now it's about delivery. Electrification of heat and transport is driving everything, and demand-side flexibility is becoming essential. Our products are designed around that, so it's good to see the system finally catching up. The real pinch point isn't technology anymore, it's skills — we need way more installers trained and ready.





SALES



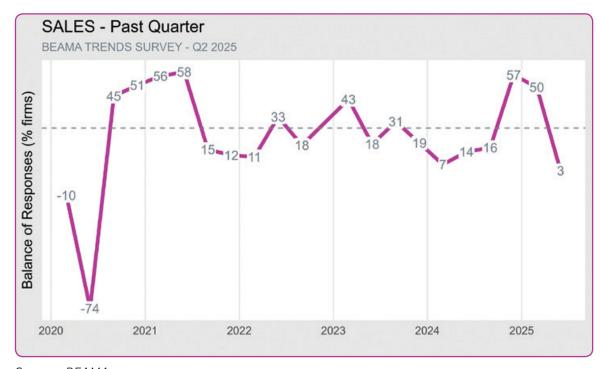
Sales took a major drop in Q2 of 2025, the most significant since the pandemic.

How have sales volumes during the current quarter changed compared with the previous quarter?

Despite a major improvement in business optimism in Q2 2025, the proportion of members reporting stalled or drop in sales was at a very high level, although the overall picture was more complex with over 40% reporting increased sales.

Apart from the possibility of some seasonality for the H&V sector in particular, the prospects for sales in the next quarter were viewed very positively with more than 95% of members responding expecting to maintain or increase sales.

As with reports related to business optimism, the placing of projects on hold due to trading uncertainties in early 2025 may have led to static or reduced sales in some sectors, with those projects and associated sales now starting to be unlocked in a more positive economic environment.









EXPORTS



Exports had a significant recovery in Q2 of 2025, climbing back to well above the 5-year average.

How does your export sales volume during the current quarter compare with the past 3 months?

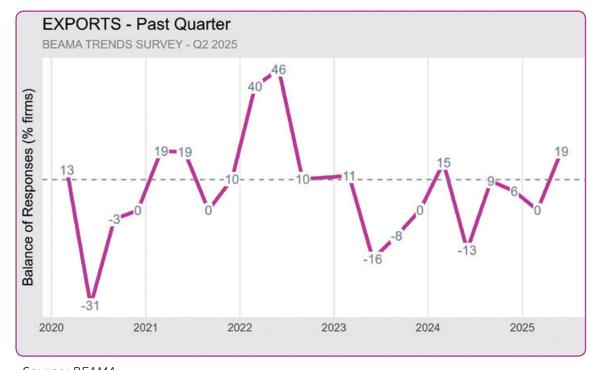
A number of BEAMA members are primarily or wholly focused on the UK market, and some sectors are fully occupied with domestic demand. It was encouraging after the international trading turmoil of late 2024 and early 2025 to see a strong bounceback in export sales in Q2 2025.

Members are also forecasting export sales to remain positive into Q3 2025. As usual, Europe is by far the most important export region (65% of respondents), followed by Asia (25%).

For those sectors, such as Electricity Networks Infrastructure, who find strong demand both at home and overseas, it does mean that purchasers unable to commit to providing certainty in future procurement may find that export customers have secured advance supplies.

Export markets are already bouncing back, so the UK can lead here if government holds its nerve. The Industrial Strategy can really help by giving clear and consistent signals on grid upgrades, electricity pricing, skills and consumer incentives. And let's not forget consumer education – cutting through misinformation and making the benefits clear is one of the cheapest ways to accelerate adoption.

Lee Sutton, Chief Innovation officer, myenergi







CAPACITY UTILISATION



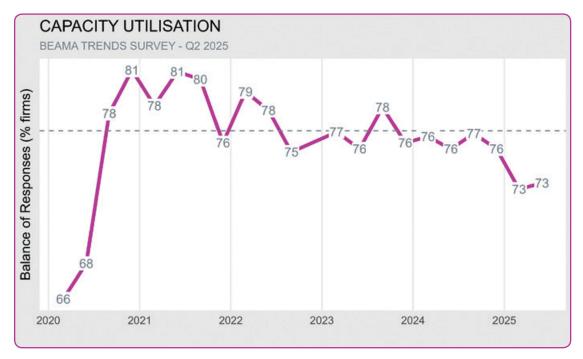
Average capacity utilisation was at a relatively low level in Q1 and Q2 of 2025, despite parts of the supply chain for electricity networks reporting operating at full capacity.

What is your estimate of the current level of capacity utilisation?

This asks BEAMA members the extent of their manufacturing capacity that is fully utilised, i.e. what scope there would be to increase production in the event of new orders arriving.

Frustratingly, the average reported level of capacity Utilisation remained stuck at levels appreciably below the 5-year average and lower than has been seen since the pandemic. As there are reports in the Electricity Networks Infrastructure sector of members operating at full capacity, this means that in other sectors there is significant room for industrial growth currently unused.

This indicates the risk of focusing stimulation on individual links within the electrification supply chain when growth in the entire system is required to meet the UK's infrastructure and financial needs.







UNIT COST

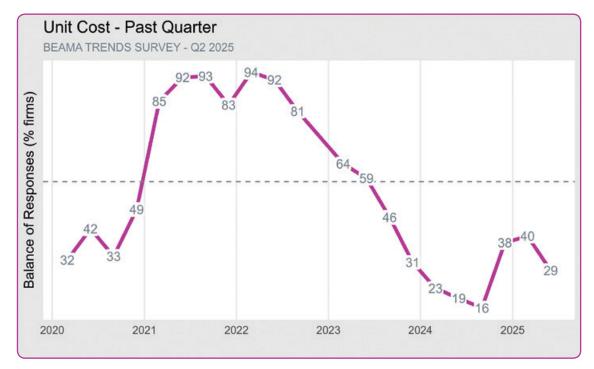


Unit Costs eased again after increases in late 2024 and early 2025.

How have unit costs during the current quarter changed compared with the past 3 months?

Unit costs – the expenditure incurred by a company to produce, store and sell one unit of a particular product or service, can include raw materials, components, labour, energy, logistics and transport.

Unit costs had dropped to a new 4-year low in late 2024, having been the most significant issue reported by members for 2022 and 2023. Notable increases were then reported at the end of 2024 and into early 2025 but those appear to now be easing again, with a combination of more reassurance in global trading conditions and favourable foreign exchange rates. While materials and component cost and availability issues have generally diminished very significantly, members continue to report problems caused by excessive costs for energy for business use and especially current salary and employment costs.







INVESTMENT INTENTIONS – NEXT 12 MONTHS



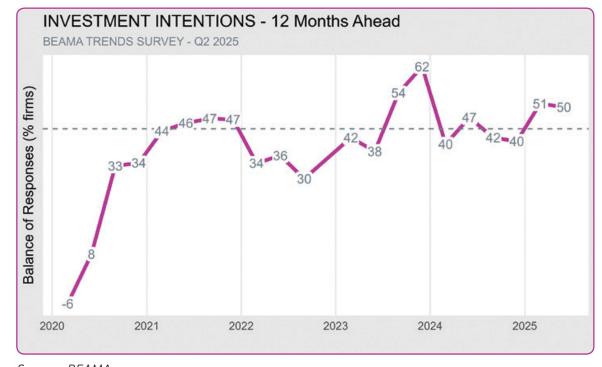
A somewhat subdued 2024 for Investment Intentions, hovering around the 5-year average, has changed into a more positive outlook in Q1 and Q2 of 2025.

How will your capital investment change in the next 12 months?

Tracking BEAMA members' intentions for investment in their UK businesses.

After considerably positive reports in the latter part of 2023, investment intentions were at a lower-than-hoped level during 2024. A significant uptick was reported in the first half of 2025, however, with positive reports on optimism being matched by expectations for increased investment for the coming 12 months.

The biggest proportion of that investment is planned for Product Improvement, indicating an emphasis on innovation, especially with R&D as the second most widely reported area for investment.



Source: BEAMA

(At Marshall-Tufflex we are committed to investing in the long-term resilience and sustainability of UK manufacturing. In 2025 we are investing £2.5 million into our operations, including the development of our Manchester distribution depot to expand stock capacity and streamline logistics, as well as the installation of a new PVC-U conduit extrusion line to increase manufacturing output.

Jon Chamberlain, Managing Director, Marshall-Tufflex Ltd





INVESTMENT INTENTIONS – 5 YEAR VIEW



Investment Intentions over the longer term show huge positivity.

How do you expect your capital investment to change during the next 5 years in the following areas?

BEAMA members report universal plans to maintain or increase investment over the next 5 years in all areas.

Having focused considerable investment in R&D in recent quarters, this remains strong but there seems to be a widespread (90.5%) move to relay those development into direct product improvements. There is also a very significant (75%) level of attention to investment in plant and equipment, along with a similarly impressive focus (72.7%) on e-business, which includes AI.

Although the primary focus in most sectors is on fulfilling the UK's needs for electrical infrastructure, development of export markets is starting to see a surge in attention, while still below other investment targets.

Product improvement -90.5% Plant & Equipment -75.0% E-business -72.7% R&D -71.4% 70.0% Structures -Customer research -70.0% Developing export markets -31.8% 25 Balance - Proportion of firms (%)

Source: BEAMA

Looking further ahead, we have also approved a £3.1 million investment programme over the next two years that will see the purchase of new robotic machinery, replacement of mould tools and extrusion equipment, and significant building upgrades to our Hastings facility. These investments will strengthen our ability to support customers, reduce our environmental impact, and ensure we are ready to meet the demands of a fast-changing electrical industry.

Jon Chamberlain, Managing Director, Marshall-Tufflex Ltd



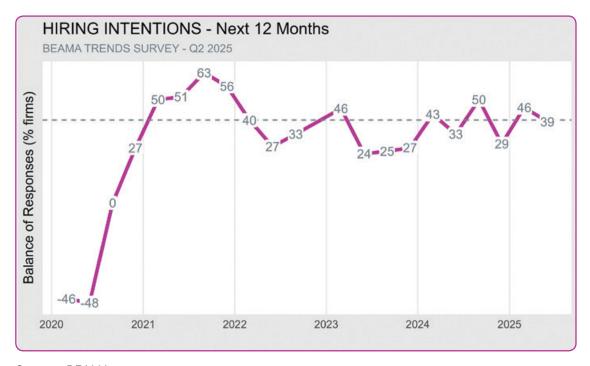


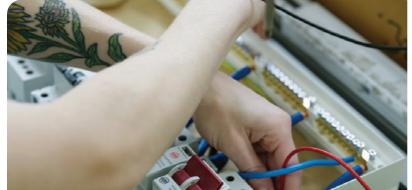
SKILLS & EMPLOYMENT – HIRING INTENTIONS



Positive intentions for hiring tempered by challenges in satisfying salary expectations and overall employment costs.

BEAMA members overwhelmingly wish to hire more people into long-term, secure employment. They continue to find their intentions difficult to fulfil due to (1) skills shortages (2) overall employment costs and (3) salary expectations that are challenging to meet.







Electricity Networks Infrastructure



Investment in electricity networks will have to increase significantly in the coming decades to enable the electrification of heat, transport and industry. Electricity lines, cables and substations will have to increase in quantity by roughly 20-50% by 2050, which could translate to up to £105bn until 2035⁴.

There has been an increase in confidence in the transmission network sector since Ofgem's decision to accelerate transmission network spend approvals. However, the supply chain still needs stronger and earlier signals to grow capacity. In the distribution network sector, there has been less progress because the regulatory regime and DNO procurement practices are still working on a 'just-in-time' basis, giving the supply chain inadequate signals to ramp up production.

The most recent data suggests that DNOs are significantly underspending their ED2 allowances for reinforcement. Informal signals suggest this may have improved since the most recent data was published, but the supply chain still needs stronger and more consistent signals to ramp up production.

Ofgem should consider how it will ensure that DNOs give their supply chain improved visibility of future requirements and reinforce networks adequately during RIIO-ED2, and should set up the next price control in a way that ensures there is not an investment hiatus at the start of the period. The aim should be to reinforce networks early ahead of need, to ensure the timely connection of renewable generation, EV charging stations and electric heating.

Transmission

The significant growth in networks will require investment in increasing manufacturing capacity. The move to strategic transmission planning by the National Energy System Operator (NESO) and Ofgem decisions to accelerate transmission investment have given some improved confidence to the market. Further confidence in a pipeline of orders will be required for manufacturers to invest in growing capacity to meet Net Zero needs. Ofgem's decision to introduce an 'Advanced Procurement Mechanism' (APM) will hopefully allow TOs to place firm orders with the supply chain earlier.

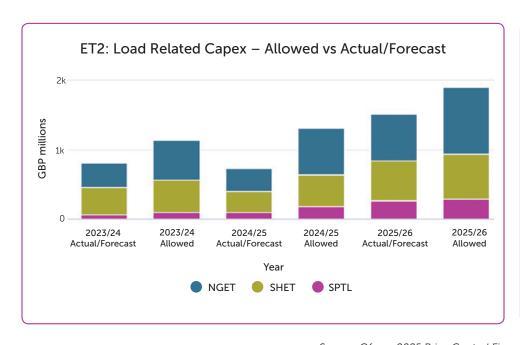
BEAMA welcomes Ofgem's decisions to accelerate the delivery of RIIO-ET2 and RIIO-ET3 investment plans through the Accelerated Strategic Transmission Investment (ASTI) programme, worth £20bn. However, in order to meaningfully compete for scarce capacity globally, and indeed drive further investment in additional capacity, TOs need to further evolve their procurement models towards truly strategic, long-term procurement with commitment on volumes of equipment. Companies must procure programmes of work (rather than procuring project by project). Ofgem's regulatory frameworks may also need to evolve further to enable this change.

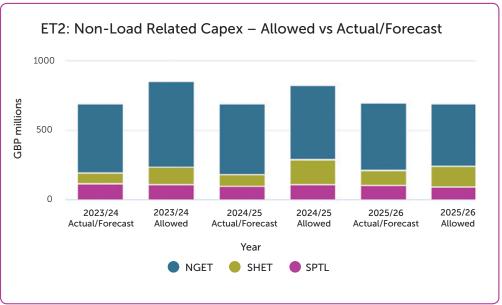


⁴ BEAMA 2022 Growing the Supply Chain for a Net Zero Energy System.



Comparing actual spend with TOs' allowances (including uncertainty mechanisms and baseline), BEAMA's data analysis shows that as of the most recent data publication, SSEN Transmission and Scottish Power Transmission were modestly underspending their allowances. NGET were underspending their allowances to a larger extent.



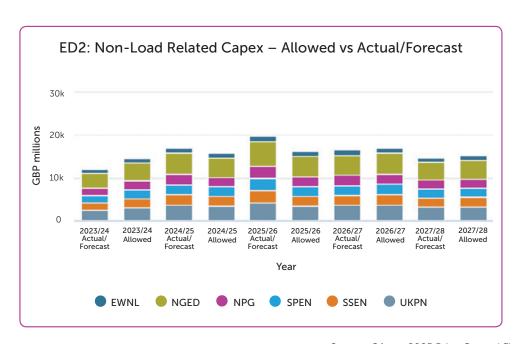


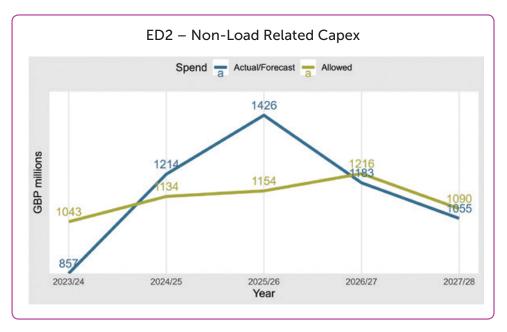
Source: Ofgem 2025 Price Control Financial Model (PCFM) ED2 and ET sectors.

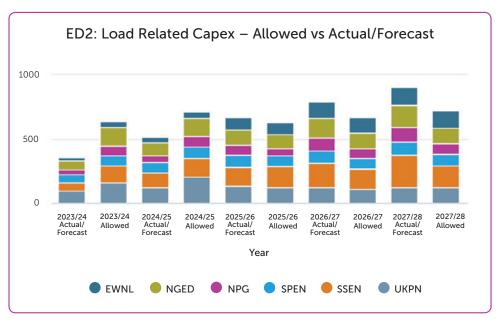
Distribution

RIIO-ED2 provided allowances of £2.36bn across all of the DNOs for the period 2023- 2028 for network reinforcement, alongside uncertainty mechanisms to increase and decrease allowances. In year one of RIIO-ED2, total DNO reinforcement spend averaged less than half the annual allowance. DNOs are underspending both load related and non-load related capex allowances. DNOs state the reasons for the underspend include lower electricity demand than forecast in some areas, as well as delivery issues linked to problems in mobilising the supply chain, especially for installation of equipment.

Data on the second year of RIIO-ED2 has not yet been published, but there will need to be a significant uptick in reinforcement spend. It is imperative that the DNOs now begin to invest ahead of need and give the supply chain the orders required to increase manufacturing capacity, and mobilise the workforce to install equipment. A sudden steep increase for load related expenditure in the later years of the period could put pressure on the supply chain, so investment needs to be brought forward to ensure realistic ramp rates.







Source: Ofgem 2025 Price Control Financial Model (PCFM) ED2 and ET sectors.

Networks manufacturing sector growth



For the first time, new data from BEAMA members gives a strong indication of the size of the network manufacturing sector and its contribution to the UK economy. It shows a sector that is already growing, with turnover and employment significantly up in the last two years. It indicates significant potential for growth in the UK networks manufacturing industry, with turnover and employment for the average company potentially doubling by 2035.

To realise this potential growth, BEAMA members will need the right policy and regulatory support – in particular, sufficient certainty of the pipeline of future demand for equipment.

BEAMA electricity network manufacturers make a significant contribution to the UK economy

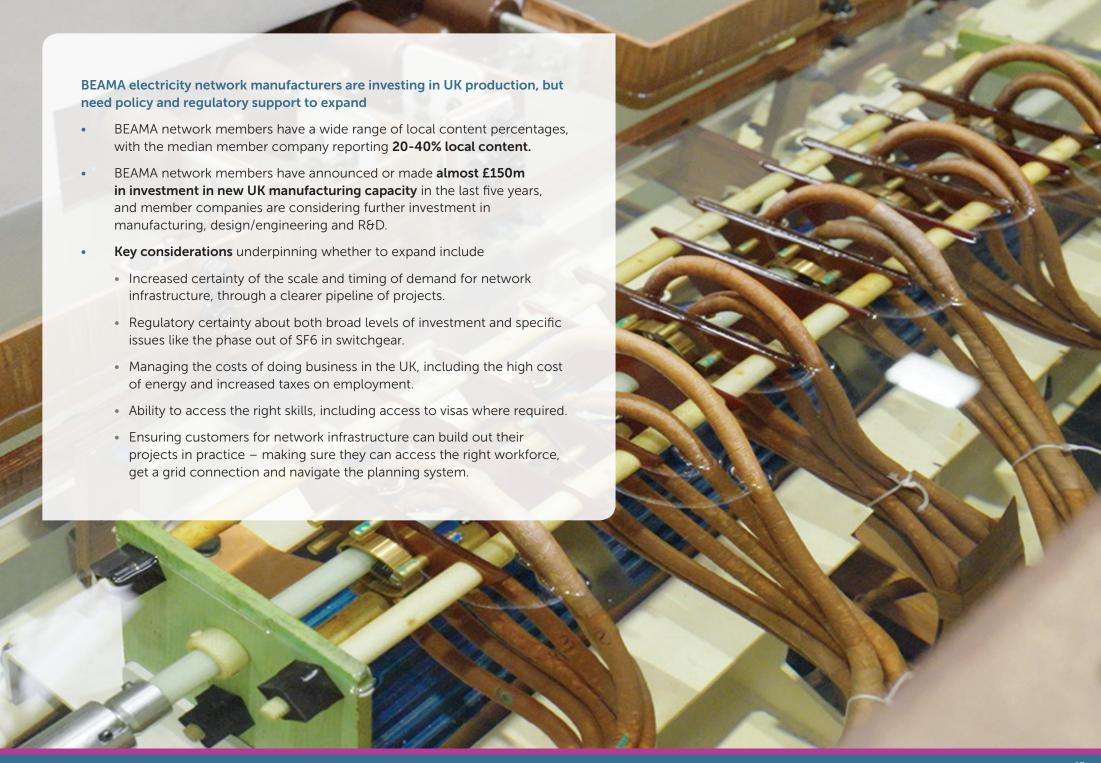
- BEAMA electricity networks member companies employ over 14,000
 people in the UK with turnover of around £2bn. They have employees
 in every region of England, as well as Scotland and Wales.
- BEAMA members make products in a range of categories, including switchgear, protection, transformers, HVDC and automation. They supply products at low, medium, high and extra high voltage levels, from <1000V to above 400kV.

BEAMA electricity network manufacturers have significant potential for growth

- Companies in the networks industry are growing the average member expects an increase in UK turnover of over 25% between 2023 and the end of 2025. UK employment is expected to grow by over 50% over this period.
- Companies expect to continue growing the average ENI member expects UK turnover to double by 2035 and UK employment to more than double.
- But increasing capacity will take time most companies would need at least two years to deliver a 50 per cent increase in capacity, with some needing five years or more.

CAs shown in BEAMA's latest Market Pulse, and demonstrated by Schneider Electric's recent investments in Leeds and Scarborough, there is an appetite to invest but there are concerns that are holding back investment - most notably the lack of certainty of future demand. This uncertainty risks damaging domestic supply chains which need time to scale up production and manufacturing. This will in turn make it harder for the UK Government to achieve its targets around clean power, heat pumps and EVs.

David Pownall, VP Power Systems UK&I, Schneider Electric



SMART METER INSTALLATIONS

To date, more than 39 million smart and advanced meters have been installed across the UK. While there was a slight uptick in installations in early 2025, overall deployment rates remain low, even as the programme marks real progress in the national rollout. The government's post-2025 framework sets a clear path to completing the programme by 2030, with stronger obligations on suppliers to resolve faults quickly, replace ageing systems, and ensure every device operates in full smart mode.

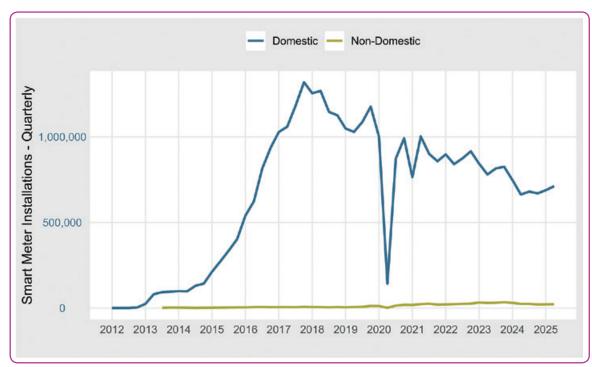
A major step forward will be the shift to 4G WAN communications, which will replace older systems and improve the reach and reliability of the smart metering network. This upgrade will give households and businesses more consistent connectivity, helping them make the most of smarter tariffs, flexible energy services, and new low carbon technologies.

The framework also provides long-term certainty for the sector, enabling manufacturers, suppliers, installers, and meter asset providers to put robust readiness plans in place. By setting out obligations and milestones through to 2030, it helps the industry coordinate efforts, build installer capacity, manage supply chains, and integrate smart metering with technologies such as EV chargers, heat pumps, and energy storage.

Alongside this, the government's *Enhancing the Smart Meter Installation Journey* consultation shows a commitment to improving the consumer experience. Priorities include coordinating smart meter and low carbon technology installations to reduce disruption, tackling installer capacity challenges, and boosting local engagement in areas with lower levels of rollout. It is expected that these steps will make the journey smoother for households and businesses, while speeding up progress towards clean energy goals.

Looking ahead, the government is keen to emphasise the benefits of completing the rollout: lower energy bills, greater consumer control, better data for managing the grid, and carbon savings that support the UK's Clean Power 2030 target. Smart meters will be the foundation of a more flexible, affordable, and low-carbon energy system.





Source: Department for Energy Security and Net Zero



HEAT PUMP INSTALLATIONS

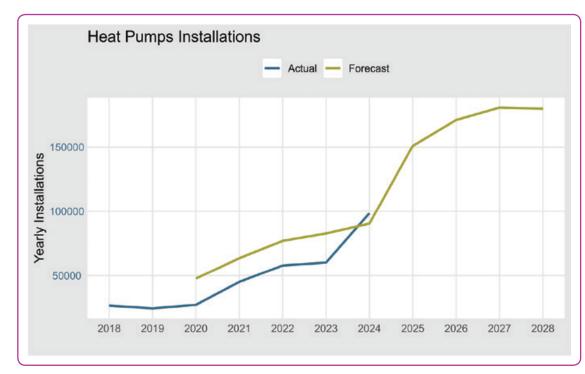
Actual installations reported by the Heat Pump Association as a reflection of 2024 sales. Half year 2025 suggests a 28% increase in sales, despite this increase we are some way off 2028 target and, as it currently stands, we note that the Boiler Upgrade Scheme statistics show a flattening out of vouchers issues along with a reduction in payments.

We also note a fall off in heat pump uptake for the Social Housing Decarbonisation Fund and the Home Upgrade Grant. ECO is not driving unit sales and if this is a reflection of lack of fuel poverty targeting it demonstrates the restrictive nature of policy for electrification.

To achieve 2028 targets and broader heat electrification objectives the UK will need to:

- Address the spark gap, i.e. the excessively high price of electricity compared to gas.
- Ensure there is no market distorting action to favour a single technology tariff relief option i.e. heat pumps only which will alienate the fuel poverty segment and represent an 'able to pay' benefit only.
- Act quickly to accelerate flexibility and appropriately recognise alternative heat electrification to the single narrative of heat pumps.
 This will be greatly effective in the fuel poverty segment.
- Integrate a broader heat electrification technology suite into the upcoming Home Energy Advice Tool within the Warm Homes Plan wrapper, and fast track EPC reform to promote these technologies.
- Address the current bottle-neck situation faced by heat pumps with respect to network connections... a long-standing issue which policy has not appropriately addressed.
- Bring equity to the fiscal incentive framework including VAT reduction for technologies that fit the flexibility framework as Energy Smart Appliances.
- Generally remove the myopic approach to heat electrification which discounts many thermal storage technologies and focuses on a single technology solution.





Source: HPA/ OFGFM (FFS forecast)



Click here to download BEAMA's What Shall I Do paper.

Through expanding the 'basket of heat electrification' measures, Government can offer light touch entry points for installers on their journey towards electrification and address the 20% non heat pump dwellings, and beyond.

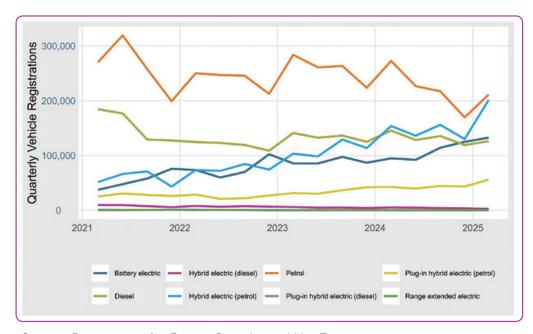
VEHICLE REGISTRATIONS – All Fuel Types & Public EV CHARGEPOINT INSTALLS

Battery EV Sales are continuing to rise but take – up is still too low to assure progress to the levels required.

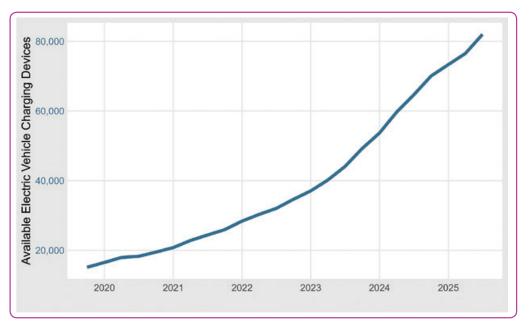
The proportion of Electric Vehicles sold in comparison to Internal Combustion Engines continues to increase, but at a slower pace than is needed. Battery Electric registrations for the first time have overtaken Diesel.

The maintenance and improvement of incentives to purchase EVs is essential to maintain growth in the market, linked to increased provision of EV charging infrastructure.





Source: Department for Energy Security and Net Zero



Source: Department for Transport



Conclusion

BEAMA Members' submissions to the most recent Trends Survey present a surprising picture of the state of the industry.

Sales, which had been reported as matching the highest levels over the past 5 years during late 2024 and early 2025, are now reported as plummeting to the lowest levels since the pandemic period of mid-2020. There was a spread of varying results, and over 40% of members reported increased Sales in the period, but the majority were seeing static or falling levels. For some at least, reduced sales seems to have been the result of projects being put on hold due to the difficult and highly volatile trading conditions in early 2025.

A much more positive picture was seen in reports on Business Optimism.

In a complete contrast to Sales reports, BEAMA members had shown very low levels of Optimism during the end of 2024 and beginning of 2025 but this sprang back to the highest level reported since early 2023. The marked increase in Optimism appears to be attributable to (i) a combination of largely positive news for UK international trading conditions with deals and accommodations struck with the major markets in the EU, USA and India and (ii) the positive indications in the UK Industrial Strategy for Grid Infrastructure growth, Clean Power and increased electrification generally, notably for Heating.

Further positivity was seen in Exports, reported at the highest levels overall since late 2022 and bouncing back from levels below the 5-year average during 2024 and early 2025. Less positive indications were shown in Capacity Utilisation, which was at the lowest level reported since the pandemic. Since some sectors and individual members report operating at full capacity, this means that there is enormous room for increase and growth across the full electrification supply chain.

Despite the low levels of Capacity Utilisation, BEAMA members have very positive Investment Intentions, with both the 12-month and 5-year view showing very strong investment planning, primarily in innovation, with Product Improvement being the top priority reported.

We have also been able to take a closer look at the UK supply chain for transmission and distribution equipment manufacturing.

BEAMA members are central to the UKs grid upgrade plans and Clean Power by 2030, and we know demands on our supply chain will be increasing in coming months and years.

This presents a challenge for delivery in securing UK capacity but also an opportunity for growth, identified clearly in the UK industrial strategy with the identification of networks as a foundational sector in the Clean Energy Industries Sector Plan. What we can see from this market pulse is new evidence demonstrating the size and growth of the electricity networks sector, with turnover and employment significantly up in the last two years and almost £150m of investment in additional capacity either planned or already made. Our hope is the UK Grid Industrial Growth Plan, now led by BEAMA and ENA, will help us capitalise further on this opportunity and ensure we know what the economic opportunity is and manage any risks to supply for the UK market.

Overall, there is strong confirmation that, while the UK electrotechnical industry is responding to positive messages from the government on Industrial Strategy, those favourable policies must be matched with strong and consistent delivery and remaining policy gaps must be quickly filled. Without this, the investments made by industry will not lead to the growth that both manufacturers and the UK economy so clearly need.



BEAMA MEMBER CASE STUDIES







Dimplex

Reducing social housing energy costs with off-peak tariffs and Dimplex low-carbon technology

South Kesteven District Council in Lincolnshire want to ensure their social housing tenants have access to the lowest energy costs. During the refurbishment of an off-gas, 3-bed end-of-terrace property, the council took the opportunity to install Dimplex Quantum high heat retention storage heaters providing access to low-cost energy tariffs. These were paired with the low-carbon Edel hot water heat pump to provide an energy efficient solution for both heating and hot water. With around 1,500 off-gas social housing properties to manage, they were keen to look for electric heating and hot water solutions that would meet expectations. This Dimplex solution provides the council's social housing tenants with full control over thermal comfort helping to reduce their energy bills.

Five Quantum heaters were installed with standard dual-supply wiring to enable the units to take advantage of off-peak tariffs, while a 200 litre Edel replaced the existing direct acting electric cylinder. This combination gives tenants the option of signing up to low-cost energy tariffs.

Jordan James, Mechanical Contract Manager for South Kesteven Council, commented: "We arrange a retrofit assessment before carrying out an installation of a low-carbon heating system. This assesses the property's condition and current energy performance to ensure the system meets the requirements of the property."

David Patrick, Head of Specification Marketing at Dimplex, sums up the appeal:

Local authorities and housing associations recognise that Dimplex offers their tenants access to one of the most affordable heating tariffs in the UK energy market and highly efficient hot water provision, helping to cut energy bills and alleviate fuel poverty.



CThis case study with South Kesteven District Council is an example of our collaborative work in social housing refurbishment. It is vital that the Warm Homes Plan continues to recognise that heat pumps are not always the best solution for existing housing stock, where a mix of alternative low-carbon technologies can bring significant benefits to housing providers and tenants as well as to the grid.

Spencer Clark, Commercial Managing Director, Dimplex

Schneider Electric

Production starts at Schneider Electric's state-of-the-art manufacturing site in North Yorkshire to turbocharge UK energy transition

 New 16,500 sq m smart plant delivers electrical equipment critical in the move to cleaner energy, following £42 million investment

London (UK), September 8, 2025 – Schneider Electric, the leader in the digital transformation of energy management and automation, has officially opened its new state-of-the-art smart plant in Scarborough, North Yorkshire, with full site commissioning targeted by year end.

With Britain's electricity needs expected to increase up to 40% by 2035, the plant is designed for long-term growth, producing the critical electrical equipment needed as the UK moves to cleaner energy.

Schneider Electric's manufacturing roots in Scarborough stem from the 1930s and this history has resulted in a considerable amount of product development and manufacturing knowledge being captured in the local workforce. Customers will now benefit from a combination of this knowledge and skills and the latest manufacturing processes and technology.

By manufacturing in the UK for UK organisations, Schneider Electric is building resilience into the nation's critical electrical infrastructure, reducing exposure to global supply chain shocks and slashing both costs and carbon emissions through shorter, optimised transport and logistics routes.







UK production means faster, more flexible delivery of bespoke engineering solutions, tailored to the unique needs of UK projects. Customers can visit the Scarborough site, collaborate directly with product designers and engineers, and ensure products fully meet their needs before moving into production. The UK site will produce equipment to meet British standards, meaning they are export-ready for Commonwealth markets.

The new facility will also significantly boost the EV charging network in and around Scarborough. An additional 30 EV chargers will be hosted on site, increasing local EV charging infrastructure by more than 110%[1] and accelerating the transition to electric fleets.

The factory will also serve as a global blueprint for sustainable design and operations in manufacturing. Net-zero in Scope 1 and 2 emissions, the plant uses modern technology to reduce energy waste and maximise the use of renewable energy – 30% of which will come from its own advanced solar energy system.

The site's opening cements Schneider Electric's long-standing commitment to Yorkshire, building on a legacy of operational excellence and a workforce with decades of experience supporting customers – some with over 50 years' service. This follows a major 2023 investment in Leeds.

UK manufacturing is the backbone of the nation's infrastructure drive. With electricity demand set to hit new heights, our Scarborough site – rooted in Yorkshire expertise – gives us the scale and agility to respond quickly to market changes and support the UK's energy transition and beyond. By expanding our local footprint, we're working even closer with customers to deliver a decarbonised, resilient energy system for the future.

Kelly Becker, President at Schneider Electric, UK & Ireland, Belgium & Netherlands



myenergi – Driving the future of sustainable homes

myenergi is a UK-based smart energy technology company, founded in 2016 and headquartered in Grimsby. It has grown rapidly, investing in new facilities, developing award-winning products and expanding internationally – all with the aim of helping households accelerate the transition to a Net Zero future.

Best known for zappi, the world's first solar-compatible EV charger, myenergi has expanded its ecosystem to empower households to cut carbon and lower costs. Each innovation is designed around one clear mission: to make sustainable living accessible, affordable and convenient.

Sustainable growth rooted in the UK

Over the past four years, myenergi has invested significantly in UK production facilities, creating skilled green jobs and strengthening the Humber region's reputation as a clean technology hub. The HQ and factory are powered by roof-mounted solar, covering 25% of demand annually and up to 50% in summer.

Designing for a low-carbon future

Sustainability is at the heart of product innovation. The new zappi GLO EV charger cuts cradle to gate embodied carbon by 35% through reduction in material use, whilst selection of recyclable plastics improves end of life reuse of materials, weight and size reduction decrease emissions from shipping. It can run entirely on home solar, while offering smart grid integration, app-based scheduling, and compatibility with myenergi's wider ecosystem.

The ecosystem brings together zappi, the libbi home battery and the eddi power diverter, creating a fully integrated home energy management system (HEMS). Together, these eco-smart solutions give households complete control over how

energy is generated, stored and used – from capturing solar to allowing switching between smart tariffs and diverting surplus power into heating or hot water. The result is a smarter, simpler way to cut costs and carbon.

Delivering positive outcomes

- Climate & market transition myenergi's ecosystem directly supports the UK's Net Zero targets, with EV adoption projected to exceed 10 million vehicles by 2030.
- Community & skills Investment in Grimsby is reshaping the local economy, creating skilled green jobs and putting the region at the forefront of clean energy.
- Global reach With operations spanning Ireland, Germany, the Netherlands, and Australia, UK-developed innovation is helping households worldwide embrace renewable living.

Driving the net zero transition

With nearly 300,000 connected devices managing 1.7GW of load, and a team of 253 employees, myenergi is scaling solutions that cut costs and reduce emissions. Built in the UK to the highest safety and compliance standards, myenergi products give installers and customers confidence in their quality and reliability. By focusing on smart, sustainable design and creating products that lower carbon, myenergi is playing an important role in the UK's wider transition to net zero.

Consume energy.

Emma Brigginshaw, Head of Sustainability & Ethics, myenergi









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