

Terra Firma Energy – Flex Gen in the UK's energy transition was reaffirmed by the recent CfD Auction Clearing Prices

Terra Firma Energy - The critical role of Flexible Generation in the UK's energy transition was reaffirmed by the CfD Auction Clearing at Higher Wind Prices.

LONDON, UNITED KINGDOM, January 17, 2026 /EINPresswire.com/ -- The UK's latest Contracts for Difference (CfD) Allocation Round results confirm a major step forward for clean electricity buildout, while also highlighting a simple truth about power system economics: as wind and solar scale, flexible, dispatchable capacity becomes more valuable and, done well, cheaper for consumers than the alternatives.

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Zach Dodds-Brown - Development Director Terra Firma Energy.

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Why higher wind clearing prices make flexibility even more important

AR7's higher clearing prices reflect well-documented inflation and supply chain pressures across



Terra Firma Energy Limited

The Department for Energy Security and Net Zero (DESNZ) published Allocation Round 7 (AR7) results on 14 January 2026, awarding a record 8.4375GW of offshore wind projects. Clearing strike prices (in 2024 prices) were £91.20/MWh for offshore wind (fixed-bottom), £89.49/MWh for offshore wind projects in Scotland, and £216.49/MWh for floating offshore wind.

“These outcomes show the UK is serious about building clean power at scale,” said Zach Dodds-Brown, Development Director at Terra Firma Energy. “But they also reinforce why the transition must be built on two pillars: abundant low-carbon energy and dependable flexibility that can respond in minutes and run when the weather

offshore wind. The UK now has a larger volume of renewables coming online at fixed, index-linked contract prices and that makes the system costs around intermittency, constraints and balancing increasingly material.

The National Energy System Operator (NESO) has been explicit that balancing costs are driven by the changing generation mix and network constraints as the system decarbonises, and it has identified major consumer savings through market and operational reforms.

Meanwhile, UK government analysis has highlighted the scale of potential savings from flexibility: the Statutory Security of Supply Report 2025 notes that flexibility (alongside storage and interconnection) could save up to £10bn per year (2012 prices) by 2050 by reducing how much generation and network build is needed.

Flexible generation: a critical asset class for a low-cost transition

Flexible generation (often called “flexgen”), fast-start, high-ramp plants that operate at low load factors and respond to peaks and system needs, is a core tool for keeping the system reliable without overbuilding expensive assets.

NESO’s Clean Power 2030 analysis has stated that gas-fired generation capacity remains essential for security of supply until sufficient low-carbon equivalents are built. In other words: flexibility is not a “nice to have”; it’s part



Terra Firma Energy believe the UK's energy transition must be built on two pillars: abundant low-carbon energy and dependable flexibility that can respond in minutes and run when the weather doesn't cooperate.



Flexible Generation is essential in keeping the UK's energy system reliable without overbuilding other more expensive assets. NESO's Clean Power 2030 analysis has stated that gas-fired generation capacity remains essential for security of supply. Terra Fi

of the engineering reality of a weather-dependent grid.

"When flexibility is absent, the system pays anyway, through higher constraint costs, inefficient redispatch and increased balancing actions," Zach added. "Well-located, well-operated flexible generation reduces the amount of 'backup' the system must carry, supports renewable integration, and lowers the total cost to consumers."

Recent reforms and policy discussions also recognise that cutting constraint and balancing costs is a consumer priority. Reuters has reported that network and market upgrades could save up to £4bn in constraint payments by 2030, citing NESO.

[About Terra Firma Energy](#)

Terra Firma Energy constructs, owns and operates flexible power generation plants across the UK. With three operational sites and additional sites under construction totaling 116MW, the company is expanding through development and acquisition to support the UK's transition to a resilient, flexible, low-carbon energy system.

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