



MARKET PULSE

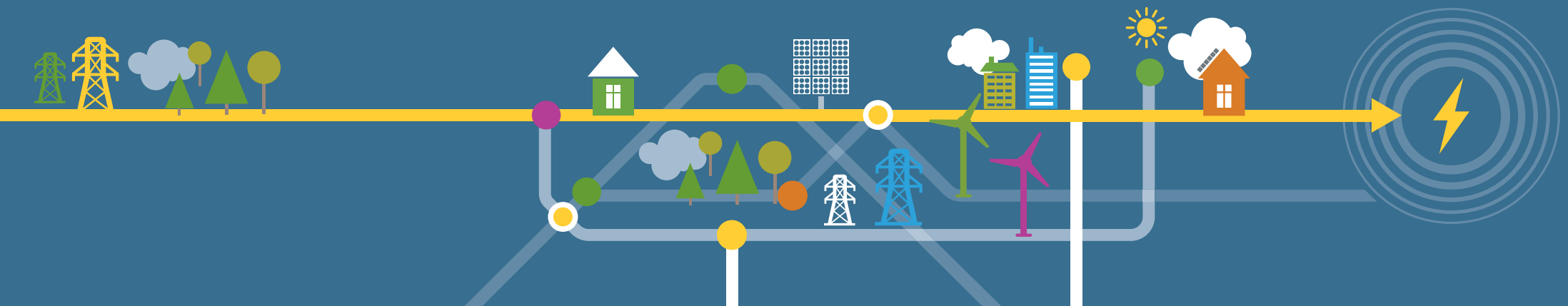
FOR THE UK ELECTRICAL
PRODUCTS SUPPLY CHAIN
Q2 2026

BEAMA QUARTERLY MARKET PULSE – September 2026

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.



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Yselkla Farmer
CEO
BEAMA

CEO Foreword

Since we started BEAMA's Market Pulse, the consistent message from our members in all sectors has been that the number one requirement for growth in our industry is demand. Despite challenges with supply chains, raw materials, skills shortages, regulatory barriers and others, all of which remain significant issues, our members are clear – if customers are ready to order products, systems and services, they will supply them.

Despite this, members continue to be hindered in their drive for further growth by the lack of certainty and reliability in customer demand. This has caused issues in our construction-facing sectors of Building Electrical Systems and Heating & Ventilation, as they deal with continuing sluggishness in housebuilding and face forecasts of downturns of up to 10%. Further reliance on just-in-time ordering from distributors makes it even more difficult to ensure consistent supply. On the Networks side, uncertainty from Operators over Ofgem requirements in ED3 have led to reports of slowdowns in demand from what should be the sector with consistent growth as grid reinforcement gathers pace.

BEAMA's members have consistently stated their strong intention to invest in all areas and yet we continue to see capacity utilisation – the extent to which their production facilities are fully occupied – hovering below 75%. While this is an average and some members are fully utilising capacity, others anecdotally report investing in expanded and new factory production and jobs, that are then left under-used due to lack of predicted orders.

UK electrical manufacturers stand ready to fill the Britain's requirements for electrification but without the assurance of demand, the case for investment becomes ever harder to make.

Headlines



#ACCELERATING
ELECTRIFICATION

Key headlines:

BUSINESS OPTIMISM

Business Optimism remains subdued overall, but all sectors report neutral or negative balances.

Commentary around Business Optimism shifted from general uncertainty to global challenges.

SALES

Major drops in Sales for Q2 2026 in H&V and ENI sectors dragged the cross-sector balance to the lowest level for many years.

CAPACITY UTILISATION

Capacity Utilisation averaged across the whole of BEAMA's membership remains modest and drops to the worst level since the pandemic.

RAW MATERIAL & COMPONENT COST/ AVAILABILITY

Members are generally untroubled by availability issues, but costs of metals are a major concern.

INVESTMENT INTENTIONS

Investment intentions for the next 12 months came back slightly in Q2, and intentions over the longer term remain positive but show continuing slight decline.

SKILLS & EMPLOYMENT

BEAMA Members continue to plan jobs expansion despite business challenges.

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.



#ACCELERATING
ELECTRIFICATION

Our sector

UK TURNOVER

£14
BILLION

90,000

PEOPLE
EMPLOYED
IN THE UK

EXPORTING

£5
BILLION
WORLDWIDE

Low carbon potential

£1tn¹

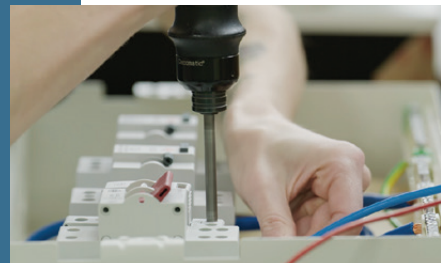
GLOBAL MARKET
OPPORTUNITY

10%²

ANNUAL CLEAN
ENERGY WORKFORCE
GROWTH TO 2030

1 <https://www.mckinsey.com/capabilities/sustainability/our-insights/opportunities-for-uk-businesses-in-the-net-zero-transition>

2 <https://www.gov.uk/government/publications/clean-energy-jobs-plan>



Our members





#ACCELERATING
ELECTRIFICATION

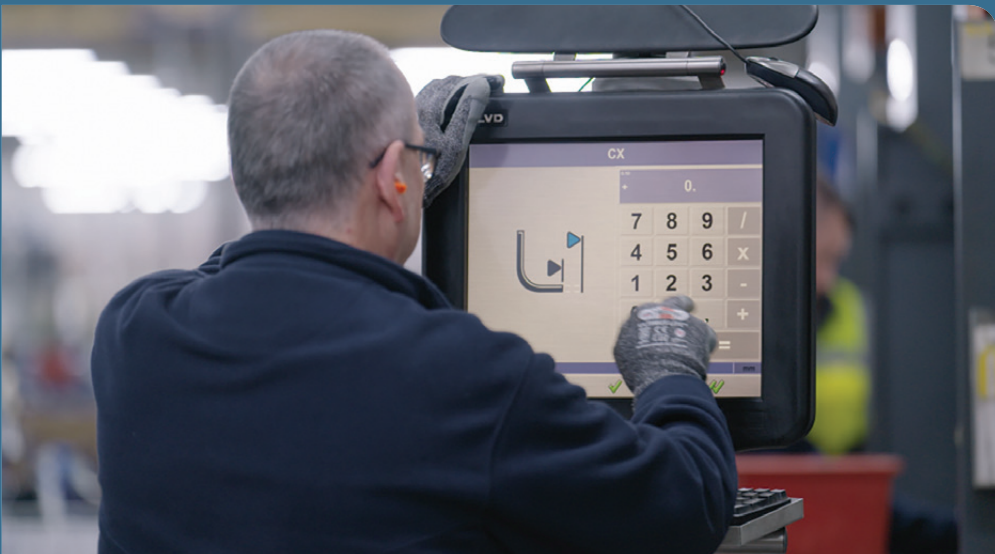




LATEST FINDINGS

Trends Survey Q2 2026

For many years BEAMA has surveyed our members to discover the trends in the market that help manufacturers gauge their own positions and survey the industry as a whole. In recent years, the Trends Survey has formed the centrepiece of BEAMA's Quarterly Market Pulse.



Through the Trends Survey data, collated into this Market Pulse, we provide a window into the real-life, real-time experiences of manufacturers in the UK electrical and energy supply chain.

Government, industry stakeholders and media can assess the state of the UK electrotechnical industry and how well current economic and regulatory policies are delivering for British manufacturing. We have broken down the results to provide a more granular and detailed picture of BEAMA's constituent sectors:

- ▶ **Building Electrical Systems (BES)**
- ▶ **Heating & Ventilation (H&V)**
- ▶ **Electricity Networks Infrastructure (ENI)**
- ▶ **Electrical Transport Systems (ETS)**
- ▶ **Smart Energy Systems (SES)**

For our newer member sectors, ETS and SES, we have a relatively small sample size, so have combined the results for these sectors to provide a picture for the emerging technologies as a whole. Most importantly, we are now able to compare member experiences between those working mainly with Utilities and those working more in the Construction sector, amongst other comparators.

Business Optimism remains subdued overall but all sectors report neutral or negative balances.

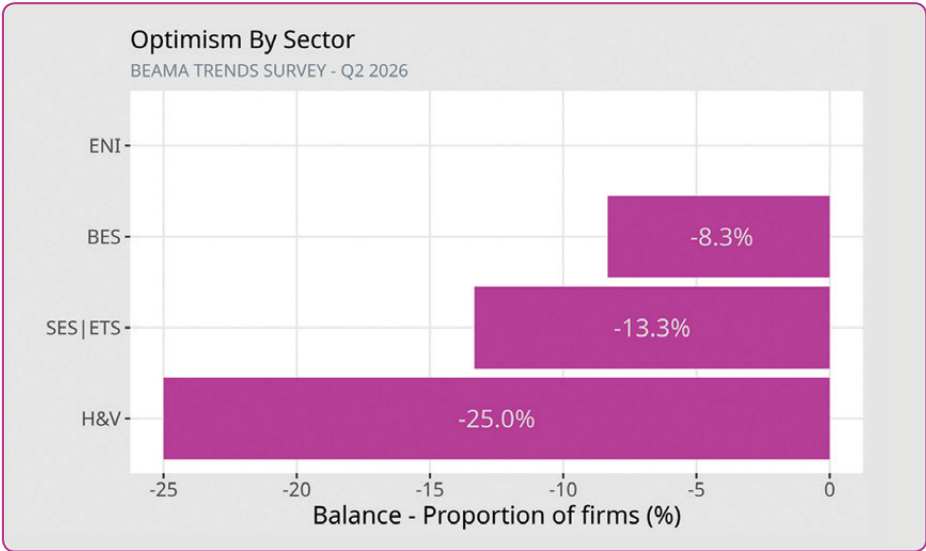
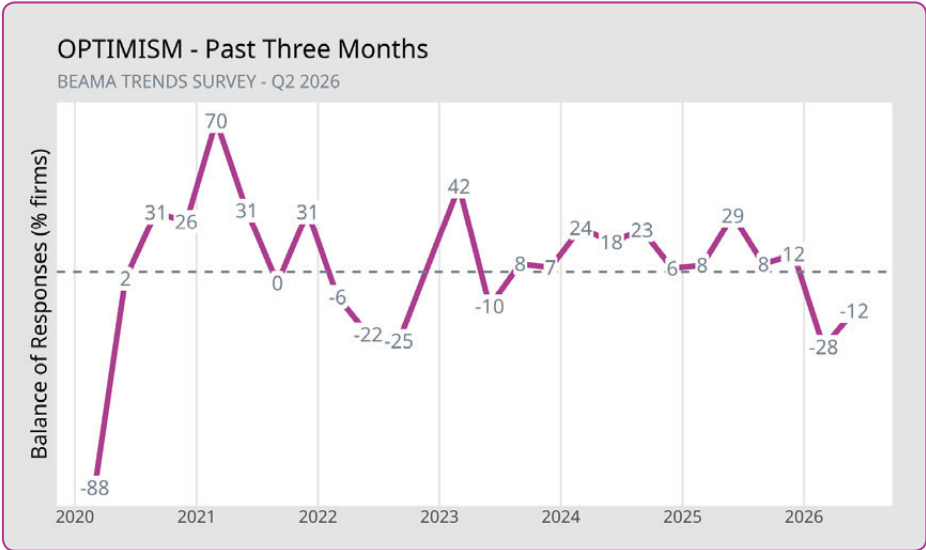
Are you more, or less, optimistic than you were 3 months ago about the general business situation in your industry?

BEAMA tracks the business optimism of members. With some ups and downs, during 2024 and 2025 this had stayed at or above the 5-year average.

Q1 of 2026 saw a huge drop in Business Optimism across BEAMA’s membership, going down to the lowest level since the pandemic period. There was a modest improvement in Q2 but the balance remains the worst since 2023.

In Q1, ENI members were the only positive sector but even those members have dropped to a neutral balance. Despite significant levels of attention to the growth of the sector from Government, notably through the Electricity Network Sector Growth Plan, actual orders are not being placed at levels sufficient to meet the UK’s needs or justify continuing investment by manufacturers in UK capacity.

For those sectors linked to the Construction Industry, the levels of Optimism remain low, especially in the H&V sector where Government initiatives are not translating into growth or positivity.



Source: BEAMA

Please feel free to comment on key issues influencing this quarter's response:

In the word cloud for Q2 2026 (below), the focus on the geopolitical position has largely shifted back to market-driven concerns. Although references to costs are an even greater concern, and in some cases relate to the conflict, references to the market being “flat” and “slow”, along with “uncertainty” have become more prominent.

When taken together with concerns over the state of the UK construction market, difficulties in stimulating consumer demand in clean heat, stalling electricity networks procurement, along with increased costs in essential inputs, reducing optimism is understandable as growth proves elusive.





Major drops in Sales for Q2 2026 in H&V and ENI sectors drag the cross-sector balance to the lowest level for many years.

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

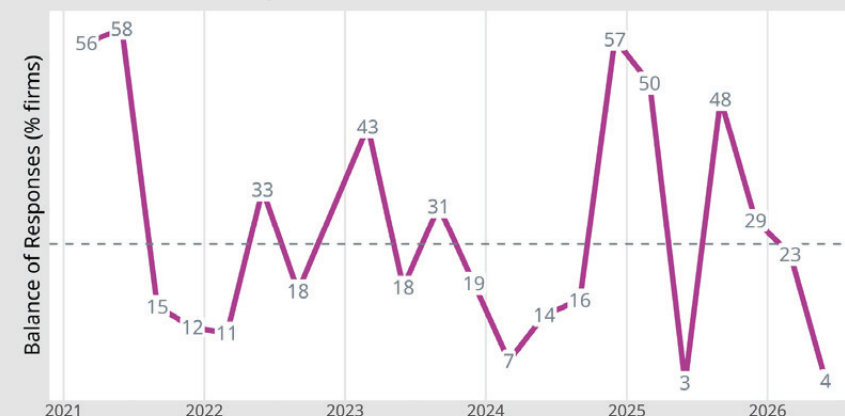
We saw a big drop in Sales at the end of 2025 and a further but less marked drop in Q1 2026. Q2 saw a further dramatic drop overall to one of the lowest points in many years.

On the sector breakdown in Q1, two sectors reported neutral sales volumes and two were positive. In the most dramatic turnaround, ENI members reported a very significant increase in sales in Q1 and then were the worst-performing sector in sales for Q2.

H&V went from flat in Q1 to a negative balance of minus 22.2% in Q2, while BES members recorded the biggest increase after a neutral Q1. This may reflect continued stockpiling from customers to mitigate cost increases from the Middle East conflict. In addition, the effects of a prolonged downturn in construction will not fully hit the BES market for some months.

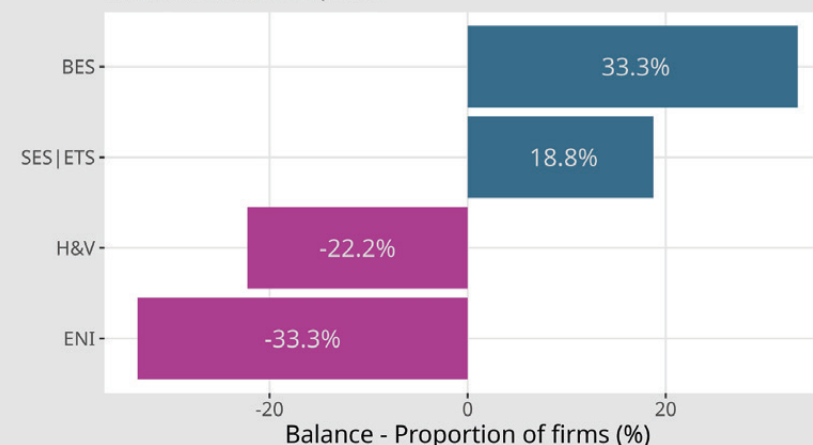
SALES - Past Quarter

BEAMA TRENDS SURVEY - Q2 2026



Sales By Sector - Past Quarter

BEAMA TRENDS SURVEY - Q2 2026



Source: BEAMA

Capacity Utilisation averaged across the whole of BEAMA's membership remains modest and drop to the worst level since the pandemic.

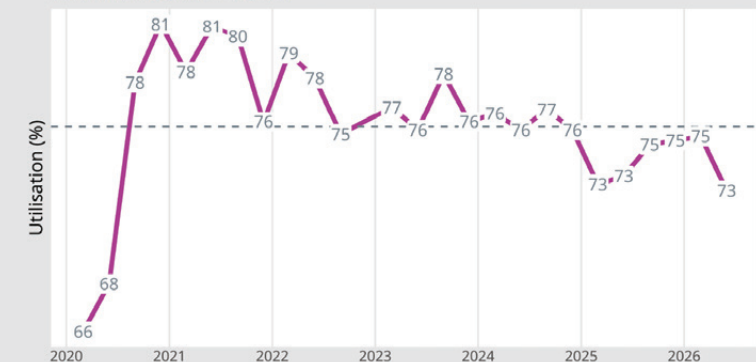
What is your estimate of the current level of capacity utilisation?

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 and to what extent the invested capital is making a return.

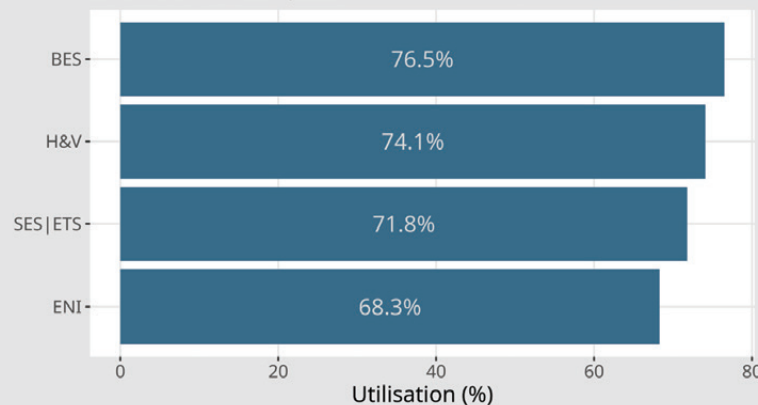
This is dispiriting at a time when electrification should be accelerating strongly. Looking at the breakdown into bands, it is arguably a worse picture, with only ~60% of members reporting capacity utilization at 71% or higher and ~40% reporting 70% or lower, with over 10% below 50%.

Shockingly, members in the ENI sector are reporting a balance of capacity utilisation of 68.3%, despite the high level of growth that will be needed to maintain the UK's electricity supply.

CAPACITY UTILISATION
BEAMA TRENDS SURVEY - Q2 2026

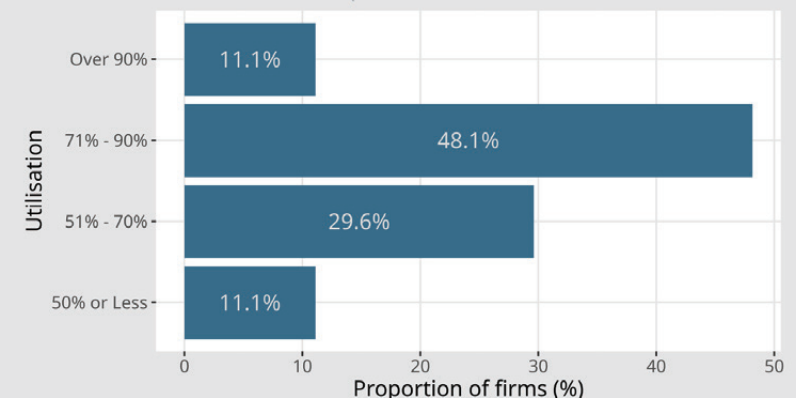


Capacity Utilisation By Sector
BEAMA TRENDS SURVEY - Q2 2026



Source: BEAMA

Capacity Utilisation - Breakdown
BEAMA TRENDS SURVEY - Q2 2026

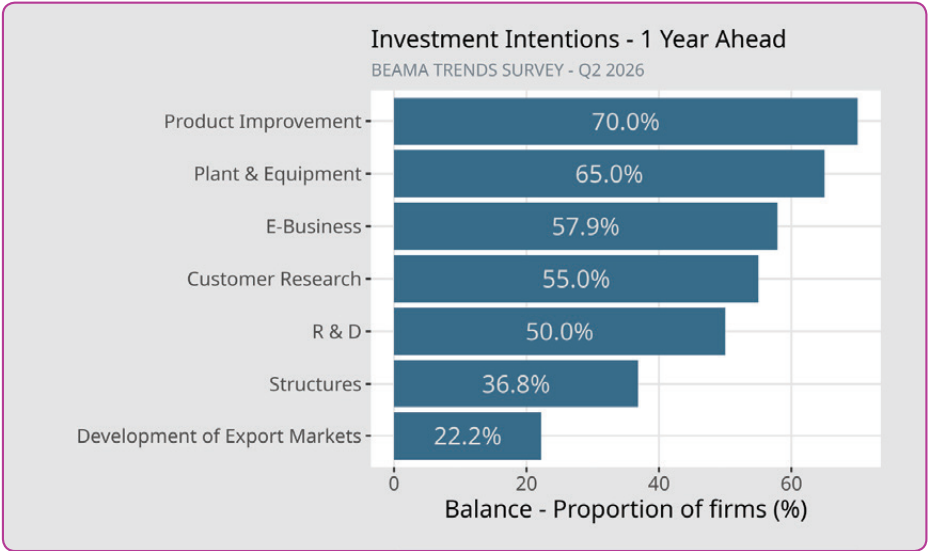
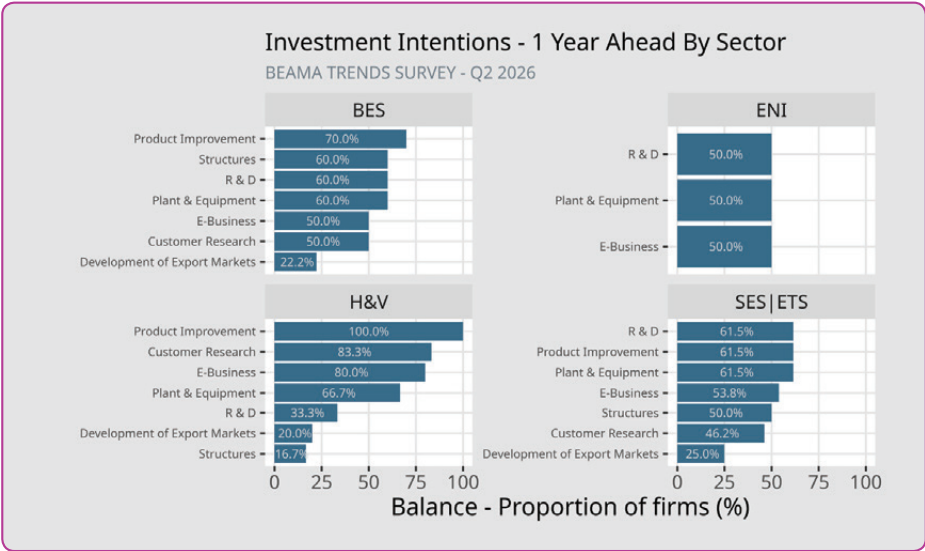
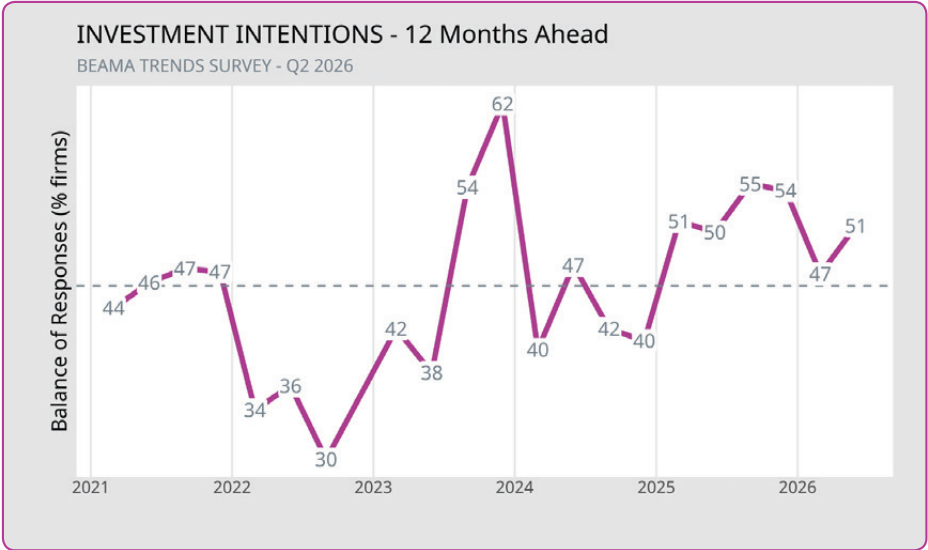


Investment intentions for the next 12 months came back slightly in Q2.

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

A positive outlook across the BEAMA membership for the coming 12 months took a drop during early 2026 but came back slightly in Q2.

Product Improvement regained first place as the area most frequently cited. On the sector breakdown, there were subtle but interesting variations. H&V were more focused on Customer Research than other sectors reflecting the challenges of stimulating consumer understanding and demand. ENI members appear to be highly focused on specific areas, notably not including Structures as production capacity is not currently fully utilized.

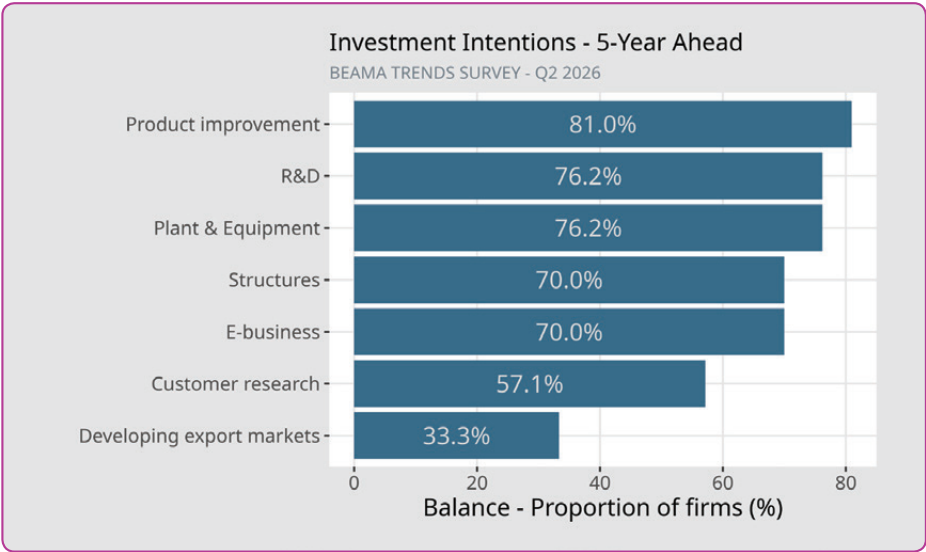
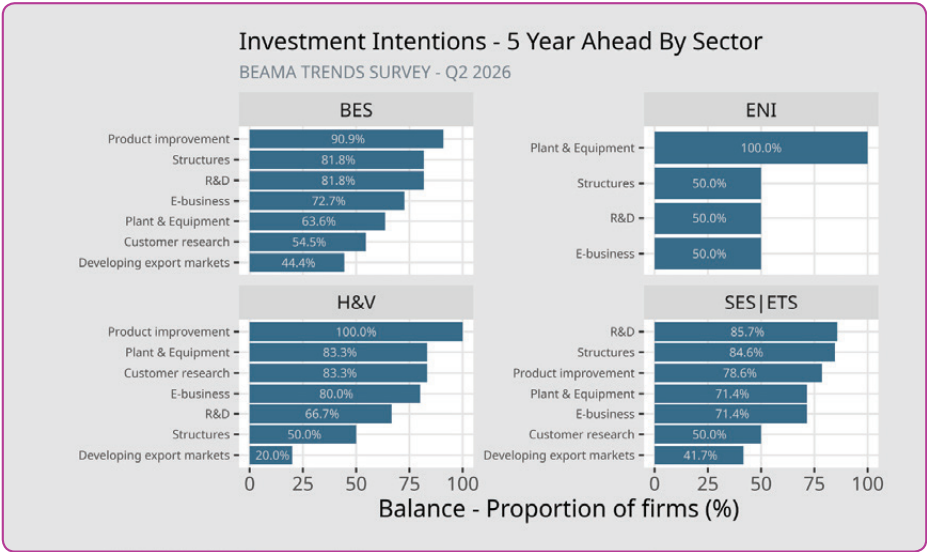
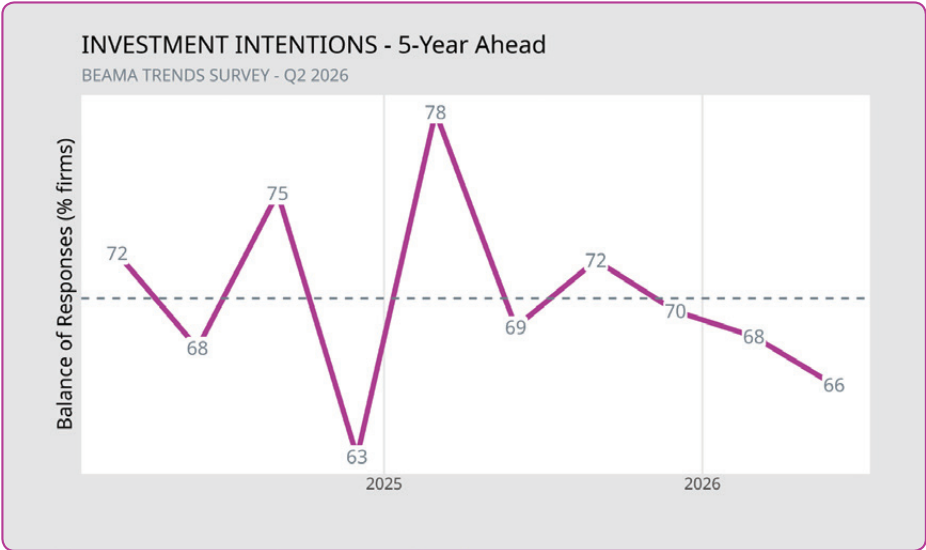


Source: BEAMA

Investment intentions over the longer term are positive but show some slight decline.

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 albeit not quite so strongly as in some previous quarters. Plant & equipment has risen to the top position but is very closely followed by e-business, including AI, and Product Improvement.



Source: BEAMA



BEAMA Members continue to plan jobs expansion despite business challenges.

How do you anticipate your number of employees will change over the next 12 months?

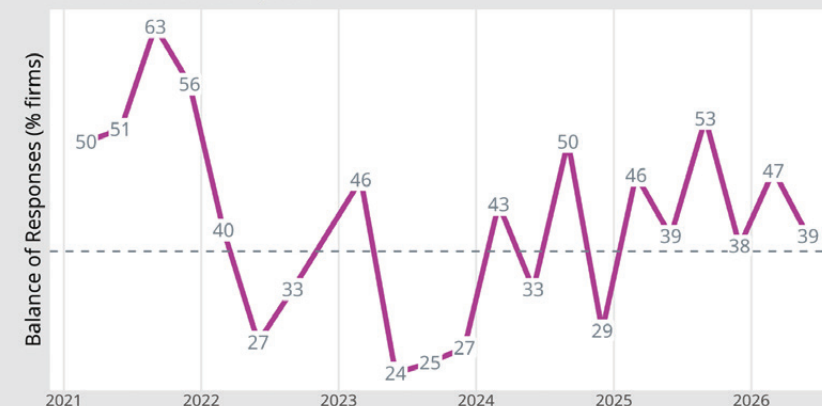
BEAMA members' hiring intentions have seesawed over the past 2+ years. They continue to find their intentions difficult to fulfil due to lack of skilled engineers and excessive labour costs.

Particularly interesting is that even in those Sectors with low Business Optimism and low recent Sales, Hiring Intentions remain extremely strong. Being able to turn those intentions into reality remains a further challenge,



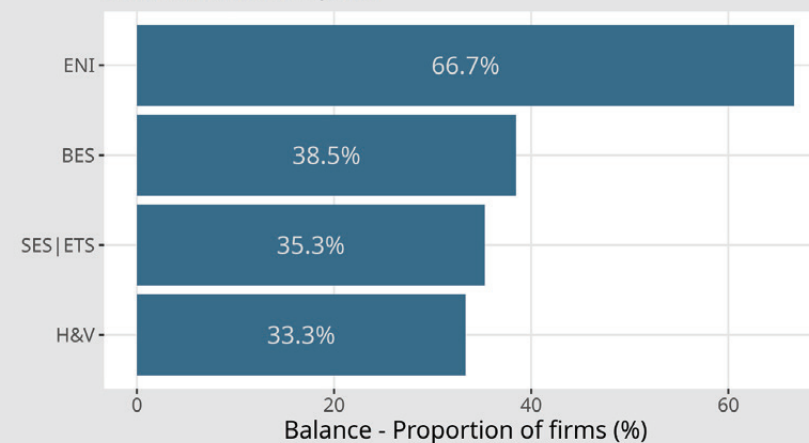
HIRING INTENTIONS - Next 12 Months

BEAMA TRENDS SURVEY - Q2 2026



Hiring Intentions By Sector

BEAMA TRENDS SURVEY - Q2 2026



Source: BEAMA

Policy tracker

Perhaps as a result of political uncertainty in Q2 2026, there was a sense that policy progress had slowed. Across all sectors, members are eager to see actual implementation of measures that can have a material impact on their markets.

As costs rise, demand-side policy needs to be even more transformational to improve the fortunes of manufacturers. Unfortunately this is not the case. Using warm homes as an example, as we fed back to the ESNZ Committee inquiry recently we are lacking the key pillars of policy that would enable investment in electrification technology, and we are lacking consistent information and advice too. Government still has these issues on its agenda, but there are many key decisions still outstanding or far from delivery.

Policies that have been implemented:

- Electricity bill discounts and direct bill support payments
- Local and social grants
- Extension to BUS

Waiting for decisions on:

- Design of Home Energy Model
- Warm Homes Fund
- Warm Homes Agency
- VAT relief for ESMs post-2027
- Merging of local and social grants
- Where heat networks will be located
- Non-heat pump heating options
- Product standards for space heating
- Details of Smart Secure Electricity System regulations

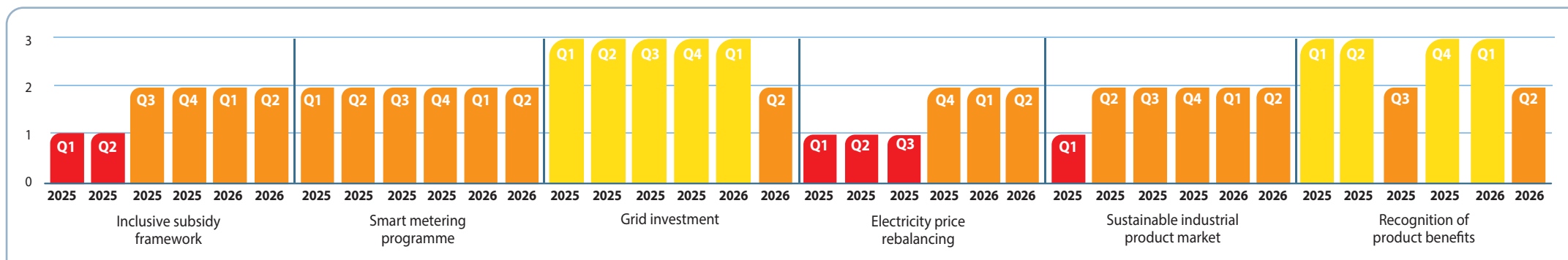
Mostly confirmed but impact is far off:

- Future Homes Standard
- Minimum Energy Efficiency Standards for all rented homes
- Updated Decent Homes Standard
- EPC format changes
- Greater role for DNOs in energy efficiency
- Growth in electricity transmission and distribution networks

Not been addressed by policy:

- Phaseout of fossil fuel heating in all homes
- Structural electricity price changes
- Fabric efficiency in owner occupied homes
- Giving consumers a pathway
- A full sequenced mass market retrofit strategy
- Practical regional delivery models

Figure 1: Policy tracker



On subsidy schemes, scopes have expanded somewhat but still not fully enough, energy efficiency scheme delivery has dropped off further, and the proposed ZEV mandate changes could counteract more favourable EV policies.

On smart metering, the programme continues with a somewhat changed emphasis but with slower than hoped progress towards completion.

On grid investment, we are looking forward to the Growth Plan but the results from our trends survey suggest messaging from Ofgem on distribution has been poorly received, while some indicators show progress to the networks growth needed for Clean Power 2030 is off track.

On electricity prices, there have been further measures to chip away but the spark gap remains large while bills are forecast to rise later in the year.

On the market for sustainable industry, we have a challenge to meet on data reporting. On recognition of product benefits, a lot of detail is still needed for HEM and EPCs, and implementation is behind schedule.

We hope that new Ministers can accelerate policy development to bring improved demand and stimulate business investment.



Electric Transport Systems

EV Sales Figures:

Cars

August 2026 marked a strong month for EV sales, with 30% of new car sales being EV.

EV sales have had a strong 2026 aided by the ongoing geopolitical crisis, which has accelerated the decision to go electric for drivers. EV sales halfway through the year now represent over 25.5% of the market share, ensuring that new EV sales are now higher than the real ZEV mandate target of 24.7% once flexibilities are accounted for.

Vans

For vans the picture is more complex. In August van sales reached an all-time high of 17% of new van sales. The real target after flexibilities was around 15.7%. With changes to regulations around BEV vans and increasingly attractive models coming on the market, the picture for vans is looking a lot brighter than the previous quarter. But Government must also do more to reduce the time and cost of grid connections at depot which may still hold back some fleets that want to electrify more quickly.

HGVs

For HGVs where there is no ZEV mandate but two targets to end the sale of ICE trucks in 2035 and 2040 the picture is more complex. At present electric HGV sales remain negligible at less than 2% of August's sales at only 46 electric HGVs sold.

With Government recently consulted on a HGV ZEV Mandate, this could be a key enabler to see growth in new eHGVs sales, particularly with a requirement for larger fleets to have a mandate put on them as well.

What this tells us

Overall, it is clear that the ongoing price instability of oil has shown once again that EVs are the more affordable option for drivers and fleets, who through electrification will be increasingly protected from price inflation as a result of geopolitical turmoil. With clean power 2030 making great strides, the price of electricity with more of it coming from domestic sources, the price of electricity should also remain more stable in future.

Overall ev car sales show strong growth and vans are now accelerating as newer models have come on the market that are more attractive to fleet operators. What this shows is that the ZEV Mandate is working and the demand is there. EV Charge Point manufacturers are organically telling BEAMA that charge point sales have been very strong this year, in line with the increasing number of EVs being sold.

EV Charging Figures:

Public charging

Meanwhile with more EV drivers on the road, public charge point rollout is continuing to rise steadily, 123,677 EV charger now live. According to Zap Map this represents a year-on-year growth of **8.4%**, with 7,634 new EV chargers added so far in 2026.⁴

Wider market commentary

Overall, the market is currently in a strong place in terms of EV and charge point sales. Domestic charge points continue to provide significant savings for consumers and can now be installed even more quickly and at lower cost for those without access to a driveway, thanks to recent changes to permitted development rights.

One of the biggest challenges which has remained so is the availability of and speed of a new grid connection which is slowing down public and fleet charge point installation and energisation. The high upfront costs of a grid connection and time quoted to complete works is becoming an increasing concern. Many companies are now turning to built-in BESS units at high-capacity charging sites to lower the cost of a grid connection. The rollout of BESS alongside high-powered charge points is likely to continue as the speed and cost of grid connections remains prohibitively high for some.

Finally, the Government is now consulting on weakening the ZEV Mandate. Our advice to Government is to consider the full data sets available before making a decision, and also to consider the messaging. The Prime Minister has just come out recently to say that Net Zero by 2050 is critical to combat climate change. What sort of message would a weakening of the transport sector's ability to hit that target send? And how would a weakening be communicated by parties who may wish to form a Government in future on a manifesto designed to reverse this commitment?



⁴ <https://www.zapmap.com/ev-stats/how-many-charging-points>

Electricity Networks Sector Growth Plan

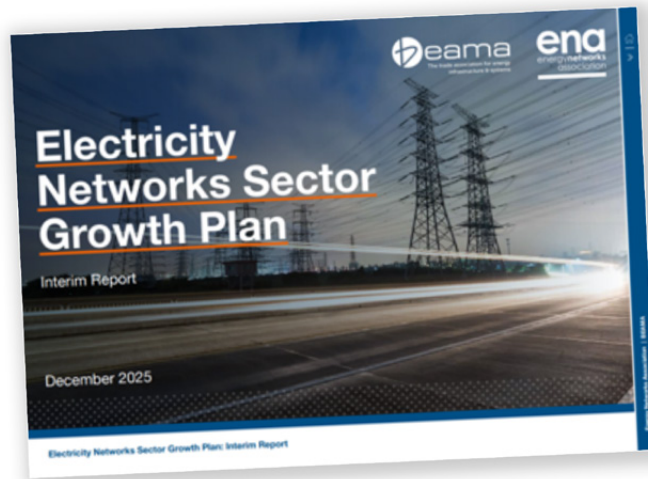


#ACCELERATING
ELECTRIFICATION

Since publishing the Interim Report in December 2025, BEAMA and ENA have been working with our respective members, wider stakeholders and consultant consortium to build a robust plan to maximise the contribution that the electricity networks sector makes to UK growth.

The plan seeks to strengthen domestic supply chain benefits, resilience and export potential by leveraging existing strengths and identifying high-potential growth areas to build domestic capabilities.

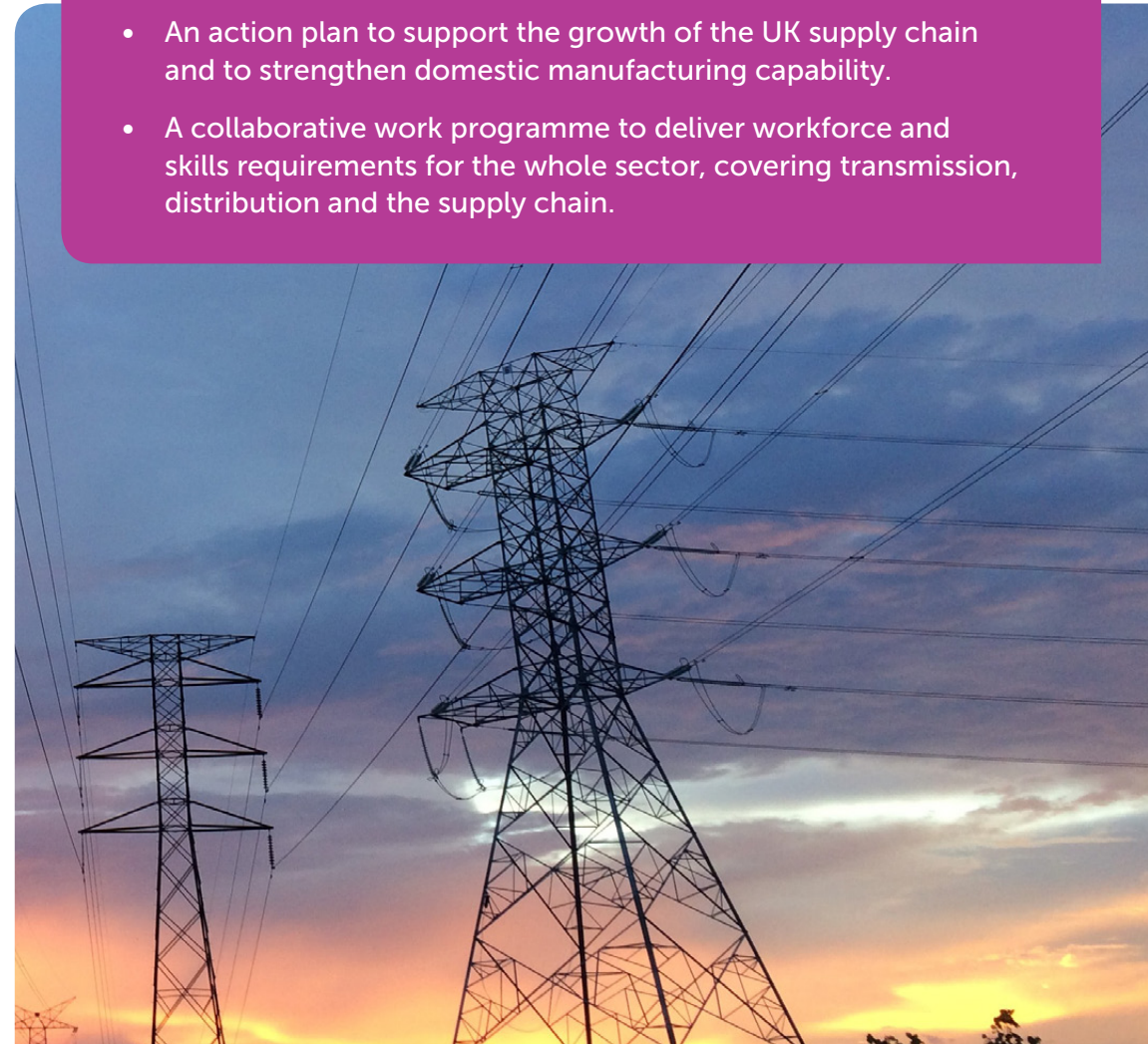
The full Electricity Networks Sector Growth Plan is due to be published in Autumn 2026, detailing the scale of the opportunity and urgent need for action. BEAMA members have contributed evidence in the form of data and insight, including previous editions of the Market Pulse and stakeholder interviews.



►► [CLICK HERE](#)

The final reports will deliver:

- A comprehensive economic and supply chain analysis to quantify the economic opportunity stemming from network investment.
- An action plan to support the growth of the UK supply chain and to strengthen domestic manufacturing capability.
- A collaborative work programme to deliver workforce and skills requirements for the whole sector, covering transmission, distribution and the supply chain.



Smart and Secure Electricity Systems (SSES)

SSES moves into a critical delivery phase

There has been significant progress across the Smart and Secure Electricity Systems programme. Government has published its interim response on Phase 1 Energy Smart Appliance regulations, work on tariff interoperability has moved further into technical development, the Load Controller licensing framework has progressed, and the new enduring governance arrangements are becoming operational.

For manufacturers, the focus is increasingly shifting from the direction of policy to the practical detail of implementation: when requirements apply, how compliance will be demonstrated, how products access the emerging infrastructure and how manufacturers remain represented as the framework evolves.

Phase 1 Energy Smart Appliance Regulations

2 YEARS
Minimum implementation
period confirmed for
smart heating

**24–36
MONTHS**
Typical full manufacturer
product cycle

5–10%
Estimated domestic
EVCP sales currently
incorporating a display

Government's interim response has provided some welcome movement on implementation, particularly for smart electric heating appliances. BEAMA has consistently highlighted that manufacturers need sufficient time to redesign products, complete testing and certification, make manufacturing changes and manage existing product and stock cycles.

The Government's decision to provide smart heating products with a two-year implementation period is therefore welcome. BEAMA is seeking equivalent treatment for other technologies, particularly EV charge points and battery energy storage systems. Typical full product cycles can take between 24 and 36 months, and inconsistent implementation dates risk creating unnecessary redesign, certification costs and disruption to product availability.

Metering requirements

**600-700
MONTH**

Reported seal-break oversight requests under existing MID arrangements

MIR remains one of the most significant outstanding issues for manufacturers. BEAMA members expect implementation of MIR to represent the largest single cost arising from the proposed ESA requirements. Manufacturers have also questioned whether full MIR Class B certification is proportionate for every ESA, particularly where flexibility can already be delivered without the asset meter being used for billing.

BEAMA is therefore continuing to make the case for an outcomes-based approach to accuracy, while considering where full MIR compliance is genuinely required.

UK-EU alignment. Changes to the EU Measuring Instruments Directive expected in 2028 create a further issue. BEAMA has asked Government to provide clarity around the continued recognition of existing MID certification, treatment of products already in the supply chain and the ability for manufacturers to adopt updated requirements early. The objective is to avoid manufacturers having to make temporary UK-specific product changes only to redesign products again shortly afterwards.

This is quite a strong point from the paper: only an estimated 5–10% of domestic EV charger sales currently have a display, so requiring temporary design changes could create considerable cost and waste.

Getting implementation right. There are also practical questions around how metering requirements apply to different technologies. For battery storage, for example, BEAMA has sought clarity on whether compliant metering can sit internally within the product or externally at site level – two approaches with very different implications for product design, cost and lead times.

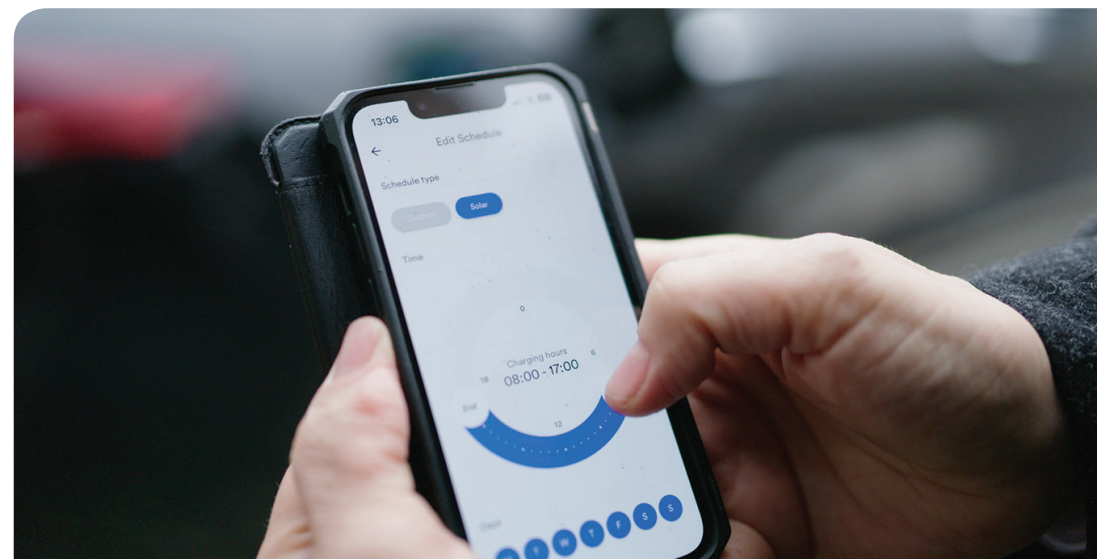
Tariff interoperability – moving towards the API

Work on tariff interoperability is now moving from the policy concept towards the technical infrastructure needed to make it work.

Development through the Retail Energy Code is progressing around the tariff interoperability API, alongside the Energy Market Data Specification and Standards Definition. The aim is to establish a consistent mechanism through which tariff information can be made available beyond individual supplier systems.

For BEAMA, an important focus is ensuring that manufacturers and other authorised market participants can access this infrastructure. Smart appliances increasingly need to understand and respond to tariff signals if consumers are to benefit from time-of-use tariffs and flexibility without being locked into individual supplier or technology ecosystems.

BEAMA is therefore engaging in the development of the API and associated arrangements to ensure manufacturers can participate in the transition and that the technical solution works for the products that ultimately need to use tariff information.



Load Controller Licensing – from design to implementation

MAR 2027 → MAR 2028

Load Controller licensing transition

The regulatory framework for organisations controlling consumers' energy smart appliances has also moved forward since the previous Market Pulse.

Government and Ofgem have now progressed the new Load Controller licensing regime, which will regulate organisations carrying out load control through connected consumer devices. The framework introduces requirements covering areas including consumer protection, cyber security and the secure operation of load control.

Applications are expected to open in 2027, followed by a transition towards the licensing requirement coming fully into effect.

For manufacturers, the relationship between the two regulatory regimes is increasingly important. ESA regulations establish requirements for the

product itself, while Load Controller licensing governs organisations remotely controlling those products. Ensuring those regimes align will be important for manufacturers, flexibility providers and consumers as smart appliances increasingly participate in energy markets.

Enduring governance – manufacturers now have a seat at the table

The new SSES enduring governance arrangements are now moving into operation through the Technical Governance Group (TGG) and Security Governance Group (SGG).

These groups will have an important long-term role in maintaining and developing the technical and security arrangements underpinning SSES as technologies, markets and risks evolve.

Crucially for our members, **BEAMA's Matt Adams has been appointed to both governance groups to represent BEAMA members and the breadth of technologies affected by SSES.** This gives BEAMA a direct role in the enduring governance arrangements and an opportunity to ensure manufacturer experience is reflected as technical and security requirements develop.

BEAMA representing manufacturers in SSES governance

BEAMA will be represented on both the SSES Technical Governance Group and Security Governance Group, helping ensure the experience of manufacturers across smart heating, EV charging, battery storage, controls and other connected technologies is reflected as the framework evolves.

2
new governance
groups

6
elected ESA
Provider positions
across them

2029
transition to enduring
arrangements

BEAMA
represented
on both

Heat Electrification

As in the previous quarter, retrofit heat pump installations continue to be on the decline with data showing a 22% decrease in comparison to the same period last year.

The trajectory of this suggests Government's Warm Homes Plan 2030 ambition seems to be moving further away. However, with the announcement of the temporary increase of the BUS from £7500-£9000, who knows what impact this may have, and this also may be a good opportunity for installers. The fact does still remain that with electricity typically three to four times more expensive than gas, the Government cannot offer any consumer relevant messaging in its Warm & Fuzzy campaign beyond higher efficiency or lower carbon, neither of which help with fuel bill savings. This is why in the past quarter we have co-signed a letter with over 100 stakeholders, calling for an urgent change to the energy pricing framework.

Notwithstanding the above, the harsh reality remains that **consumer choice** is still a problem area for heat electrification and the Government is missing the low hanging fruit of low-cost measures to help with the cost-of-living crisis in the over 20m homes still using a gas boiler. Consumers are currently being offered a binary option for one off residential heat upgrades in the shape of heat pumps but there are many other options that need attention.

Hot water heat pumps offer a high efficiency option that can benefit from flexibility incentives into the future, yet these are still not supported by incentives and Government backed advice. The same can be said for high heat retention storage heaters which can really help consumers with their fuel bills compared with older models. Most importantly, there is little or no support for heating controls upgrades, when a simple retrofit solution of zoning **TRVs can typically save £175 per annum in a gas heated home⁵**. This is a significant saving and is ignored by Government today.

On a final positive note, we are pleased to see the Boiler Upgrade Scheme extending to heat batteries. Let's hope that this is the start of a broadening of scope for consumer choice because this single step will not be enough.

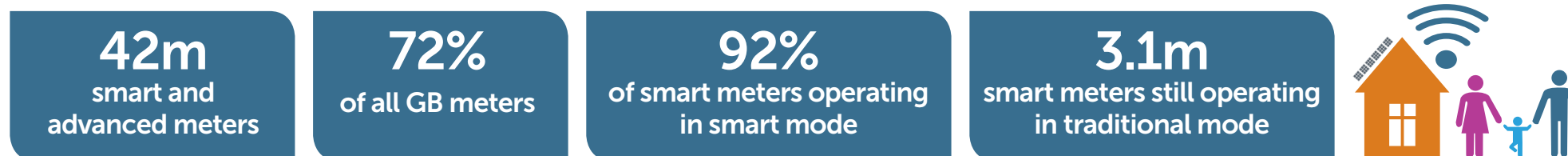
⁵ Ofgem price cap fuel costs 1st October – 31st December 2026



Smart Metering

Smart metering moves into its next phase

The latest Government statistics show continued progress in the rollout, but also a change in the nature of the market. At the end of June 2026 there were around 42 million smart and advanced meters in homes and small businesses across Great Britain, representing 72% of all meters. Of the approximately 40 million smart meters installed, 92% were operating in smart mode.



Installation and replacement

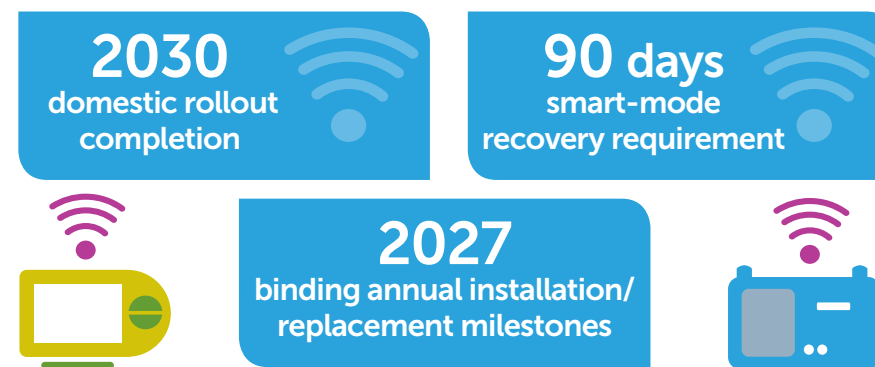
As the installed base grows, the smart metering market is increasingly balancing three activities: completing the remaining rollout, maintaining meters in smart operation and replacing existing assets; replacement activity is becoming a significant part of the market.

This changes the long-term market for manufacturers and the wider supply chain. Meter reliability, communications, asset replacement and the ability of the infrastructure to evolve are becoming increasingly important alongside headline installation volumes.

Post-2025 smart metering framework

Government's post-2025 framework introduces a requirement to complete the domestic rollout by the end of 2030, alongside strengthened requirements for suppliers to restore meters that lose smart functionality. Suppliers will be required to take all reasonable steps to return affected meters to smart operation within 90 days.

There is also a growing replacement requirement as communications technology changes. The framework requires suppliers to plan for pre-emptive replacement of assets that would otherwise stop communicating as existing WAN services reach end of life, with annual supplier deployment plans and binding installation and replacement milestones from 2027.



Non-domestic smart metering

Government published its final response on the post-2025 non-domestic smart meter framework on 1 September.

From 1 January 2027, suppliers must begin communicating the forthcoming changes to non-domestic consumers. From 1 September 2027, new fixed-term contracts for designated small and medium non-domestic premises must include provision for the customer to have, or agree to have, a smart or advanced meter. Suppliers must also comply with a legally binding consumer protection code from that date.

Metering Solutions

Metering across a changing energy system

The role of metering is evolving as the electricity system becomes more electrified, decentralised and flexible.

Alongside the established smart metering market, accurate measurement is required across a much wider range of applications – including network and boundary metering, industrial and commercial applications, distributed generation, EV charging, battery storage and asset-level measurement.

Increasingly bidirectional electricity flows, new flexibility services and changing market arrangements are also creating new requirements for how electricity is measured and how metering data is used.

A broader metering market

For manufacturers, this brings together a number of areas that have traditionally been considered separately.

Network CT/VT and boundary import/export metering sit alongside asset and sub-metering, generation and storage measurement and the growing requirements associated with EV charging and bidirectional power flows.

Standards, metrology requirements and industry Codes of Practice will remain important as these applications evolve, particularly where new technologies interact with established measurement and settlement arrangements.

Market arrangements are changing too

Market-wide Half-Hourly Settlement is one example of the wider changes taking place around metering and data.

By mid-June 2026, more than 11.3 million meters had migrated to the new arrangements – around one third of GB electricity metering systems. The migration programme is scheduled to continue into 2027.

Metering data has growing value

Ofgem's September consultation on a new Smart Data Repository is another indication of the changing role of metering data, considering how electricity consumption data used for settlement could be made available to authorised third parties with consumer consent. The proposed interaction with the Consumer Consent Solution being developed through the Retail Energy Code also demonstrates the increasing connection between metering, data, consumer consent and flexibility.

BEAMA Metering Solutions Group

BEAMA is establishing a new Metering Solutions Group to provide a dedicated manufacturer forum for the wider electricity metering and measurement market.

Distinct from BEAMA's Smart Metering Group, its scope extends beyond the GB smart metering programme to areas including network, asset, industrial and commercial metering.

The Group will consider how the metering market is evolving alongside electrification and changes across the wider energy system, providing a forum for manufacturers to identify emerging technical, regulatory and market issues and where coordinated industry activity is needed.



Building Electrical Systems Sector activity

Changes in product standards mean manufacturers and the supply chain need to adapt. This could entail new manufacturing techniques, materials and processes. For installers, this means improved products, new methods of installation, a need to better understand the materials being used and their properties.

In the past 6 months the Building Electrical Systems Sector has published the following new and updated documents to support this:

1. **Technical Bulletin:** *DC PV Connectors*
2. **Technical Bulletin:** *Safe Selection of Devices for Installation in assemblies*
3. **Guide:** *Specifying a Low-Voltage Switchgear and controlgear assembly*
4. **Guide:** *Guide to LV circuit breaker standards*
5. **Guide:** *A guide to the design, installation and inspection of cable management systems*
6. **Technical Specification:** *Prevention of Premature Collapse*
7. **Podcasts:** *An introduction to 'Prevention of Premature Collapse'*

Through sectoral engagement and activity these documents are distributed to our external stakeholders.

ECONOMIC & MARKET REVIEW – Electrotechnical Manufacturing

UK, EU & international conditions – Calendar year 2025 – implications for 2026

Throughout this period of time market conditions have been impacted by conflicts in Iran and Ukraine.

Costs: raw materials, labour and energy remained major member-reported pressures.

Policy: UK Steel levy, tariffs and CBAM increasingly affect landed cost and sourcing.

Opportunity: grids, electrification, data centres and clean-energy infrastructure support long-term growth.

Raw materials:

Copper — HIGH: strong electrical demand, constrained mine supply and regional tariff effects.

Steel — MEDIUM/HIGH: global overcapacity, energy costs and trade defence.

Aluminium — MEDIUM/HIGH: energy-intensive production, supply constraints and carbon/trade policy.

Plastics/polymers — MEDIUM: petrochemical feedstocks, chemicals, energy, freight and supplier concentration.

Common factor: sterling exchange rates can amplify imported material costs.

Policy decisions are now part of the cost base:

UK: Industrial Strategy and Clean Power 2030 support major long-term electrical demand.

Steel: July 2026 UK trade measure reduces tariff-free quota and applies 50% out-of-quota duty.

EU: CBAM is in its definitive phase for covered imports including iron/steel and aluminium.

UK CBAM: scheduled from January 2027; embedded-carbon data will matter upstream.

UK–EU trade: customs, origin, compliance and carbon measures continue to add friction.

International: US tariff policy and geopolitical disruption can redirect commodity flows and premiums.

What this means for member businesses

1. **Demand compression** — weaker industrial and construction activity reduces order visibility.
2. **Margin compression** — materials, energy, labour and compliance costs compete with customer price resistance.
3. **Working capital** — longer lead times and precautionary stock tie up cash.
4. **Contract risk** — commodity and tariff volatility can turn fixed-price quotations into margin exposure.
5. **Investment hesitation** — uncertain utilisation can delay capacity investment despite strong long-term demand.

Effects of downturn in Construction Market

Manufacturers of Building Electrical Systems are subject to all the pressures of the construction market, which remains soft. As noted by the Construction Products Association, Construction output is forecast to fall by 3.3% this year, with private housing down 10% and private repair, maintenance and improvement down 8%. These trends are similarly reflected in the reports from BES members to BEAMA.





Conclusion

The effects of political uncertainty and the Middle East conflict continued to have significant impacts on UK electrical manufacturing but wider market issues are having a more immediate effect. Responses from BEAMA members were gathered during July 2026 and a combination of slowdowns in UK construction, lower consumer demand, sluggishness in growth of electricity networks, and significant increases in price of raw materials led to a general lack of optimism in the industry.

Our members working in the Electricity Networks Infrastructure (ENI) sector indicated neutral levels of Optimism but still ranked as the most positive. Despite the high levels of expectation of Government support for significant investment through the Electricity Networks Sector Growth Plan, this has not translated yet into actual orders. ENI members reported the worst sales volumes of all BEAMA sectors at a balance of minus 33.3%, which is highly disturbing when the acceleration of electrification should be in full swing. Members anecdotally report substantial drops in turnover and both existing and new production capacity remaining dormant, representing a major threat to continuation of investment in UK manufacturing.

Members in the Heating & Ventilation sector have gone from a typically strong sales profile in autumn/winter 2025 to a neutral performance in Q1 2026 and a minus 22.2% balance in the most recent quarter. Not surprisingly they continue in a situation of low Optimism at a balance of minus 25%. UK Warm Homes initiatives will need to see much improved Government focus and delivery to restore positivity to the sector.

Members in Building Electrical Services had a bounceback in Sales with a positive 33.3% balance reported. Despite this they continue to indicate negative levels of optimism at minus 8.3%, with reports of slowdowns and cancelled projects in the construction industry, both in new-build and repair, maintenance, improvement.

Alongside concerns over orders and sales levels, manufacturers are once again hit by supply chain challenges. Members report issues in lack of availability of microprocessors, chips and semiconductors and face significant cost increases for raw materials, notably PVC resin along with copper, brass, aluminium, along with electrical and other forms of steel. These are partially due to Middle East conflict but increases in costs of steel are made worse by the impact of new UK tariffs, where attempts to protect UK production are shifting the burden onto UK product manufacturers and incentivising purchase of finished goods from overseas.





#ACCELERATING
ELECTRIFICATION

BEAMA MEMBER CASE STUDIES



The trade association for energy
infrastructure & systems



Mixergy Flex Rewards

Turning smart hot water into flexibility and consumer value

Mixergy has launched its Flex Rewards offer, giving eligible households the opportunity to earn up to £250 a year by allowing their connected hot water cylinder to provide flexibility to the electricity system.

Mixergy's smart cylinders heat only the amount of water needed rather than heating the whole cylinder. Through Flex Rewards, that existing thermal storage can also be used more flexibly, shifting when electricity is consumed in response to the needs of the energy system while ensuring customers still have the hot water they need.

Customers opt into the service and need a connected Mixergy cylinder and working smart meter. Individual cylinders can then form part of a larger aggregated portfolio of flexible assets, allowing their combined flexibility to participate in energy and grid services. The value generated is shared with participating consumers.

Up to £250 a year

Mixergy estimates that eligible households could earn up to £250 a year through Flex Rewards, although individual rewards will vary depending on factors including hot water use, cylinder configuration, location and energy market conditions.

A connected flexibility journey

What makes the model particularly relevant to the developing smart energy market is the number of elements working together:

Connected product → Flexibility markets → Consumer reward

Rather than flexibility being something the consumer has to actively manage day-to-day, the connected product can respond in the background within parameters designed to maintain the service the household expects.

Mixergy Flex is a good example of what the transition to a smarter, more flexible energy system can look like in practice. It brings together a connected product, smart metering and data, consumer consent and access to flexibility markets, with a clear benefit being returned to the consumer.

This is particularly relevant as the Smart and Secure Electricity Systems (SSES) programme moves towards implementation. The emerging framework – spanning Energy Smart Appliance requirements, tariff interoperability, Load Controller licensing and enduring technical and security governance – will help shape how millions of connected energy products can interact with the electricity system in future.

The opportunity is to ensure these different elements work together without creating unnecessary complexity for manufacturers or consumers. Examples such as Mixergy demonstrate the potential when they do: the technology can respond intelligently in the background, flexibility can provide value to the wider energy system, and consumers can share in that value.

UP TO
£250/YEAR

Potential Flex Rewards for
eligible households

49%

of gross market value
generated by the
cylinder credited to the
consumer

**~330
CYLINDERS
=
1 MW**

of potential flexible
electrical load

**~10
MILLION HOMES**

estimated to have a
hot-water cylinder
in the UK.



Unlocking more value from metering and data

Secure Meters has worked with Cornwall Insight to explore how greater value can be unlocked from Great Britain's smart metering infrastructure and the growing volume of data it provides.

The research, *Being Smarter with Data and Metering*, looks beyond meter installation to the practical opportunities created by better use of metering data. These include supporting more tailored tariffs and consumer flexibility, improving supplier forecasting, helping network operators identify and restore outages, and providing better information for network planning and reinforcement.

One area highlighted is the opportunity to improve visibility of the low-voltage network. Smart meter data, combined with measurement at other points across the network, can provide a more detailed understanding of electricity flows,

network conditions and emerging constraints – increasingly important as EVs, heat pumps, storage and distributed generation connect to the system.

Secure's work demonstrates how the smart metering conversation is evolving. Completing the rollout remains important, but increasing attention is now turning to how we make better use of the infrastructure and data already available.

For manufacturers, this also connects smart metering with the wider evolution of electricity measurement. As the system becomes more electrified, decentralised and flexible, accurate measurement and trusted data – from the consumer boundary through to other points across the network – will become increasingly important.

The opportunity is not simply more meters, but more value from measurement and data.

72%

of domestic electricity meters were smart or advanced by March 2026

2.8%

of domestic customers were on a time-of-use tariff in July 2025

68%

growth in domestic time-of-use tariff customers in the preceding 12 months

60%

of respondents to Cornwall Insight's industry survey identified lower costs and simpler compliance for data access as the biggest improvement needed to unlock greater value from smart meters.

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 database⁶ 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 that 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.

⁶ [Future Energy Scenarios \(FES\) | ESO \(nationalgrideso.com\)](#)



BEAMA Energy Systems Catapult – Growing the Supply Chain for a Net Zero 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



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ELECTRIFICATION



The trade association for energy
infrastructure & systems

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