

The Complete Guide to Funded Solar and Storage for New-Build Homes (2026)

Six delivery models, compared.

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Solar is no longer optional for new homes. With the Future Homes Standard mandating on-site renewable electricity generation from March 2027, every house builder in England needs a strategy for solar and storage. The good news: you do not have to fund it yourself.

This guide covers every route available to UK house builders and developers for delivering solar and battery systems on new-build homes, from fully funded models that remove hardware costs entirely, to government schemes, private-wire microgrids, battery subscriptions, and self-funding options.

Whether you are building 10 homes or 10,000, this guide will help you find the right approach for your developments.

Why Do New-Build Homes Need Solar and Storage?

From 2027, the Future Homes Standard (FHS) requires virtually all new homes registered in England to include on-site renewable electricity generation. While the regulation does not specifically mandate solar PV, rooftop solar is the most realistic and affordable way to meet the requirement for most developments.

The FHS mandates a 75% reduction in carbon emissions compared to homes built to 2013 standards and solar contributes directly to this reduction. Homes built to the new standard could save occupants up to £830 per year on energy bills compared to a standard EPC C-rated home.

Battery storage is not a requirement under the FHS. However, adding a battery significantly increases the benefit to homeowners by allowing them to store and use more of the solar energy their home generates, rather than exporting it to the grid. Battery storage also contributes to higher EPC ratings and SAP scores, helping developers exceed minimum compliance and differentiate their homes in the market.

For house builders, the implications are clear:

- Regulatory compliance requires on-site renewable generation on most plots
- Build costs increase by £5,000–£10,000+ per home for solar and battery hardware
- Margin pressure intensifies in an already challenging market
- Buyer expectations are shifting toward energy-efficient, low-bill homes
- Battery storage, while not mandated, delivers measurably better outcomes for both EPC performance and homeowner savings

The question is not whether to include solar, but how to fund it, and whether to go further with battery storage.

What Are the Options for Funded Solar on New-Build Homes?

There are six main routes for house builders to deliver solar and storage without absorbing the full hardware cost with the alternative option to self-fund. Each has different implications for build cost, homeowner experience, regulatory compliance, and long-term obligations.

	DEVELOPER CAPEX	HOMEOWNER COST	INCLUDES BATTERY	SCALE	FHS COMPLIANT	BEST FOR
Zero-CAPEX solar subscription (e.g. Gryd)	£0	Fixed monthly subscription (£70/month for a typical 3 bed)	Yes	Any Size	Yes	All Developers, any development
Private-wire microgrid (e.g. SNRG)	£0 (SNRG funded)	Energy supply contract	Communal	Large developments	Yes	Large master-planned developments
Smart Home Package / ESC (e.g. Wondrwall)	Partial (c. £6k HEMS purchase with Wondrwall)	Monthly service charge	Yes	Any Size	TBC	Developers wanting smart home tech
Government grants and schemes	Varies	£0 (if eligible)	Varies	Limited	Varies	Social housing and affordable homes

	DEVELOPER CAPEX	HOMEOWNER COST	INCLUDES BATTERY	SCALE	FHS COMPLIANT	BEST FOR
Green mortgages and finance	Full CAPEX or financed	House price premium rolled into mortgage	Optional	eligibility dependant on mortgage provider	Yes	Developers passing cost to buyer
Self-funded by developer	Full CAPEX (£5-10k/plot)	£0	Optional	Any size	Yes	Developers with strong margins
Octopus Zero Bills	High CAPEX (c. £20k/plot)	£0 for 5-10 years, plus house price premium on purchase	Yes	Eligible plots only		Premium developments seeking "zero bills" headline
E.ON Next Lower Bills, Built In	High CAPEX (c. £15-20k/plot)	£25/month fixed	Yes	Eligible plots only		Developers seeking low, predictable buyer bills

Option 1: Zero-CAPEX Solar Subscriptions

How Does a Zero-CAPEX Solar Subscription Work for House Builders?

A zero-CAPEX solar subscription model removes the entire hardware cost of solar and battery systems from the developer's build budget. A third-party provider funds, operates, and maintains the solar and battery equipment for the lifetime of the system. Homeowners pay a fixed monthly subscription for the energy generated on their roof.

This is the fastest-growing model for new-build solar in the UK, and it is the approach Gryd pioneered specifically for the house building sector.

How Does Gryd's Model Work?

Gryd funds, operates, and maintains smart solar and battery systems on new-build homes at zero cost to developers or homeowners.

For the developer:

- £0 hardware cost per plot. Gryd covers all CAPEX for solar panels, batteries, and inverters
- 10-15 point SAP uplift, typically raising EPC by at least one level
- Systems deployed across all home types and orientations, not just cherry picking the best south facing plots
- Gryd handles all design, coordination, operation, ongoing maintenance and intelligent optimisation to maximise the homeowners bill savings.

For the homeowner:

- Fixed monthly subscription, inflation-proof, from as little as £45/month
- 60–70%+ of electricity supplied by the on-site solar and battery system
- Savings from day one compared to grid-only electricity
- 24/7 monitoring, servicing, and maintenance included
- AI-powered energy management learns household patterns and optimises energy use
- Full flexibility: option to buy out, upgrade, or transfer the system at any time
- 25-year Gryd Guarantee covering insurance, management, and replacement parts

How the lease works:

Gryd's model is based on a rooftop air rights lease. Gryd leases the airspace above the roof to host and operate the solar equipment. The lease is registered against the property title and transfers automatically when the home is sold. The structure is aligned with UK Finance guidance and accepted by over 300 banks and all major mortgage lenders.

Why Do House Builders Choose Zero-CAPEX Solar?

- Eliminates margin pressure. Solar hardware costs of £5,000–£10,000 per plot stay off the balance sheet
- No price premium passed to buyers. Homes remain affordable, boosting sales velocity
- Future Homes Standard compliance. Meets and most of the time exceeds, the on-site renewable generation requirement without changing build processes
- Market differentiation. Homes with funded solar, battery storage and lower bills stand out in a competitive market
- Works at any scale. From small bespoke developments to multi-phase strategic sites, the Gryd model is repeatable on a per plot basis.

Option 2: Private-Wire Microgrids

What Is a Private-Wire Microgrid for New-Build Housing?

A private-wire microgrid is a self-contained energy network that generates, stores, and distributes electricity within a single development. Rather than each home connecting independently to the national grid, the entire site operates as a coordinated energy system with shared infrastructure.

SNRG is the leading provider of funded microgrids for UK housing developments.

How Does SNRG's SmartGrid Work?

SNRG designs, funds, builds, and operates a dedicated microgrid across an entire development. The system can include:

- Rooftop solar panel arrays across all homes
- Communal battery storage (shared across the development)
- Low-voltage private distribution network
- EV charging infrastructure
- Heat pump integration
- Intelligent energy management, metering, and billing
- Grid connection and back-up power supply

SNRG funds the solar, storage, and distribution infrastructure. Residents sign long-term energy supply contracts and benefit from lower, locally generated electricity. The developer pays no upfront cost for the energy infrastructure, and SNRG handles all operation, maintenance, and customer service.

Key projects:

- Zero CAPEX for the developer on energy infrastructure
- Potential for significant long-term energy savings for residents
- Holistic site-wide energy optimisation

Limitations:

- Scale requirement. Microgrids are most viable on large developments (typically 500+ homes). Smaller schemes may not justify the infrastructure investment
- Complexity. Requires a private distribution network, adding planning, regulatory, and technical layers
- Long procurement cycles. Site-wide agreements take time to negotiate, especially with multiple house builders on a single masterplan
- Communal model. Individual homeowners do not own or control their own system. Energy is managed collectively and metered privately making it difficult to switch energy supplier or add your own renewables.
- Limited provider market. Few companies offer this model at scale in the UK

Who Should Consider a Private-Wire Microgrid?

Microgrids are best suited to large-scale master-planned developments, garden villages, and new towns where a single landowner or master developer can negotiate a site-wide agreement. They are less practical for individual house builders working on smaller sites or phased developments.

- Otterpool Park, Kent — 8,500-home garden town. One of the UK's first planned all-electric new towns
- Harwell Science and Innovation Campus — first UK science campus to install a commercial SmartGrid

What Are the Advantages and Limitations of Microgrids?

Advantages:

- Can include EV charging and heat pumps in the funded package
- Revenue stream potential for landowners/master developers

Option 3: Energy Service Contracts and Smart Home Integration

What Is Wondrwall's Developer Offering?

Wondrwall offers a smart Home Energy Management System (HEMS) for new-build homes. Their developer proposition, combines smart home automation with funded solar, battery storage, and EV charging hardware through an Energy Service Contract (ESC) model launched in March 2024.

The core of the offering is Wondrwall's HEMS platform which incorporates a number of smart home devices such as light switches and thermostats to manage a home's energy consumption.

How Does Wondrwall Work for House Builders?

The developer purchases the Wondrwall HEMS at approximately £6,000 per home. This covers the smart home infrastructure: sensor-equipped light switches, home automation, heating and hot water control, and security features.

In return, Wondrwall supplies and maintains solar PV, battery storage and an EV charger at no additional cost to the developer.

The cost of the funded hardware is recovered through a fixed-price service charge attached to the property, paid by the homeowner. Wondrwall states the service charge is designed not to exceed the annual energy savings the system generates, so homeowners should be net positive from day one.

Wondrwall handles all energy management, maintenance, and system optimisation for the life of the contract.

Battery PowrPlan for Existing Homes

Separately, Wondrwall offers a battery-only subscription called Battery PowrPlan, targeted primarily at existing homeowners. No solar panels are required and the battery charges with cheap off-peak electricity that can be used during peak hours.

What Are the Advantages and Limitations?

Advantages:

- HEMS with smart light switches provide smart home differentiation
- Solar, battery, and EV charger hardware funded at no cost to the developer beyond the £6,000 HEMS purchase
- Integrated heating, hot water, and security automation appeals to tech-savvy buyers
- Wondrwall claims homes sell up to three times faster than like-for-like properties

Limitations:

- Partial CAPEX for developers. The HEMS system (c. £6,000) must be purchased upfront, so this is not truly zero-CAPEX for the developer
- Complexity for buyers. The proposition combines a HEMS purchase for the developer, a homeowner service charge, and smart home devices that can be harder to explain to buyers who are not tech-savvy
- System lock-in. The Wondrwall HEMS is proprietary. Homeowners rely on Wondrwall for ongoing system management and cannot easily switch to alternative providers without replacing all light switches and other smart devices
- Newer market entrant. Fewer completed large-scale deployments in the new-build sector compared to more established providers

Option 4: Government Grants and Schemes

Are There Government Grants for Solar on New-Build Homes?

Most UK government solar grants target existing homes, particularly those in fuel poverty or with poor energy performance. New-build homes are largely excluded from the major schemes because they are expected to meet modern building regulations at the point of construction.

However, several schemes are relevant to house builders, particularly those delivering social or affordable housing.

Key Schemes for 2026

The Warm Homes Plan (£15 billion, England)

Announced in January 2026, this is the government's flagship programme for home energy upgrades. It includes:

- £5 billion for free upgrades for low-income and fuel-poor households
- £2 billion for interest-free or low-interest loans for all households
- £2.7 billion for green mortgages and innovative finance
- Targets tripling the number of homes with solar

Relevance for house builders: The loans and green mortgage programmes could help buyers afford homes with solar. The scheme primarily targets existing housing stock, but the green finance elements may benefit new-build purchasers.

Warm Homes: Social Housing Fund (England)

Up to £7,500 per dwelling for social housing providers to install energy efficiency measures including solar. Runs until September 2028.

Relevance for house builders: Developers building affordable housing for registered providers (RPs) may benefit if the RP applies for funding. This does not directly fund the developer.

Community Energy Fund (up to £1 billion)

Announced in February 2026, this is the largest public investment in community energy in UK history. Funding supports locally owned renewable energy projects.

Relevance for house builders: Developments designed with community energy infrastructure could attract funding, though the application process targets community organisations rather than commercial developers. There are a few developers that have set up community owned management companies which include communal energy infrastructure as a way to secure some funding.

ECO4 (England, Scotland, Wales)

Ends December 2026. Provides fully funded solar for electrically heated homes where residents receive qualifying benefits. Over 47,000 homes received solar through ECO4 in its first three years.

Relevance for house builders: Minimal for new builds. ECO4 targets existing housing stock with poor energy performance.

0% VAT on Solar (UK-wide)

All solar panel installations benefit from 0% VAT, saving approximately £565-£2,260 per installation. Applies automatically. Currently set to expire 31 March 2027 but widely expected to be extended.

Relevance for house builders: Reduces cost whether self-funding or passing costs to buyers.

The Bottom Line on Government Funding

Government grants are not a reliable route for house builders to fund solar at scale. Most schemes target existing homes, have strict eligibility criteria, and are oversubscribed. Developers building market-sale housing will need to look to private-sector solutions.

Option 5: Green Mortgages and Developer Finance

Can Solar Be Funded Through Green Mortgages?

Green mortgages offer preferential interest rates or additional borrowing capacity for energy-efficient homes. Several major UK lenders now offer products that recognise higher EPC ratings, and the Warm Homes Plan includes £2.7 billion earmarked for green mortgages and innovative finance, signalling significant expansion of these products.

The theory is straightforward: a home with solar and battery achieves a higher EPC rating, which qualifies buyers for a green mortgage with a lower interest rate. The lower rate increases the buyer's borrowing capacity, which in turn allows

the developer to recover the cost of the renewable technology through a higher sale price.

How it works for developers:

- Developer funds solar and battery installation as part of the build cost, adding £5,000–£10,000+ per plot
- The higher EPC rating qualifies buyers for green mortgage products with preferential rates
- The lower interest rate increases the buyer's maximum borrowing amount, creating headroom to absorb the house price premium
- The developer prices the renewable technology into the sale price, aiming to recover the additional CAPEX

The key dependency: mortgage provider availability and buyer eligibility

This model only works if the right mortgage products exist and the buyer qualifies for them. Green mortgage availability varies significantly between lenders. Not all lenders offer green products, criteria differ between those that do, and the size of the rate discount (and therefore the additional borrowing it unlocks) varies. Buyers must individually qualify based on their income, deposit, and credit profile, meaning the developer cannot guarantee that every purchaser will access the preferential terms needed to support a higher sale price.

Limitations and risks for developers:

- Full CAPEX exposure. The developer carries the entire hardware cost during construction with no guarantee of recovery through the sale price
- Price premium risk. If the local market does not support a higher sale price, or if buyers cannot access green mortgage products, the developer absorbs the cost as a margin reduction. In a soft market, this risk is amplified
- Inconsistent buyer eligibility. On a mixed development, some buyers will qualify for green mortgages and others will not. The developer must decide whether to price all homes with a premium (risking slower sales on ineligible plots) or absorb the cost selectively
- No ongoing support. Once the home is sold, the buyer owns the solar and battery system outright. They are responsible for maintenance, monitoring, inverter replacement, and eventual end-of-life costs. Without a managed service, system performance can degrade over time
- Limited lender engagement. While the Warm Homes Plan signals government intent to expand green finance, the market for new-build-specific green mortgages remains immature. Developers cannot yet rely on consistent, widespread availability

Option 6: Self-Funded Solar by the Developer

Should House Builders Fund Solar Themselves?

Self-funding means the developer purchases and installs solar and battery systems as part of the standard build specification, absorbing the cost or passing it to buyers through the sale price.

Typical costs per home:

- Solar PV system (3–4 kWp): £4,000–£6,000
- Battery storage (5–10 kWh): £2,000–£4,000
- Inverter and installation: £1,000–£2,000
- Total: £7,000–£12,000 per plot

When self-funding makes sense:

- Strong margins that can absorb hardware costs
- Premium developments where buyers expect solar as standard
- Sites where the developer wants full control over specification
- Small developments where third-party models may not be available

When self-funding is problematic:

- Volume house building where margins are tight
- Affordable housing where sale prices are constrained
- Developments where the cost would price out target buyers
- Builders who lack in-house expertise for solar procurement and warranty management
- Homes must be all-electric with a heat pump, oversized solar array, and home battery
- Octopus's Kraken platform manages the battery, EV charger, and heat pump to balance generation and consumption
- The home must generate more energy than it consumes annually
- Octopus states the net additional material cost for a typical 90m² home can be as little as £4,860 above FHS baseline, though total developer cost including all hardware typically reaches c. £20,000 per plot
- Octopus handles all smart energy management and provides the zero-bills guarantee to homeowners.

Option 7: Energy Supplier Tariff Partnerships

What Are Energy Supplier Tariff Partnerships for New-Build Homes?

Two major energy suppliers now offer branded tariff programmes that developers can pair with self-funded solar. These are not funded models. The developer still pays for all hardware. But by oversizing the solar and battery specification beyond standard FHS requirements, developers can offer buyers a headline energy deal as a sales incentive.

Octopus Zero Bills

Octopus Energy's Zero Bills programme guarantees homeowners pay £0 on their energy bills for up to ten years (with some restrictions including a fair usage policy and the exclusion of EV charging that is billed separately). In return, the developer must fund a specification that goes well beyond baseline FHS compliance.

E.ON Next Lower Bills, Built In (LBBI)

The more recent E.ON Next Lower Bills, Built In programme takes a different approach. Rather than promising zero bills, it offers homeowners a fixed electricity bill of £25 per month, powered by solar, battery, and smart energy management.

E.ON has not published formal eligibility criteria, but based on the Avalon Grove pilot and their public statements, the following requirements apply:

- The developer must fund and install rooftop solar panels, a home battery, and E.ON's Home Energy Management System (HEMS) at an estimated cost of £15–£20k per plot
- Homes must have sufficient roof area for the proposed solar PV spec and space for a battery
- Installation must be carried out by Eco2Solar, E.ON's in-house installer. The developer cannot use its own workforce or contract their own installer services.
- E.ON must handles all energy management for the homeowner to qualify.

E.ON explicitly positions LBBI as more accessible than “zero bills” programmes, noting it does not require oversized systems or large roof areas.

How Do These Compare to Zero-CAPEX Models?

PROGRAMME	DEVELOPER COST	HOME OWNER BILL	SYSTEM OWNERSHIP	MAINTENANCE RESPONSIBILITY
Gryd (zero-CAPEX)	£0	Fixed subscription (£70/month for a typical 3 bed)	Gryd	Gryd (25-year gurantee)
Octopus Zero Bills	c. £20,000/plot	£0 for 5–10 years	Homeowner	Homeowner
E.ON Next LBBI	c. £15,000–£20,000/plot	£25/month fixed	Homeowner	Homeowner

What Do These Programmes Mean for Developers?

For developers with strong margins and a premium product positioning, these energy supplier partnerships can be a powerful sales tool. The “zero bills” or “£25/month” headline is compelling for marketing and can accelerate sales on the right scheme.

However, the financial commitment is significant:

- Both programmes require the developer to fund all hardware at an elevated specification, at around £15,000–£20,000 per plot
- On a 100-home site, that represents £1.5–£2 million of additional CAPEX compared to a zero-CAPEX model
- The developer must either absorb this cost within existing margins or pass it to buyers as a house price premium
- If the market does not support a premium, or if sales slow, the developer bears the full cost with no mechanism to recover it

Developers considering either programme should weigh whether the marketing benefit justifies the margin impact, particularly in a market where affordability is already under pressure.

What Do These Programmes Mean for Homeowners?

The headline offers are attractive, but buyers should understand three key trade-offs.

Maintenance risk. The homeowner owns the system outright and is responsible for all repair and replacement costs. If the system goes offline, tariff eligibility is suspended until the issue is resolved, leaving the homeowner on standard electricity rates while funding repairs.

House price premium may erode savings. A £20,000 price premium on a Zero Bills home, against a typical annual energy bill of c. £1,500, means the homeowner would not recover the additional cost within the 10-year £0 bills guarantee. Octopus has indicated they may extend the guarantee period, but this is not confirmed.

Upside exists, but only outside the partner tariff. The oversized systems can generate more electricity than the home consumes, creating opportunities for export income and grid flexibility revenue. However, while on the partner tariff, the supplier captures this value. To access it, homeowners would need to leave Zero Bills or LBBI, switch to a supplier with a competitive export rate, and join a flexibility aggregation platform, giving up the headline guarantee in exchange for potentially higher returns.

Option 8: Community and Communal Energy Models

What Are Communal Generation and Storage Options?

Beyond individual rooftop systems, some developments use shared renewable energy infrastructure. These models are gaining

traction, supported by £1 billion in new government community energy funding.

Communal solar arrays:

Shared solar installations (e.g. on apartment blocks, community buildings, or ground-mounted arrays) that distribute energy across multiple homes. Can be funded by community energy organisations, developers, or third-party investors.

Communal battery storage:

A single large battery serving multiple homes, optimising energy use across the development. The UK's first community-owned solar battery is now operational at Ray Valley Solar Park in Oxfordshire, and similar models are being applied to housing developments.

Peer-to-peer energy trading:

Emerging models allow homes within a development to trade surplus solar energy with neighbours. Early projects like the Loughborough Estate in Brixton have demonstrated the concept for social housing.

Relevance for house builders:

Communal models work best on larger sites with mixed-use elements. They add complexity compared to per-plot solutions but can deliver cost efficiencies at scale and strong marketing narratives around community and sustainability.

How to Choose the Right Model for Your Development

The best option depends on your development's scale, target market, financial priorities, and timeline.

Decision Framework

IF YOUR PRIORITY IS...	CONSIDER...
Eliminating all solar CAPEX from your build cost	Zero-CAPEX solar subscription (Gryd)

IF YOUR PRIORITY IS...	CONSIDER...
Site-wide energy infrastructure on a large masterplan	Private-wire microgrid (SNRG)
Smart home technology as a sales differentiator	Battery subscription / ESC (Wondrwall)
Building social or affordable housing	Government schemes + funded solar model
Full control over specification and ownership	Self-funded solar
A headline “zero bills” or “£25/month” marketing message	Energy supplier tariff (Octopus Zero Bills / E.ON LBBI)
Maximising buyer affordability with no price premium	Zero-CAPEX solar subscription (Gryd)
Deploying to every home type, including north-facing	Zero-CAPEX solar subscription (Gryd)

Frequently Asked Questions

Is solar mandatory on new-build homes?

From 2028, the Future Homes Standard requires on-site renewable electricity generation on the majority of new homes in England. While the regulation does not specifically name solar PV, rooftop solar is the most practical and affordable route to compliance for most developments.

How much does solar cost per plot for a new-build home?

A typical solar and battery system for a new-build home costs £7,000–£12,000 depending on system size and specification. With a zero-CAPEX model like Gryd, the developer pays nothing. The hardware cost is funded by Gryd and recovered through a homeowner subscription.

Do solar subscriptions affect mortgage approvals?

No. Gryd’s lease structure is aligned with UK Finance guidance and is accepted by over 300 banks and all major mortgage lenders. The subscription does not affect the buyer’s mortgage application.

Can funded solar be deployed on all house types?

With individual rooftop models like Gryd, solar can be deployed across all home types and orientations, including apartments, terraces, and

north-facing plots. Microgrid models may be more flexible on orientation since energy is shared across the site.

What happens when a homeowner sells a property with a solar subscription?

The subscription transfers automatically to the new owner. With Gryd, the homeowner also has the option to buy out the system at any time at a predetermined, fully amortising cost.

How much can homeowners save with funded solar?

Typical savings depend on system size, energy consumption, and tariff. Gryd systems supply 70%+ of a home’s electricity, delivering savings from day one compared to grid-only energy. The fixed, inflation-proof subscription means homeowners are protected from future energy price rises.

What SAP improvement does funded solar provide?

Gryd’s systems typically provide a 10–15 point SAP uplift, resulting in an EPC improvement of at least one level. This helps developers meet Part L and FHS targets without costly changes to the building fabric.

The Future Homes Standard Timeline

- March 2026 — FHS published, confirming solar and heat pump requirements for new homes
- March 2027 – March 2028 — Transition period. Developers encouraged to adopt early
- March 2028 — FHS takes full effect. On-site renewable generation required on most new homes

House builders who adopt funded solar now gain a competitive advantage: lower build costs, differentiated homes, and proven compliance ahead of the deadline.

Get a Free Site Assessment

Gryd works with developers of all sizes across the UK. Whether you are planning your first solar-equipped development or scaling across your portfolio, a free site assessment will show you exactly what Gryd can deliver on your next scheme.

What the assessment includes:

- bespoke solar and battery system design for each plot
- Build cost saving
- Homeowner bill savings modelling
- Estimated SAP and EPC impact analysis
- Full financial summary with zero obligation

Read this online

<https://gryd.energy/hub-directions/g/articles/complete-guide-to-funded-solar.html>

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