EMPOWER GREEN

Market Brief

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Clean energy in the UK, Europe and India, in two pages

What moved this autumn for companies selling into the UK, Europe and India:

- China's export tax rebate on batteries ends on 1 January.
- Zero-rate VAT on UK home solar and batteries ends on 31 March.
- The UK and EU plan to exempt each other's goods from carbon border levies from 2028.
- The US set duties of up to 268% on solar cells from Indonesia, India and Laos.

THE NUMBER

0%

China's export VAT rebate on batteries from 1 January 2027. In January China's Ministry of Finance and State Taxation Administration cut the rebate on battery exports from 9% to 6% from 1 April 2026, and set it to end on 1 January 2027. The rebate on solar wafers, cells and modules ended on 1 April 2026.[1]

What it means. Chinese battery makers lose a refund worth up to 6% of the export price, which they must absorb or pass on. Buyers in the UK and Europe should expect higher quotes for 2027 deliveries and fix prices for early shipments now. Battery makers outside China, in Europe, Korea, India and elsewhere, see the price gap narrow slightly.

UNITED KINGDOM

Zero-rate VAT on home solar and batteries ends on 31 March 2027

The Budget on 28 October confirmed that VAT relief on energy-saving materials, at 0% since 2022, goes back to 5% from 1 April 2027. Heat batteries are due to qualify for the relief, at 5%, from the same date.[2]

What it means. UK installers are likely to pull orders into the first quarter of 2027 and see a slower spring. Suppliers to the UK home market should agree distributor stock and payment terms now, and plan for a dip after March.

EUROPEAN UNION

The EU–India trade agreement is due to be signed in December

The European Commission sent the Council its proposals to sign and conclude the agreement in September, and signing is expected in Brussels on 16 December 2026.[3] The European Parliament's consent follows, so preferential tariffs are unlikely to apply before early 2027.

What it means. Solar modules already enter the EU duty-free, so the gains sit in machinery, components and services, and they depend on proving origin. Manufacturers in India should start assembling rules-of-origin evidence for their bills of materials now, before the first preferential shipment.

UK AND EUROPEAN UNION

From 2028 the UK and EU plan to exempt each other from carbon border levies

At their summit on 20 November the UK and EU concluded talks to link their emissions trading systems from 1 January 2028, exempting each other's goods from their carbon border levies. They also aim to agree the UK's return to the EU electricity market in 2027. Both still need legal steps on each side.[4]

What it means. Steel and aluminium goods made in the UK or the EU, such as mounting structures and trackers, will move between the two without the levy, while the same goods made elsewhere pay it in both markets.

ALSO THIS MONTH

The US set duties of up to 268% on solar cells and modules from three countries. Final rates set in September reach 268% for Indonesia, 249% for India and 219% for Laos. The US International Trade Commission found injury on 16 October, and duty orders were published on 9 November. Makers in all three will look harder for buyers in Europe and elsewhere.[5]

The UK carbon border adjustment mechanism starts on 1 January 2027. It covers imports of aluminium, cement, fertiliser, hydrogen, and iron and steel, with a £50,000 registration threshold. Modules and batteries are not covered; importers of aluminium frames or steel mounting structures should check their commodity codes.[4]

WORLDWIDE

A record 535 GWh of energy storage is due to be added worldwide this year

BloombergNEF expects 535 GWh (188 GW) of storage to be added in 2026, up 45% on last year in gigawatt terms, with growth spreading well beyond the US and China. In Europe, Bulgaria, Romania, Poland, France, Greece, the Netherlands and Ukraine join the UK, Germany and Italy as gigawatt-scale markets, and India's additions are set to top 6 GW.[6]

What it means. Demand for batteries, inverters and control systems is no longer concentrated in a few markets. Storage makers can find buyers in several new European markets at once, but each has its own grid rules, certification and route to buyers.

THE DEAL

Premier Energies and Germany's RCT Group plan a 12 GWh battery plant in Telangana

In September Premier Energies and RCT India, part of Germany's RCT Group, signed a binding term sheet for a joint venture to build a 12 GWh battery energy storage manufacturing plant in Telangana, starting with a 6 GWh first phase. The partners describe it as an export-oriented platform serving international markets.[7]

What it means. It is a working model: European engineering and supply-chain reach, Indian manufacturing scale and an export brief from the start. Expect more European technology companies to look for Indian manufacturing partners on similar terms.

INDIA

A $1.5 billion subsidy for 92 GWh of storage, with at least 40% Indian content

On 4 November 2026 the Union Cabinet approved Viability Gap Funding, a government grant towards developers' capital costs, for 92 GWh of grid-scale storage, including 30 GWh of batteries, to be awarded through competitive bidding. Battery projects must meet a minimum domestic content requirement of 40%,[8] up from 20% under the earlier scheme.[9]

What it means. Storage, inverter and EMS companies selling into India should work out which parts of their product can be made or sourced there, and choose an Indian partner with that split in mind.

Before the end of the quarter

SELLING INTO THE UK AND EUROPE

1. If you sell storage into the EU, check you can issue a battery passport for industrial batteries over 2 kWh by 18 February 2027.
2. Agree UK distributor stock and terms before VAT returns to 5% on 1 April.
3. If you ship steel or aluminium structures into the UK, check your commodity codes before the UK carbon border levy starts on 1 January.

BUYING AND SELLING WORLDWIDE

1. If you buy batteries from China, agree prices for 2027 deliveries before the export rebate ends on 1 January.
2. If you make cells or modules in Indonesia, India or Laos, line up buyers and certification for markets outside the US, starting with Europe.
3. If you sell storage into India, map which parts of your product can count towards the 40% domestic content rule.

Sources

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3. India Briefing, India FTA tracker, updated 12 November 2026, citing The Hindu, 24 September 2026; European Commission press release IP/26/1842
4. UK Government, Carbon Border Adjustment Mechanism policy summary: gov.uk; Joint Statement of the EU–UK Summit, 20 November 2026, paragraphs 49 and 52, and UK explainer on ETS linking: gov.uk
5. PV Tech, 14 September 2026 (final rates for India, Indonesia and Laos); pv magazine, 16 October 2026 (ITC injury vote); US Federal Register, 9 November 2026, document 2026-22824 (countervailing duty orders)
6. BloombergNEF, Energy Storage Growth Surge Goes Global: Three Things to Know, 22 October 2026: about.bnef.com
7. Mercom India, 11 September 2026: mercomindia.com/premier-energies-rct-india-plan-12-gwh-battery-storage-unit-in-telangana
8. Prime Minister's Office, 4 November 2026: Cabinet approves Viability Gap Funding scheme for 92 GWh of grid-scale storage, pmindia.gov.in (₹14,500 crore, converted at about ₹94 to the US dollar, mid-November 2026)
9. Ministry of Power direction on local content for VGF-funded storage, December 2025, as reported by SolarQuarter, 24 December 2025

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