

Elana Byrne
Chair
STC Panel

Email: connections@ofgem.gov.uk

Date: **30 October 2024**

Dear Elana,

Decision on request for updated urgency timetable for the System Operator Transmission Owner Code (STC) modification proposals CM095: 'Implementing Connections Reform' and CM096: 'Application of Gate 2 Criteria to existing contracted background'

On 19 April 2024, National Grid ESO, now the National ESO¹ (the 'Proposer'), raised STC² modification proposals CM095 and CM096 (the 'Proposals')³ as part of a package of code modifications under its TMO4+ connections reform project.⁴ On the same day, it also raised CUSC⁵ modifications CMP434 and CMP435 as part of the same package.⁶

On 29 April 2024, we received a recommendation from the STC Panel that CM095 and CM096 be treated as urgent code modifications. On 1 May 2024, we issued our decision: we approved the recommended timelines, therefore the Proposals progressed on an urgent basis.⁷ Alongside this, we also agreed with the CUSC Panel recommendation that CMP434 and CMP435 also be treated as urgent.⁸

In your letter to us dated 9 September 2024, you notified us that the previously approved timeline was no longer achievable and sought an extension, recommending a new extended timeline.

¹ From 1 October 2024, National Grid ESO became the publicly owned National Electricity System Operator.

² [System Operator Transmission Owner Code \(STC\)](#).

³ [CM095 - Implementing Connections Reform | ESO \(nationalgrideso.com\)](#); and [CM096 Application of Gate 2 Criteria to existing contracted background | ESO \(nationalgrideso.com\)](#).

⁴ NESO [Connections Reform: Final Recommendations Report](#), December 2023.

⁵ [https://www.nationalgrideso.com/document/300891/downloadConnections_and_Use_of_System_Code_\(CUSC\)](https://www.nationalgrideso.com/document/300891/downloadConnections_and_Use_of_System_Code_(CUSC)).

⁶ [CMP434 Implementing Connections Reform | ESO \(nationalgrideso.com\)](#); and [CMP435 Application of Gate 2 Criteria to existing contracted background | ESO \(nationalgrideso.com\)](#).

⁷ [Decision on urgency treatment of 'CM095: Implementing Connections Reform' and 'CM096: Application of Gate 2 Criteria to existing contracted background' | Ofgem](#).

⁸ [Decision on urgency treatment of 'CMP434: Implementing Connections Reform' and 'CMP435: Application of Gate 2 Criteria to existing contracted background' | Ofgem](#).

After careful consideration, we have considered your recommendation for an extended timeline and this letter confirms our agreement. Under this new timeline, Ofgem expects to receive Final Modification Reports ('FMRs') for both CM095 and CM096 by 20th December 2024. Please see the table below for more information on key dates.

Background

In November 2023, we published with government our joint Connections Action Plan ('the CAP'), which sets out a framework of actions and further ambitions needed to tackle the growing delays customers are experiencing when seeking network connections. It included an objective to deliver connection offers within 6 months of the connection date requested by 2025.⁹

The Proposer then set out its updated recommendations for connections reform, known as the 'TMO4+' proposals: these aim to reform the connections process to enable the timely connection of projects to facilitate achievement of net zero, and assist in achieving the CAP's objectives.¹⁰ This new process would apply to both new applications and existing projects in the queue, and the intention had been for the proposals to take effect from 1 January 2025 (if approved).

We previously set out our expectations for the TMO4+ proposals in an open letter in April 2024,¹¹ and published on 16 September 2024 our vision for the reformed regulatory framework on the connections process as a whole.¹²

Updated urgency request

In your letter dated 9 September 2024, you note that the Proposer requested to extend the urgency timeline of CM095/CM096. The reasons given for this include:

- the scale and ambition of the reforms, and the importance of the challenges they aim to resolve;
- the timing of decisions on the code modifications and methodologies being taken in tandem;
- increased stakeholder input which requires additional time in order to allow sufficient period for the Proposer to engage with the views across industry;
- the complexity of the reforms, and the need for robustness of solutions in the FMRs.

⁹ [Ofgem and DESNZ announce joint Connections Action Plan | Ofgem.](#)

¹⁰ NESO, *GB Connections Reform*, April 2024.

¹¹ [Open letter: update on reform to the electricity connections process following proposals from ESO | Ofgem.](#)

¹² [Open letter on the reformed regulatory framework on connections | Ofgem.](#)

Panel view

The Panel agreed unanimously to the request to extend the urgency timeline.

Our decision

In reaching our decision to update the urgency timelines of CM095 and CM096, we have considered the Proposer's views and the views of the STC Panel.

We agree with the Proposer's view that in order to support a robust open governance process the timeline must be updated. Our reasons for this are as follows:

- The Proposals are seeing a significant amount of interest from a range of stakeholders. An extended timeline provides greater opportunity to engage with these views through the continuation of the Workgroup meetings, to allow Workgroup stakeholder views to be fully taken into account.
- The reforms are complex, ambitious and large in scale. The FMRs for the Proposals must include robustly reviewed solutions. Additional time will allow for the possible solutions (ie the Original Proposal and any WACMs) to be considered and drafted at a more considered pace. This includes the time required to draft any legal text, which must be carefully done so as to fully realise the Proposals' policy intent and ensure all options are capable of implementation, if approved by the Authority.
- Feedback was provided in the Workgroup Consultation responses that the duration of the consultation (eight working days) was insufficient. We recognise there is a need for an adequate consultation period and, noting the volume of responses of the Workgroup consultation in July, have decided to extend the time provided for the Code Administrator Consultation (beyond what was recommended by the Panel).

We agree the Proposals should follow the modified urgent timetables set out below, as an update to the previously agreed CM095 and CM096 timetables. The timeline, including dates for Authority decisions and Date of Implementation, are based on our latest understanding of the Proposals as drafted to date. Modifications to the timeline have been made from what was requested by Panel on 9 September: these are highlighted in **bold** in the table below. We consider that this timeline strikes a balance between sufficient time for Proposal development and industry consultation, while adapting to the urgency of the situation and facilitating implementation (if approved).

Modification Stage	Date
Workgroup Consultation (8 Business Days)	25 July 2024 to 06 August 2024

Workgroup report issued to Special Panel (2 Business Days)	05 November 2024
Panel sign off that Workgroup Report has met its Terms of Reference	08 November 2024
Code Administrator Consultation (11 Business Days)	11 November 2024 to 26 November 2024
Draft Final Modification Report issued to Special Panel (4 Business days)	13 December 2024
Special Panel undertake recommendation vote	20 December 2024
Final Modification Report issued to Panel to check votes recorded correctly	20 December 2024 (2pm-4pm)
Final Modification Report issued to Authority	20 December 2024 (by 5pm)
Authority Decision	Q1 2025
Date of Implementation	Q2 2025

We recognise this timeline is ambitious, and we reserve the right to adjust this upon request if the need arises; however we consider it necessary due to the scale of the challenges faced. Prior to Ofgem taking any decisions on the code modifications, new licence conditions or new Methodologies, the requisite consultations will be carried out.¹³ Our current thinking is that the proposals ought to be considered simultaneously. This will allow industry to assess the proposed reforms in their entirety, so that our final decisions on the entire package of TMO4+ reform proposals (subject to relevant dependencies, including publication of the Clean Power 2030 Plan¹⁴) can fully take account of these views.

For the avoidance of doubt, in granting the request for extension to the Urgency timeline of CM095 and CM096, we are making no assessments of the merits of the Proposals and nothing in this letter in any way fetters our discretion in respect of the Proposals.

If you have any comments or questions about this letter, please contact connections@ofgem.gov.uk.

Yours sincerely,

Liam Cullen
Senior Policy Manager, Electricity Connections
Energy Systems Development and Design Directorate
Duly authorised on behalf of the Authority

¹³ [Open letter on the reformed regulatory framework on connections | Ofgem](#).

¹⁴ [Chris Stark to lead Mission Control to deliver clean power by 2030 - GOV.UK \(www.gov.uk\)](#).