



15/01/2025: Open letter on the next steps for connections reform

This open letter provides an update on the next steps in grid connections reform, outlining the need for a pause in new connections applications, with exceptions for certain projects. It explains why this pause is necessary to lay the foundation for an efficient, future-ready process that supports clean power delivery and economic growth in Great Britain.

Context

Grid connections applications have continued to grow over the last year to the point that it is no longer possible to deliver in-flight connections reforms in parallel with the existing connections process. In 2023/24 alone, NESO received over 1,700 queue applications, with more projects already in the queue than is required for the energy system in 2030 or even 2050.

We have worked hard to hear the views of as many stakeholders as possible on our proposals for connections reform, and we are extremely grateful for the feedback we have received. NESO has carefully considered all the evidence and submissions sent to us, and we are now moving from the consultation phase of connections reform to the implementation phase.

As of 15 January, Ofgem¹ has agreed with our recommendation, to move into the second phase of preparations for connections reform. This will involve a pause in connections applications, starting from 29 January, except for demand projects and specific modification applications.

This transitional arrangement is essential to allow the delivery of the connections reforms this year. It will also provide clarity to consumers as to when to apply to be included in the new process. This step is a major milestone in improving the grid connections process and will provide the platform to implement reforms² that, subject to Ofgem's approval, prioritise projects that are ready to move forward and are crucial for achieving clean power by 2030.

Details of the pause in new connections agreements

Starting from 29 January, we will pause accepting new connection applications for the electricity transmission system until the reforms are implemented, subject to Ofgem's approval. While Distribution Network Operators (DNOs) and Independent DNOs (IDNOs) will continue to accept and process applications, they will not pass them through to us for transmission impact

¹ NESO letter to Ofgem requesting pause in connection agreements

² NESO <u>Connections Reform</u> December 2024





assessments. NESO's pause on connection applications includes new applications, modification applications, BEGA and BELLA³ applications, and Project Progressions.

Exceptions to the pause

During this period, there will be an exceptions process for new directly connected demand projects, meaning that industry can continue to connect to the grid, supporting economic growth in Great Britain. New directly connected demand applications will receive a transitional offer, and all such applications must be made by 21 March 2025 and 'clock-started' by 4 April 2025 to be processed in time for inclusion in the G2TWQ⁴ (Gate 2 to Whole Queue) process. For clarity, embedded (distribution-connected) demand is out of scope of the connections reform proposals – and therefore out of scope of the pause. Embedded demand applications can continue to be submitted during this period.

There will also be exceptions for modifications related to circumstances where NESO and the Transmission Owners (TOs) consider that the modification application will not have a material impact on the G2TWQ process. Any other exceptions will be assessed by NESO and the TOs on a case-by-case basis, where failure to admit the modification application could have a material impact on the network. Agreement variations and Notices required to be triggered by the TOs, including for the purposes of safety and security of the network, will continue throughout the pause period.

Next Steps

The transitional arrangement will begin on 29 January 2025, which is the deadline for all applications (except for new directly connected demand applications and specific modification applications) to be submitted to NESO. For applications received by the deadline, NESO and TOs will use their best efforts to 'clock start' all applications received by 12 February 2025. Any applications that have not been clock started by this date will not be processed and will need to be submitted in the first new application window.

To be considered in the G2TWQ process, customers will need to have their connection offers signed before the evidence submission window opens. This window is when projects in the existing queue are invited to submit evidence against the Gate 2 criteria as proposed in the Gate 2 Methodology. We are working to determine exact dates and to establish a timeline that works for all parties involved. We will provide an update to the industry as soon as this is confirmed.

³ 'Bilateral Embedded Generation Agreement' and 'Bilateral Embedded License exemptible Large power station Agreement'. More information is available here: https://www.neso.energy/industry-information/connections/help-and-support/glossary-terms.

⁴ 'Gate 2 to whole queue'. More information is available here: https://www.neso.energy/document/346816/download.





Once again, NESO would like to thank everybody who has engaged with this process and with our consultations on connections reform. We look forward to maintaining a positive working relationship with stakeholders as we move to the implementation of reform.

Signatories

John Twomey

Director of Customer Connections, NGET

Scott Mathieson

Director of Network Planning & Regulation, SP Energy Networks

Christianna Logan

Director of Customers and Stakeholders, SSEN Transmission