



Connections@ofgem.gov.uk
Office of Gas and Electricity Markets

By email only

June 16th, 2023

ESP Electricity Ltd
Bluebird House
Mole Business Park
Leatherhead
Surrey
KT22 7BA
T: 01372 587500
F: 01372 377996
info@espug.com
www.espug.com

Open letter on future reform to the electricity connections process

Dear Colleague,

I am writing on behalf of ESP Electricity, a licensed Independent Distribution Network Operator ("IDNO") operating in Great Britain. We welcome the opportunity to respond to Ofgem's open letter on future reform to the electricity connections process.

As a network operator, we are acutely aware of the numerous challenges faced by customers seeking a connection to the electricity network. We are fully supportive of the intent to reform the connections process and welcome the opportunity to engage with Ofgem, other network operators, and customers to give rise to a more accommodating and agile connections market.

In addition to the mitigations noted in the letter, we believe there are changes that can be made in the short term that can kickstart the steps required to solve some of the stated issues. The innovation to solve various parts of the connection queue issues are often slow to come into effect due to a lengthy code modification process. Where there is a clear path to practical implementation, these should be prioritised so that industry has early certainty on the rules and expectations surrounding investment in new projects. Priority should also be given to those solutions that seek to resolve local or regional issues.

We think a key part of the solution to network investment will be open competition. A model that promotes and fast tracks competition can considerably aid in promoting strategic and anticipatory investment. We note that models for competition have brought benefits to consumers in other parts of the electricity market supply chain and believe the same will be true for network investment.

Having noted the importance of strategic and anticipatory investment, appropriate utilisation of flexibility will be crucial. Increased uptake of flexibility will lead to a smarter and more dynamic system that can meet the needs of users in a way that lowers the overall load on the network. Connecting flexibility also has the benefit of providing cost signals to demand and generation that are often weakened by complex network charges.

Key to anticipatory investment and utilisation of flexibility, we are conscious that the commencement and operation of regional and system planning will be vital in ensuring a holistic system is developed. We have provided our views on Ofgem's consultation to the future of local energy institutions and governance but would like to reiterate that this work should be a high priority. While we understand that the framework is still nascent and the proposed FSO/IDSO will require a period of time to become functional, there are too many dependencies to allow

this work to stagnate. Smarter use of the grid and appropriate investment is needed far sooner than the current timelines provided for the set-up of the FSO as market facilitator.

Lastly, though not referenced in the letter, we note that reforms will be needed to the planning process and how this interacts with the granting of connections. We await a conclusion to the DESNZ review of wayleaves, easements, and other associated land rights. These tend to create delays in the connections and there is vast scope for standardisation to allow for benefits to be realized by connecting customers, landowners, and the network operators.

If you wish to discuss any of the points raised in our response or have any queries, please contact us at Regulation@espug.com or on 01372 587507. I can confirm that our response is non-confidential.

Yours sincerely,

Brandon Rodrigues
Regulatory Analyst