

## BEAMA response to open letter on future reform to the electricity connections process

*Type of response:* Organisational  
*Organisation name:* BEAMA  
*Company type:* Trade association for manufacturers of electricity networks products and customer energy resource related products including heat pumps and EV chargers  
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### Response

BEAMA fully agrees that the speed of connections needs to improve. Our members are impacted in the following ways:

- Manufacturers of networks equipment such as transformers, who understand the need for network reinforcement
- Manufacturers of consumer energy resources and related products, such as heat pumps and EV chargers, as well as other types of electric heating and building electrical infrastructure, who are impacted by the availability of clean electricity in making their businesses viable and allowing them to contribute more rapidly to decarbonisation of buildings with better outcomes for consumers
- Manufacturers of flexibility solutions for buildings, who are impacted by Ofgem's other work that can help to build a more efficient energy system (also acknowledged as important in the connections open letter).

Modelling conducted by BEAMA and the Energy Systems Catapult highlighted the need to invest in various aspects of the energy system in the 2020s and early 2030s to meet Carbon Budgets and the overall Net Zero requirement at least cost. Without that urgent investment and energy system upgrades, grid reinforcement will need to be more extensive and will be more challenging, skills will be harder to come by, and we will struggle to build supply chains in time. Without the critical network innovations outlined already, this investment could reach as high as £7bn/year, averaged over the next 15 years, and as much as £15bn/year subsequently. Achieving faster connections will help to avoid the highest costs<sup>1</sup>. It will allow customers to get better return on investment. It would help to attract more customers. It would clarify the pathway to Net Zero and thereby clarify the likely costs that customers can expect. It will stimulate development of flexibility markets to develop a more efficient energy system. It will improve confidence that the Net Zero transition is a reality and improve the uptake in low carbon resources, accelerating their acceptance by customers and customers' experiences.

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<sup>1</sup> <https://www.beama.org.uk/services/net-zero/netzero-publications/growing-the-supply-chain-for-net-zero.html>

In the letter Ofgem paints a positive picture of prospects for network improvements given changes to RIIO and other central Government policies. We agree with:

- allowing re-openers which would be useful in permitting network companies to make a case for further income should there be a significant increase in demand in consumer energy resources
- reforming network reinforcement costs
- the proposals to improve connections processes.

However, implementation of policy and regulatory decisions is critical and industry hopes that positive intentions are brought to fruition. The proposed requirements for Ofgem to bring transparency, consistency across boundaries, and faster implementation of changes are welcome. We note the Ofgem acknowledgement that the intentions and frameworks proposed could be met with a number of possible solutions – we hope that the timescales proposed for an action plan this summer are met to give more clarity to industry as soon as possible, and that this action plan is meaningful with practical tangible steps.

We would also note the need for Ofgem and Government to better understand the supply chain for networks equipment. Supply chains and lead times are another factor along with connection times that impact the speed of bringing generation capacity online. Supply chain collaboration for materials, skills and coordination is critical to ensuring manufacturing capacity with the potential for significant increases in network capacity. BEAMA aims to continue to increase our work in this area with Government and Ofgem and would welcome further engagement.