

Lightsource bp Renewable Energy Investments Limited
7th floor 33 Holborn
London
EC1N 2HU
United Kingdom

Telephone +44(0)333 200 0755
www.lightsourcebp.com

Wednesday 12 February 2025

Alasdair MacMillan
Electricity Connections
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

Dear Alasdair,

Thank you for the opportunity to respond to your consultation on the 'Connections end-to-end review of the regulatory framework', please find enclosed a response to this consultation on behalf of Lightsource bp.

Lightsource bp, a wholly owned subsidiary company of bp, is an international developer of solar, wind and battery generation projects. We operate in 19 countries around the world and have developed over 9.5GW of generation capacity to date across our 1,200+ employees. In Great Britain, we own (3 projects, 84.9MW), operate (19 projects, 555MW) or are developing (12 projects, 1,250MW) a portfolio of projects across distribution and transmission networks.

In summary, we are broadly supportive of the Ofgem's proposals in the consultation, however we have specific concerns or comments around the use of 'principle-based regulation' and its practical effectiveness in changing process and behaviour. We support having more prescriptive license conditions and/or Service Level Agreements (SLAs) that cover the whole connections process and have provided some possibilities within our response.

In addition to the above, we have also provided a response to each question posed in your consultation, these can be found overleaf in the appendix to this letter.

Please do not hesitate to contact me if you require any further information on any of our consultation responses.

Sincerely,

Grahame Neale
Grid Regulatory Manager – UK & Ireland

Appendix – Responses to specific questions contained within the consultation

Theme 1 - Visibility and accuracy of connections data and network capacity

Question 1a. Do you agree with the issues we have set out under Theme 1 – Visibility and accuracy of connections data and network capacity? Are there any other issues under this theme that we should consider or be aware of?

We agree with the list of issues highlighted in this section however there are several others that we'd like to raise.

1. The lack of consistent data across transmission and distribution means that combining these datasets for analysis results in complexities processing this information – especially comparing to distribution companies who largely use the same data formats. With connections reform and the Clean Power 2030 regional capacities, industry will have a greater need to understand queue formation across Great Britain and using both distribution and transmission datasets will be key.
2. The lack of cost-book or average cost data means estimating connection costs before an application is extremely difficult, without previous work to undertake cost discovery. Whilst we understand that costs provided during the connections process are indicative until reconciled, we believe the ENA (on behalf all networks) should produce a file of average costs that industry can use that is reflective of network costs.
3. Availability of network capacity at a more detailed level than currently shown and some information before application on likely LIFO curtailment conditions that can be expected in an area. Whilst it is relatively easy to understand if an area is subject to curtailment, without an application it is extremely difficult to understand the likely amount of curtailment that can be expected.
4. We also believe there is a missing framework or process for industry to request new data from network companies and this request to be holistically considered across all network companies and either (i) a plan created to produce the data, either adhoc or on a regular basis or (ii) provide rationale for why the data cannot be produced with a explanation of what would need to change to make the data available.

In addition to the above, we must also re-emphasise the issue you have already highlighted regarding accuracy, granularity and timeliness of data being published. If the data published by networks is not 'trustworthy' (i.e. the criteria you have highlighted, plus confidence that the data is complete) then it is of little use.

Question 1b. Do you agree with proposal 1a (new regulatory requirement on single digital view tools)? Do you have any views on how this should be implemented?

We support the principle of a 'single digital view' if it is a truly whole system view across distribution and transmission – possibly including independent distribution networks as well. To deliver this, we believe it will need a single entity with sufficient knowledge and authority to deliver the 'single digital view' with supporting obligations on network owners. Whilst the ENA (Energy Networks Association) may seem like a natural choice to do this, we do not believe they would have sufficient oversight to ensure industry's views are included in development. There we believe the 'single digital view' should be delivered by independent party who has experience managing industry-wide data, such as NESO or Elexon. These parties will also be able to use the existing code framework where needed to place obligations on the network companies. We would also hope that the 'single digital view' should consider the current network and expected future network at fixed points in the future as this would provide greater insight than static snapshots of the network.

Question 1c. Do you agree with proposal 1b (new regulatory requirement on the creation of guidance / standards for data visualisation tools)? Do you have any views on how this should be implemented?

A new regulatory requirement for networks to create supporting guidance and standards for data visualisation tool is good in theory but we believe will be largely ineffective unless it is prescriptive in how and when these are created, and this requirement is actively monitored. We believe compliance with this requirement may be better achieved if it is practically enforced on to the networks by a single data-management party (such as the parties listed in our response to question 1b) with Ofgem acting as a point of escalation if required. We also note that in the short-term, it may not be necessary for a 'single tool' to be developed by networks/industry but all data must be interoperable and consistent between networks so they could be uploaded into a single tool at a later date as part of a longer-term objective.

Question 1d. Do you agree with proposal 1c (new regulatory requirement to provide connections data)? Do you have any views on how this should be implemented?

We have no strong preference on how the obligation should be implemented, either directly via the license or indirectly via the RIGs (Regulatory Instructions and Guidance). Our only comment is that depending on the detail of the requirement, the RIGs may be better suited to prescriptive obligations whilst the license for more general obligations – we would also note that both could be incorporated if they are suitably cross-referenced.

Question 1e. What are your views on the completeness and discoverability of connections data that would be useful to you? Are the existing resources clear and transparent?

Generally, for distribution companies we find the data is mostly accessible, but the completeness of the data is lacking – for example the embedded capacity registers contain a lot of missing data. Across the embedded capacity registers of all 6 DNOs there were over 685,000 data points, 30% of the data (over 205,000 data points) were either ‘not available’ or missing. In addition, we find that the data published by different distribution networks is extremely varied and disparate until an ENA standard form is agreed, it improves significantly after this however this process is extremely slow.

At transmission we find the opposite problem, where the data is mostly complete but is difficult to find. Whilst most of the common data is located on the NESO’s data portal, due to the sheer amount of NESO reports published that contain additional data, it can be difficult to locate data if you are unfamiliar with the content of every publication.

For both distribution and transmission, we also have concerns regarding the accuracy of the data and how it will be subsequently applied in industry processes. Especially regarding the data used to apply ‘Gate 2 to Whole Queue’, the impact of poor/missing data may have on projects and the information asymmetry between networks and developers meaning it will be difficult for industry to understand how the ‘Gate 2 to Whole Queue’ process is applied.

Question 1f. Is there additional connections data that would be of use but legal barriers prevent it from being published? If so, do you consider that there are solutions that would enable this data to be made available, for example by aggregating it to appropriate levels / anonymising it etc.

We do not believe there are any legal barriers preventing network companies from publishing data used in the connections process, both network data and applicant/contract data. We believe one of the most useful datasets that networks can produce and release updates to network models, showing both the current network and the proposed network at prescribed time periods in the future (e.g. 2, 5 and 10 years’ time). This will provide the asset level data needed for more informed applications and to help developers understand their system impact, and mitigation possibilities. It could also allow a different dynamic where more of the process can be done by developers with the networks reviewing and approving the developer’s work – allowing more scope for competition.

Broadly, we do not believe the principle of data being ‘presumed open’ is being adhered to by network companies for several reasons and a more accurate description is ‘open if convenient’. There are several reasons for this.

- Worries regarding data quality and record keeping that could be exposed by data being made public.
- Using consistency with other networks and ‘making it available to all’ as reasons for not progressing data requests that are made to an individual network.
- There is a general reluctance to publish data if it’s not currently published or is a ‘simple report’ that can pulled form a system due to workload concerns.
- As far as we are aware, there is no process to request information, consistently, across all networks and for the request to be considered. Whilst we accept that every request may not be possible and there could be cost/time implications of developing solutions, we have no visibility of how networks decide if data can be provided and any rationale for a decision. Whilst this matter could be forced via a CUSC or DCUSA modification, we believe this would not be constructive and a voluntary process via the ENA may be more pragmatic.

We would also like to add that we acknowledge and accept the difficult challenges that network companies face in providing information to industry without being ‘bled dry’, the networks companies have become more transparent over recent years but progress has been slower than needed.

Question 1g. Is there anything else regarding Theme 1 – Visibility and accuracy of connections data and network capacity that you consider we have missed?

Regarding Theme 1, we have two additional points that we would like to add.

1. We believe there needs to be a requirement on network companies to improve data quality. We accept that a SMART objective on data quality may not be easily defined but a defined process with SLAs, monitored by Ofgem to update data once notified of any errors would be suitable. Whilst this would not immediately improve data quality, over time it will improve the quality of the data held by networks in a structured manner.
2. We believe there should be consideration of how connections data will interact with the reformed connection process being created by NESO. The windowed process for NESO applications now means they'll be significant bi-annual updates of data by NESO and the DNOs – this may inadvertently affect behaviour of developers who will want to use the latest data yet need sufficient time to complete the relevant internal and/or DNO processes to align with a biannual application window.

Theme 2 - Improved standards of service across the customer journey (not including “minor connections”)

Question 2a. Do you agree with the issues we have set out under Theme 2 – Improved standards of service across the customer journey (not including “minor connections”)? Are there any other issues under this theme that we should consider or be aware of?

We agree that the issues highlighted in Theme 2 are significant, however we believe there are others that should be added.

- We believe pre-applications should be including as a formal part of the connections process as the activities undertaken in this part of the customer journey are arguably the most important in shaping what industry expect from the later stages of the connections process. Network companies acknowledge this part of the process is important but as it is not formally part of the regulated process, it is often considered a ‘should do’ activity by network companies. The consequence of this is that this stage of the customer journey is under-invested resulting in the data issues highlighted in Theme 1.
- Possible contractual and network design options for a prospective connection are not always clearly explained by the network companies. This is exacerbated by inconsistencies between transmission and distribution – an example of this payment of transmission connection assets. For transmission connections, NESO allow payment of these assets across a broad time frame (before connection up to 40 years after energisation), the DNOs also have this range of options with NESO but DNOs do not pass this through to embedded generators. An extra example is the different contestability arrangements across distribution and transmission.
- Conflicting incentives across Transmission Owners and NESO result in unclear boundaries of responsibility between them. For example, as both parties have Customer Satisfaction incentives, Transmission Owners have an incentive to ‘cut out’ NESO from discussions as TOs are the party that developers want to speak to mostly.

Question 2b. Do you have any views on proposal 2a (general principles-based licence condition and supporting guidance around standards of service throughout the entire customer journey)? Do you have any views on how this could be implemented?

We believe that whilst proposal 2a could theoretically work it have issues around how the principles and guidance would be practically enforced. Keeping the license condition sufficiently generic to be principle-based means that the license condition will be difficult to prove and enforce on networks to change their behaviour, especially as the guidance would also have limited means to support the license (i.e. the guidance can be changed/updated). As such, we proposal 2a provides too much scope for networks to argue that they are meeting the license condition to the dissatisfaction of connectees, meaning it is unlikely to be enforced without significant time/effort in Ofgem conducting an investigation therefore we believe proposal 2b is more suited to meeting the needs of connectees. There may be scenarios where a combination of prescriptive license conditions may support a principle-based license condition (i.e. both proposal 2a and 2b) and this could be explored.

Question 2c. Do you have any views on proposal 2b (new prescriptive condition(s) around standards of service)? Do you have any proposals for any specific areas of the connections customer journey that should be subject to such a requirement?

A correctly design series of SMART license conditions will be more effective at driving network’s performance and behaviour than only a more general principle-based license condition. These license conditions should cover the whole of the customer journey, should be reflective of the differing complexity of individual projects and be reflective of all the challenges highlighted in this consultation (e.g. focus on quality, not just speed). These license conditions should also incentivise networks to do the best they can, rather than using the license conditions as a ‘deadline’. As an example, replacing the current license condition to provide an offer

within 90 days with a similar metric that provides the networks with more flexibility but is equally challenging – as an illustration, 20% of connection offers provided within 30 days, 50% within 45 days, 80% within 65 days, 95% within 90 days, 100% within 120 days.

Question 2d. Do you consider that any of the existing standards of service requirements set out in the regulatory framework for provision of specific products / services should be revised or removed? Do you consider that there is any duplication or overlap of regulatory requirements across the regulatory framework that needs addressed?

We have not undertaken a detailed analysis of the individual standards of service and license conditions across regulated networks to provide a detailed answer to this question, however we believe it is prudent to review all existing standards of service to ensure they align with the broader changes happening within connections changes as well as aligning with proposals 2a/2b. Generally, we also support network companies taking longer with connection applications (particularly those subject to the Transmission Impact Assessment process) if the end result is better quality.

Question 2e. Is there anything else regarding Theme 2 – Improved standards of service across the customer journey (not including “minor connections”) that you consider we have missed?

As noted in responses to some earlier questions, we believe that more can be done to improve consistency between network companies. It is unclear if comparative competition between networks when providing connections is beneficial for consumers compared to the inconsistencies it causes – especially as developers don’t choose a network based on how good of a service they provide; land, resource availability, connection dates and local knowledge are more important factors when defining a project for development. Therefore, we see a greater need for license conditions to provide a consistency in the connection services that are provided between then and compare networks based on their ability to deliver this consistent service.

Theme 3 - Requirement on networks to meet connection dates in connection agreements

Question 3a. Do you agree with the issues we have set out under Theme 3 - Requirement on networks to meet connection dates in connection agreements? Are there any other issues under this theme that we should consider or be aware of?

The issues identified at pertinent at transmission as well as distribution. Whilst major reinforcement works on the transmission system do require greater coordination and are more challenging, the issues identified with DNOs are equally applicable for Transmission Owner’s delivery of localised works. Other than outage planning, NESO have little impact on the delivery of reinforcement works by DNOs or TOs and so currently have little overall incentive to ensure works are delivered to time or budget.

With the proposed changes to introduce more competition to the delivery of transmission works, if developers are going to be forced to ‘procure transmission network build via NESO’ (to administer the competitive procurement of transmission works), then NESO need to be held for accountable for the delivery of their ‘contractors’ (i.e. the Transmission Owners) in delivering those works. We believe Ofgem need to consider who and how should be regulated in this regard, the Transmission Owners or the NESO.

Question 3b. Do you have any views on proposal 3a (strengthened principles-based licence condition around meeting connections dates)? Do you have any views on specific wording that would achieve the intended outcome?

Similar to our response to question 2b, whilst we agree that a principle-based license condition could work in theory, we believe it will be difficult to use and enact in practice without more detailed descriptions of what the principles practically mean – essentially morphing into proposal 2b. An example of this being the network companies being required to demonstrate ‘best endeavours’ to meet a connection date – what do they need to do to demonstrate this and how would Ofgem enforce this license condition if a network provided alternative evidence?

We believe it will be more effective to change network company’s behaviour by using a proposal 3b in combination with proposal 3a. The SLAs will need to be SMART and carefully designed but we believe this can be done in such a way that meeting connection dates will begin to have a positive or negative consequence for networks companies (through rewards or penalties).

Question 3c. Do you have any views on proposal 3b (minimum standards / SLAs around meeting connections dates)? Do you have any views on specific standards that could be introduced and how they would work in practice?

We believe this approach to incentivising networks will be more effective. These standards and SLAs need to strike a balance between giving networks sufficient flexibility to deliver connections, provide a sufficient incentive (pain and or gain) for the works to be delivered yet give the developer some influence in how their project is developed. In terms of specific ideas for these standards, the below are some initial ideas.

- We believe a measure that compares contracted and actual delivery dates against the developer's chosen connection date would avoid some concerns of the network companies being able to 'game' the metric by offering pre-delayed connection dates (as per theme 5).
- Differing standards that consider the networks performance at an individual project level (possibly linked to the financial instrument in proposal 3c) and across all projects delivered in a year (linked to a broader price control incentive).
- The number of changes to the connection date without the developer's permission and the amount of MW/days affected.
- Differing metrics based on the reason for the delay (e.g. delays to approvals beyond their control such as planning consent vs delays in slow procurement).

Question 3d. Do you have any views on proposal 3c (a financial instrument designed to offer recourse to connecting customers who face detriment due to delays)? Do you have any views on how this should be implemented?

We are supportive of introducing a financial instrument as it would compensate the affected party because of delays by network companies. We believe this financial instrument should.

1. Be applicable to all projects, regardless of size, technology or 'demand/generation' classification.
2. Be paid for by the applicable network triggering the delay – i.e. all projects subject to a Transmission Impact Assessment receiving this instrument from the NESO for transmission delays and all projects connected to the distribution network should be applicable to receive this instrument from the DNO for distribution delays. This payment will be determined by who is the delaying party (transmission or distribution). We note that depending on CMP328's progression, there may also need to be a method of transmission parties being compensated for DNO delays.
3. Be reflective to the scale of delay in terms of MWs delayed and length of delay.
4. Be mostly paid for by networks and automatically not socialised to consumers via Use of System charges, a price control mechanism or via an alternative mechanism such as liquidated damages, application fees etc.
5. However, we do believe there needs to be a sufficiently large cap/floor and pain/gain mechanism to manage providing networks with a sufficiently strong incentive without truly unlimited risk. We also believe that this may be asymmetric in distribution between paid/gain.
6. Some reasons for delay which are beyond the network's control (e.g. planning permission) should attract a lower rate compared to reasons which are in the networks control. This is to ensure there remains an incentive for networks to continually deliver works quickly rather than 'sitting back' once the process is out of their direct control.

To manage this, we believe there should be methodology document created with the support of a license condition. This methodology would need to be subject to open governance so that neither networks nor developers were able to change this methodology without Ofgem approval. The methodology would also need to link to a mechanism in the price control; we believe industry would be willing to support the design of this mechanism in a way which protects consumers and provides suitable balance of risk/reward for networks.

Question 3e. Is there anything else regarding Theme 3 - Requirement on networks to meet connection dates in connection agreements that you consider we have missed?

Based on our answer to question 3d, if a financial instrument is to be developed, we believe the interactions between liquidated damages and the financial instrument should be reviewed to ensure there is no conflicts and/or overlap.

Theme 4 - Quality of connection offers and associated documentation

Question 4a. Do you agree with the issues we have set out under Theme 4 - Quality of connection offers and associated documentation? Are there any other issues under this theme that we should consider or be aware of?

We agree with the issues highlighted under Theme 4 and would add the following.

- There is a structural misalignment of contracting options between distribution and transmission which are not passed across the T/D boundary. This results in DNOs taking commercial decisions on transmission works on behalf of the developers, especially around how/when transmission works are paid for. These decisions are often presented by the DNOs as de facto and so developers have little/no ability to influence these commercial decisions, despite the DNOs being fully unwritten for the transmission works via User Commitment meaning they have no financial risk because of these decisions. We believe it is inappropriate for DNOs to making commercial decisions on behalf of developers, and the DNOs should be 'passing through' any costs, risks and decisions between NESO and the developers in question.
- Delays and uncertainties caused by the regulatory regime contribute towards slow strategy development in regions, which ultimately result in uncertainties in connection offers as key details (e.g. approximate substation locations and voltages) remain TBC. We hope this will be partly addressed by the changes proposed under Connections Reform and Strategic Energy Planning, but we acknowledge that some details in connection offers can't be provided by networks for reasons beyond their control.
- We believe most developers would be willing for connections offers to take longer (to a sensible limit) if those offers were more certain. This would include details on costs, works and programme and links to our answers provided to questions 2c and 4c.
- We also believe that providing supporting information regarding how the electrical studies have resulted in the connection design in the offer (and any curtailment study) would be very useful and allow developers to understand the DNO's rationale more as well as undertake their own studies to evaluate the connection.

Question 4b. Do you have any views on proposal 4a (principles-based licence condition on the completeness / quality of the offer and supporting documentation)? Do you have any views on specific wording that would achieve the intended outcome?

Our response to this question will echo our comments made in questions 2b and 3b, i.e. a principle-based license condition may work but needs supporting information to be effective, so we prefer proposal 4b.

Question 4c. Do you have any views on proposal 4b (minimum standards / SLAs on the completeness / quality of the offer and supporting documentation)? Do you have any views on specific standards that could be introduced and how they would work in practice?

We believe that there should be specific standards related to the quality of connection offers provided by network companies, especially given one of the key rationales for connection reform was to generally improve quality of the process for all stakeholders. Some specific standards that could be introduced include.

- Connection offers should complete and correct the first time they are provided and so a quality metric will be required. This could, for example be a measure of how many offers receive a 'reoffer' from the network company to correct. Metrics and commentary on the reasons for reoffers (errors, adding incomplete data, offer not reflective of the customer's request etc) should also be captured and could also be used as a means of designing SLAs.
- A metric based on the amount of time to provide the offer should remain but be fundamentally changed from today. This metric should create opportunities for network companies to operate dynamically and allow them to prioritise their workload accordingly. As such, a metric around timing should incentivise the networks to provide offers ASAP but give them time to provide quality offers accounting for the complexity of the connection. This will also need to be reflective of the different connection processes between transmission and distribution (windowed vs always open) and how embedded projects subject to a transmission impact assessment will be affected by 3 offers (DNO's initial offer, the NESO to DNO window outcome and the DNO's revised offer).

Question 4d. What do you consider would constitute a 'high quality offer'?

When answering this question, we have considered a broader definition of 'high quality offer' to include the process of creating the offer documentation rather than a narrower definition just considering the documentation itself. We believe the key components of a 'high quality offer' (process and documentation) include.

1. Open and honest communication between network companies and developers of what the network studies are showing, what challenges this results in, constructive development of mitigation options and what does this mean for the connection offer.
2. Commentary and data from the network studies to explain the options considered and rationale for the chosen option in the connection offer.
3. Regular dialogue so that all parties are kept informed of the offer's development, including confirming and delivering against agreed milestones for the offer to be provided.
4. The offer documentation should be complete with no 'TBCs', vagueness in key details (location, works, costs etc) and no bespoke terms that allows the network to unilaterally revise these details later.
5. No administrative or typographical errors.
6. Guidance that explains how the costs in the offer are determined, a breakdown of these costs to a reasonable level and a clear explanation of the options available to manage these costs.
7. Not requiring a reoffer as it is right first time.

Question 4e. Is there anything else regarding Theme 4 - Quality of connection offers and associated documentation that you consider we have missed?

No, we believe your comments on Theme 4 are thorough and there is nothing extra we'd like to add that isn't already detailed in our responses to questions 4a to 4d.

Theme 5 – Ambition of connection offers

Question 5a. Do you agree with the issues we have set out under Theme 5 – Ambition of connection offers? Are there any other issues under this theme that we should consider or be aware of?

Yes, we agree with the risk that because of Theme 3, networks may begin to provide overly conservative connection dates and as such, measures may be needed to ensure connection dates are realistic yet prompt.

Question 5b. Do you have any views on proposal 5a (strengthened principles-based licence condition around offering earliest achievable connection dates)? Do you have any views on specific wording that would achieve the intended outcome?

We agree with the need for a license condition to manage the risks highlighted in theme 5, however like our previous responses we are not sure how a principle-based license condition would be detectable or enforceable; it provides little scope for Ofgem to evidence if an offer provides a 'earliest achievable' date. We have provided below some ideas which may be helpful to provide a more quantitative approach for a possible license condition.

- An approach based around the difference between a connection date requested by developer and date provided by network may be possible. Developers will provide a natural tension to provide a connection as soon as possible, this will also provide an incentive for networks to provide information before application to manage developer's expectations. However, there is a risk here that this becomes ineffective over time.
- There is also potentially a role for NESO or an external party to provide an independent perspective on the delivery of works, however this may be unfeasible for the smallest, local works due to their quantity and local nature.
- Finally, instead of reviewing individual connection offers against this theme, an overarching target to deliver MW capacity in line with an agreed plan could be used. This plan would need to align with the government's Clean Power 2030 plan (and subsequent Spatial Strategic Energy Plan) and be reflected in aggregate across the connection offers that network companies provide.

Question 5c. Is there anything else regarding Theme 5 - Ambition of connection offers that you consider we have missed?

No, there is nothing additional we'd like to add regarding Theme 5.

Theme 6 – Minor connections

Question 6a. Do you agree with the issues we have identified? Are there any other issues under this theme that we should consider? Please provide data and evidence to support your views if possible.

We do not operate in this sector and so do not feel suitably informed to provide an opinion.

Question 6b. What are your views on our proposals designed to address these issues? Are there other proposals you consider would achieve the intended outcomes?

We do not operate in this sector and so do not feel suitably informed to provide an opinion.

Question 6c. Do you have views on how poor performance could be addressed under these proposals to ensure the smallest scale customers are protected and LCT roll out is supported?

We do not operate in this sector and so do not feel suitably informed to provide an opinion.

Theme 7 - Provisions and guidance for determinations

Question 7a. Do you agree with the issues we have set out under Theme 7 – Provisions and guidance for determinations? Are there any other issues under this theme that we should consider or be aware of?

Whilst we agree with issues highlighted, we believe these issues will provide an early indication to Ofgem of likely issues in the connections process, especially given the significant changes to the connection process that are currently underway. Whilst it may not be possible for Ofgem to intervene in individual instances, it is not clear if/how these instances are logged and analysed to spot broader trends which may require Ofgem's involvement on the broader topic.

Question 7b. Do you have any views on proposal 7a (Ofgem to review the guidance for connection determinations)?

We believe the guidance for connections determinations should be reviewed but we can't provide additional comment further until information is provided about the proposed changes.

Question 7c. Is there anything else regarding Theme 7 - Provisions and guidance for determinations?

One option that may be worth exploring is to appoint an independent, expert arbitrator to provide a binding resolution on the detail of connections disputes. Ofgem can then oversee this independent arbitrator and provide a direction to industry of required changes from a policy and regulatory perspective.

RIIO T3 – Electricity Transmission Network Incentivisation

Question 8a. What are your thoughts on each of the three ideas we have presented? In your response, please identify positives and negatives you see in each of the proposals, and if you have a favoured option and why that is.

Regarding the incentive ideas, we would note that any incentives to the Transmission Owners and NESO under RIIO-ET3 will need to align with incentives under RIIO-ED3 (new or existing incentives) to avoid any conflicting incentives across the T/D boundary – therefore a review of RIIO-ED3 incentives should also be considered alongside any review of RIIO-ET3. Regarding the three incentive options, we have provided comments below.

1. An Ex-post review could work if the incentives are clearly defined and measurable, without this then there is a significant risk that the incentive will not result in the intended outcome. There also needs to flexibility to update these Ex-post incentives during the price control to account for how the network companies react. These incentives would also need to consider the whole customer connection journey and so multiple incentives may be required.
2. On Connection Timeframes, we agree with the intent but do not believe this will be suitable. With the likely changes under connections reform, historic performance of connection timescales will not be an accurate measure by which to judge network delivery without significant assumptions. We believe a better approach would be to link this incentive to delivering the CP2030 capacity in their respective areas as well as accuracy of contracted connection dates.
3. Our comments SGT transformer capacity are similar to above on Connection Timeframes. Transmission Owners need to be incentivised to deliver connections that facilitate both distribution and transmission projects and so they should be accountable for creating sufficient SGT capacity for the DNOs to connect embedded projects. We believe the incentive should be more flexible and allow the Transmission Owners to build the capacity as needed, as long as they provide sufficient capacity by 2030 aligned with the DNO's local plans – this will require them to engage with the DNOs to ensure the DNO's deliverability is considered as well. The current proposal create an incentive for Transmission Owners to plan and deliver capacity as late as possible so they 'over achieve' in early years and catch up in the later years, risking only 1 year of penalty.

Question 8b. With reference to our Future Considerations, do you have any further ideas on how TOs could be incentivised through a financial penalty and reward model, to deliver faster connections times, a more effective overall connections process in RIIO-ET3 and drive behaviours that have a positive long-term impact on the network?

We have nothing to add that we have not already included in answers to other questions.