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12th February 2025

Dear Alasdair,

Re: Response to the Connections End-to-End review of the regulatory framework

I am writing on behalf of National Grid Electricity Distribution (South Wales) plc, National Grid Electricity Distribution (South West) plc, National Grid Electricity Distribution (East Midlands) plc and National Grid Electricity Distribution (West Midlands) plc, collectively known as "NGED", in response to the Connections End-to-End review of the regulatory framework which opened on 8 November 2024.

We appreciate the opportunity to respond and have included our detailed answers to each question outlined in Themes 1-7 of the consultation document.

We fully support the ongoing Connections Reform programme, and NGED has taken an active role in supporting the National Energy System Operator (NESO) to deliver the best outcomes. This includes chairing three key Energy Networks Association (ENA) working groups on data, Distribution Forecasted Transmission Capacity (DFTC) and Target Model Option 4+ (TMO4+) and sponsoring two NESO Connections Reform Hub working groups on the End-to-End journey development and the Engineering Hub. NGED remains committed to enabling the UK Government's Clean Power 2030 (CP30) target through playing its part in ensuring that the 60% of distributed energy resources on which CP30 relies, can be connected to our network as appropriate[1].

The proposals in the consultation are still in the early stages. NGED appreciates Ofgem consulting with us at this point, allowing us to provide input based on our experience and customer feedback. This will help develop a connections framework for the RIIO-ED3 (ED3) price control that reflects the current landscape and supports improvements in policies, processes, and engagement with appropriate funding and incentives. We prefer this approach over interim changes to the RIIO-ED2 (ED2) price control due to the challenges and precedents such changes would set.

The requirement for this review was outlined in the Connections Action Plan (CAP), published in July 2023. At that time, the impact and magnitude of the deliverables of the Connections Reform programme and other actions outlined in the CAP were not fully understood. We have since observed the successful delivery of several initiatives which have improved the quality of service and timeliness of connections for customers. Concurrently, we have also witnessed the development of Connections Reform and the introduction of a new energy policy, the CP30 Action Plan, which are all intended to address common connections challenges felt by our customers, while delivering energy security and affordability for Great Britian (GB).

While we agree with Ofgem that an End-to-End review of the connections regulatory framework is beneficial, the timing of this consultation is challenging, as it coincides with the anticipated decision on the Connections Reform code changes. If implemented, Connections Reform is expected to deliver changes to frameworks and processes to address issues with quality of engagement, transparency, timeliness and reduction of

[1] Clean Power 2030 Action Plan: A new era of clean electricity – main report - GOV.UK

constraints to customer connections projects. Therefore, both the problem statement and proposed solutions identified in this consultation are based on a foundation which may soon be outdated.

The intent of this consultation is to deliver improved quality of service and timely connection outcomes, and we recognise the role we play in shaping and delivering future new or re-shaped regulatory frameworks, supported by updated standards and appropriate incentives. In developing the proposals further, we believe there is a need to focus on the following key points:

Timing: The timing of the review is premature since major improvements are expected from the forthcoming Connections Reform and pending Ofgem decisions on code and licence changes which will drive improvements to issues within scope of this consultation. We recommend that no new measures should be defined until these reforms are complete and their impacts on current processes are clear. Additionally, we support including any meaningful changes falling out of this consultation within the ED3 price control, rather than making interim steps within ED2.

Comprehensive framework review: A holistic and comprehensive review of the connections framework at Distribution is needed, as past reforms have focused mainly on Transmission. This review should cover obligations, processes, standards, roles, responsibilities, and incentives, aligning with the ED3 price control framework. The current End-to-End review consultation provides a solid foundation, but will also need to address different customer segments, consumer needs, and network roles which will need to shift from a competitive to a collaborative approach.

Balancing speed and quality: Current metrics including time to connect (TTC), time to quote (TTQ), Guaranteed Standards of Performance (GSoP) and Standard Licence Condition 12 (SLC12) focus on outdated and competing timescales. These are not always representative of customers' needs and largely prioritise speed over quality. Addressing the balance between quality and speed will necessitate a review of licence timescales, GSoP, and incentives. The current framework for managing DNO performance and the 'one-size fits all' approach to connection projects make it difficult to meet the standards targeted by this consultation.

Prescriptive regulation: We advocate for a more prescriptive approach to licence obligations at a primary level, supported by a more detailed tier two incentives framework for performance standards, processes and guidance (which would enable more regular reviews to keep pace with the energy market and GB economic changes). These must all apply, where relevant, to Distribution Network Operators (DNOs), Independent Distribution Network Operators (IDNOs), the National Electricity System Operator (NESO), and Transmission Operators (TOs). Principles-based license conditions can be open to interpretation, making demonstration of compliance challenging and imposes additional burdens on both Ofgem and the networks. Additionally, principles-based conditions could be costly to implement and any changes to the obligations framework must be aligned with the ED3 price control framework.

For minor connections in particular, prescriptive regulation can ensure the right processes and capabilities to meet customer needs and standardise the sector. With more connections needed to support Net Zero targets, it's crucial to address this early in the review. Minor Connections aren't impacted by Connections Reform, and we are keen to work with Ofgem on new obligations and standards for these customers.

Reforming Incentives: ED2 introduced new incentives for Major Connections (MCI), which we welcomed as a follow-up to Incentives on Connections Engagement (ICE) in RIIO-ED1 (ED1). However, given the current landscape, we believe this incentive should be reviewed. It was introduced as a penalty-only measure, but we advocate for it to be balanced, rewarding both good performance and penalising poor performance. Recognising and compensating good performance is essential for driving the right customer outcomes. To ensure consistency across all DNOs, we suggest standardising the type of customer's End-

to-End connection journey milestones for each relevant customer segment. Additionally, we recommend that the MCI incentivises stronger collaboration between DNOs, IDNOs, NESO, and TOs. These relationships are critical to meeting customer needs across Great Britain and aligning with initiatives such as Connections Reform and Clean Power 2030 to avoid inefficiencies. For Minor Connections, Ofgem should also incentivise DNOs for good performance, as discussed in detail under Theme 6.

Industry-wide consistency: Obligations and standards should be consistent across the industry and extend to IDNOs to ensure all customers receive the same level of service, promoting greater collaboration among Network Organisations.

We would also like to take the opportunity to provide additional observation and feedback, and are keen to take on a proactive role in supporting the development and operationalisation of these proposals:

Transparency and feedback: Ofgem has outlined some challenges and problem statements, but more transparency would help to validate the review and enhance its value to customers and network organisations. The consultation could benefit from detailing insights into how the issues in both Distribution and Transmission were diagnosed. In particular, sharing information about the root cause analyses - including sample sizes, customer types involved, survey questions, and supporting research documents - and having visibility of the action plan to address these challenges would be very helpful.

Funding considerations: We understand that the proposals aim to improve engagement and touchpoints throughout the End-to-End customer journey. Implementing any changes will require additional capabilities and resources, which will need to be funded through customer costs and/or price controls ED3.

In summary, NGED is fully supportive of the review and in general favours practical and customer-focused changes rather than broad, principles-based licence conditions. Any new obligations, standards, or processes will need to be developed in tandem with ongoing industry-wide changes (including Connections Reform and the forthcoming ED3 price control framework) and should be flexible enough to accommodate the diversity of customer journeys and the complex realities of the connections process. We also believe that collaboration among all industry stakeholders is critical to drive best practices, foster innovation, and ultimately improve both the quality and transparency of the connection process for the benefit of all customers.

We look forward to engaging with Ofgem further in supporting the development of these proposals. Our responses to each detailed question in Themes 1-7 follow below.

Should you have any questions about the points raised in this consultation, please do not hesitate to reach out to me using the contact details below.

Yours faithfully,

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NGED's draft response to Ofgem's Connections End-to-End Review of the Regulatory Framework

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 do not recognise every issue Ofgem has set out under Theme 1, as there have been significant developments in this area in recent years e.g., NGED has delivered new tools and platforms that give customers access to connections and network data which have been very well received.

Historically, all DNOs have provided customers with access to Budget Estimates, Feasibility Studies, and Connection Surgeries, alongside new tools. These resources were introduced to give customers an idea of costs and timescales before submitting a formal application, ensuring they were better informed as they developed their connection project proposals. DNOs are also required to comply with Ofgem's Data Best Practice, which states that energy network data is assumed to be open (and therefore shared) unless there is a justifiable reason why this cannot be done (e.g., personal information, commercially sensitivity). Self-serve data has also been recently made available for customers through network data portals and websites, all of which are accessible via NGED's website or the ENA's Connections Data webpage[2], with links to tools including geospatial capacity maps, EV capacity maps, and embedded capacity registers.

The evolving regulatory landscape and improvements introduced as part of the CAP and Connections Reform have already driven new data requirements, such as the delivery of a digital view of the connections queue, provided through our clearviewconnect platform. Additionally, the introduction of standardised data collation and reporting through monthly ENA submissions and the development of CP30 capacity allocation at a GB and regional level for 2030 and 2035, enables improved collaboration and the sharing of this data across the industry.

NGED is supportive of these improvements and is delivering against them. Therefore, we recognise and agree that there is a need to formalise minimum standards for data provision. This includes how data is shared as well as an option to have this in a single location to improve accessibility and usability for customers. To support the latter, we believe that data from all network organisations should be interoperable and accessible, allowing customers to self-serve and integrate datasets into their own systems and processes, driving innovation in the connections market.

In summary, we recognise the critical importance of readily accessible and transparent data for our customers, as the provision of timely and useful data empowers the customer to make more informed decisions and helps to facilitate a smoother connection process. We remain committed to the continuous improvement of NGED datasets, data platforms and functionality to deliver on customer expectations, improve the overall customer journey and enable customers to develop their projects with less reliance on direct engagement with DNO teams.

[2] Connections Data – Energy Networks Association (ENA)

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?

While we understand the desire for a centralised data platform, we have reservations about proposal 1a. Currently DNOs, more recently supported and driven by the CAP and ENA Strategic Connections Group (SCG), have improved the visibility of connections data and network capacity over the final years of RIIO ED1 and into the start of ED2, and we look forward to continuing our work with Ofgem to build on these improvements and meet customer needs.

Further exploration is needed to assess the added value of a single GB-wide connections data view across networks. A cost-benefit analysis should compare this with recent data improvements driven by CAP and SCG actions, incorporating feedback from various customer segments and stakeholders. A centralised data platform would require significant investment, ongoing maintenance costs, and a coordinating party, with funding either passed to customers or included in price controls. Instead, the focus should be on improving data sharing between networks and ensuring real-time accuracy while enabling customer self-service.

Ofgem's support in optimising existing tools, such as NGED's clearviewconnect, is welcomed, with potential enhancements like Bulk Supply Point (BSP) level data. Additional funding for implementation and maintenance should be considered under future price controls. Any solution that Ofgem may look to pursue should be paused until the implementation of Connections Reform and CP30 has concluded, due to the unprecedented change it shall drive to the existing contracted connections background and associated data and network capacity.

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?

We support the creation of guidance and standards for network operators, provided they are practical, reasonable, and backed by appropriate funding and incentives, and are linked with the ED3 price control framework. We also agree with establishing guidance and minimum standards for connections data visualisation tools. A collaborative approach involving network operators, customers, and stakeholders is essential to ensure these standards are effective and valuable.

However, we have reservations about enforcing a single digital view across the industry (see question 1b above) and prefer improving existing DNO data tools. Instead, efforts should focus on standardising and improving the consistency of data across networks to enhance usability for customers, aligning with Ofgem's Data Best Practice principle 8 'Ensure Data Assets are interoperable with Data Assets from other data and digital services.

While we do not support a single digital view, we do endorse improving interoperability by providing a central access point, such as the ENA website, for formalised and standard datasets from each network, i.e. the datasets prepared monthly by DNOs and NESO as defined by the CAP. Although progress has been made through the ENA Connections Data webpage, customers must still navigate multiple platforms with inconsistent formats. To address this, we recommend extending any new standards or guidance to NESO, TOs, and IDNOs, ensuring all customers have access to consistent, transparent, and easily accessible data regardless of their chosen network for connection.

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 do not see the need for additional obligations on connections data but recommend establishing minimum standards and guidance for network organisations, which are formally communicated to customers. This would formalise processes rather than introduce new licence obligations, ensuring consistency. This would ensure consistency of data across all organisations, while allowing for regular reviews and updates to accommodate rapid changes, in what constitutes good data practices and formats for sharing data. Networks and Ofgem have demonstrated this agility and ability to adapt quickly through the several variations of the monthly connections data submissions, demonstrating the value of the need for flexibility. We would also recommend that these standards are linked to incentive mechanisms.

We have identified several cases which demonstrate a need for this standardisation:

- We are aware that NPG uses a similar tool to NGED's clearviewconnect, which clearly shows the queue per Grid Supply Point (GSP) at a project level, displaying individual projects in the queue with associated connection dates. This same information is available in other DNO portals and tools, but in different formats and with differing levels of clarity and transparency.
- The Embedded Capacity Registers provide data that is not standardised across companies and lack a central location for amalgamation. Currently, network companies submit monthly data to the ENA, including aggregated figures on application volumes, offers sent, connected capacity, and queue movement. This data offers a high-level view of connections across both transmission and distribution companies. Standardising this data submission would benefit customers.

At present, only a small proportion of this data is made public and published by the ENA as part of the Connections Delivery Board minutes. This data submission is not currently formalised and is provided by network companies on a 'best endeavours' basis. Formalising and setting minimum standards for these submissions could improve transparency, help track the impact of Connections Reform, and support CP30 and net zero targets.

We support engaging with Ofgem to clarify data provision requirements and drive consistency and are keen to collaborate by sharing insights from NGED's experience with current data submissions.

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?

Improving the content, consistency, and transparency of datasets is crucial for enhancing overall data quality across the industry. This includes better data availability from different organisations including NESO and IDNOs (as highlighted in previous responses on Theme 1).

All DNOs have introduced new data tools and platforms to provide better insights into the connections queue. However, the varying formats (discussed under question 1d) result in differing levels of transparency or perceived transparency. Since data standards, including the required level of detail, were never established, customer experience and feedback are influenced by individual views and expectations. Establishing clear data standards will help define what constitutes 'good' data and improve the customer experience. Agreement on the appropriate level of granularity in connections queue data is particularly important for customers in early project development.

Additionally, better data quality on customer-owned distributed energy resources and low carbon technologies (LCTs) is needed, including a stronger process for notifying DNOs when these assets are energised or decommissioned. Improved visibility of customer assets will enhance both short- and long-

term network planning and system operation.

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.

Confidentiality of commercially sensitive information can act as barrier for network companies to publishing certain data.

Whilst clearviewconnect (our connections data tool) shows the anonymised connections queue at each GSP (number of projects and associated capacity, the technology and contracted connection date), this could be developed further to overlay queue management and milestone data. We are currently looking at how we can further expand on the detail supplied at an aggregated level, including the amount of capacity that has hit certain key milestones such as obtaining land rights or consents.

Expanding aggregated data in this way would improve user experience while reducing the potential for exploitation or competitive advantage. It would also benefit the connections market and deliver more efficient use of the whole electricity system.

It is important to emphasise for this purpose that the law of confidence is not the same as the legal duty to protect personal data under data protection law.

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

Engagement with customers, stakeholders, and network organisations is crucial for developing and implementing effective data solutions. Alignment on connection datasets, including formats, schemas, and metadata, is essential to ensure consistency across networks. A collaborative approach will lead to user-centric, robust solutions that meet industry needs. Additionally, data solutions will need to account for different customer segments and journeys to maximise value.

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?

While we agree with some of the issues identified under Theme 2, it is important to note that the current framework places emphasis on timelines, often at the expense of customer satisfaction.

- We believe current obligations and standards are more aligned to the needs of customers who prioritise speed of quotes with minimal development, whereas others would prefer more time for increased engagement and evaluation throughout the development of an offer, to better understand viability and to discuss alternative options. The current approach has resulted in a 'one-size-fits-all' model that fails to effectively address diverse customer needs.
- We have also observed that strict timescales can incentivise some partners to delay 'starting the clock', creating artificial timescales to manage the application. This practice does not support good customer service and leads to discrepancies in the treatment of customer applications.
- Additionally, DNOs are typically at the end of a service chain, which can negatively impact our service provision as it remains largely outside our control.

While we strive to continuously improve standards, we are facing an unprecedented volume of applications. Industry-wide efforts are ongoing to reduce the number of purely speculative applications, improve the quality-of-service provision from offer to connection, and improve the applications received from customers (as mentioned in question 1a, all DNOs offer Budget Estimates, Feasibility Studies and Connection Surgeries). The changes to the G99 application in January 2025 reflect the need to enhance data quality, provide more detailed information, and ensure greater customer commitment at the application stage to help reduce speculative applications and support the development of more accurate and informed offers.

However, further actions are needed to reduce speculative applications. Establishing formal guidance on the application of section 17(1)(c) of the Act would also provide customers and the DNO more clarity on what is deemed unreasonable in all circumstances. This should be explored alongside potential code and obligation changes as part of the End-to-End review and Connections Reform to enhance service standards.

DNOs currently operate within a framework with competing performance time metrics, creating complexity in meeting evolving customer expectations.

Different standards, such as Guaranteed Standards of Performance (GSoP), Time to Quote, Time to Connect, and Major Connections Incentives, have varying timescales, which can lead to inconsistencies. This may result in customers being given connection dates that do not align with their actual readiness or needs.

The requirement under SLC12 to issue quotes within 65 working days, regardless of project complexity or customer needs, limits the ability to include an optioneering stage tailored to customer requirements and the feasibility of the proposed solution. The increasing complexity of connection solutions at both Transmission and Distribution level is not adequately addressed by our current framework, despite evolving customer types and expectations over recent years. Prioritising speed over meaningful customer engagement and option development can overlook:

1. Key activities and points of engagement that align with evolved customer expectations,

2. The customer's understanding of the process for solution development,
3. The viability of their connections ask (desired date and location) against engineering requirements, and their availability for site visits or meetings.

As a project moves into the delivery phase, existing project efficiency metrics disproportionately focus on DNO performance, often overlooking delays caused by third parties or customers. Measuring progress from acceptance to connection is challenging due to factors outside DNO control, such as consents, supply chain issues, customer delays, regulatory approvals, ICP/IDNO delays, planning, traffic management, permits, and surveys.

The Major Connection Customer Satisfaction Survey allows customers to provide feedback, and we strive to respond and make improvements in our service standards to meet their needs. However, we may not always have control over all the information needed to address Major Connections customer complaints due to our reliance on NESO and TOs for transmission solutions and contractual terms.

We recognise that customer engagement preferences vary, with some valuing frequent updates and others preferring meaningful, targeted communication. This highlights the need for flexible obligations and standards that accommodate different customer journeys while maintaining effective engagement principles.

We do, however, acknowledge the need for improvements by the TOs and NESO in areas listed below due to the impact it has on our Major Connections Customers, which DNOs have looked to address via improvements driven by the ENA SCG, CAP and because of the implementation of Connections Reform:

- Transition between design and delivery phases.
- Clearer communication protocols and defined standards between TOs and the NESO on project timelines and information sharing.

To improve accountability across stakeholders and enhance customer service, we propose extending obligations and standards to TOs and NESO to engage directly with Distribution customers or provide suitable support to DNOs when challenges, disputes, and complaints arise from the Transmission Offer. Without this, significant DNO time and resources are spent mediating between customers and Transmission organisations, often resulting in frustration for both parties and ultimately leading to dissatisfaction as reflected in the MCCS survey and possible penalty for DNOs (Major Connections Incentive).

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 do not support a principles-based licence condition with supporting guidance on service standards throughout the entire customer journey. This approach could lead to unintended consequences, where service provision and customer experience continue to suffer from the same issues observed today, with network organisations operating inconsistently. Principles-based conditions are open to broad interpretation, making compliance difficult to demonstrate, which adds a burden on Ofgem, network companies, and stakeholders. We believe that high-level guidance won't provide the necessary clarity for networks, customers, and Ofgem to ensure compliance. At the extreme, a complaint against the licensee related to the connections process could be interpreted as an allegation of licence breach. Even in less extreme circumstances, different interpretations may be reached which risks causing confusion and frustration amongst stakeholders.

Ofgem would need to support the principles-based approach by developing clear and concise guidance

(we note that the latest iteration of Ofgem's Enforcement Guidelines lays the foundations for this), including a process for initiating investigations into any breaches of these principles. The need for detail to be built in to address the lack of clarity in the licence and standards could undermine the value of a principles-based approach.

Instead, we believe the most effective approach would be to introduce clear Service Level Agreements (SLAs) between the NESO, TOs and DNOs to prevent delays at the transmission-distribution interface and to ensure there is a recognition that transmission forms part of the process of delivering distribution connections. Any proposed approach must seamlessly integrate with the connections reform process. Therefore, the review of licence, standards and processes should be aligned with Connections Reform to avoid incompatibilities between policy development and performance measures.

We also believe that any robust service standards should apply equally to all stakeholders, including IDNOs. This would ensure consistent customer expectations and standard of service, regardless of who is carrying out the connection for a customer.

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?

We support the creation of service standards based on a prescriptive obligation for the End-to-End journey, provided they account for the diversity of customer journeys. The right prescriptive approach, along with designated touchpoints, can help drive the right behaviours, promote efficient practices, support informed decision-making, manage customer expectations, and ensure consistent delivery against customer needs.

The End-to-End review should facilitate a comprehensive evaluation of the existing quantitative and selective customer engagement metrics used for the MCI. Quality-focused, End-to-End journey-centric incentives that prioritise key engagement milestones during the project lifecycle provide a more accurate and comprehensive customer connections experience.

It is currently unclear from the consultation whether Ofgem disagrees with the existing standards, such as the 15-day customer contact requirement following a High Voltage (HV) quote acceptance. The specific objectives of Ofgem's proposed changes are unclear. We request further clarification from Ofgem on the intended scope and purpose of these changes taking account of existing obligations to ensure any updates are in the interests of customers and deliverable by network organisations.

However, to improve the journey and associated standards, it is necessary for the End-to-End review to:

a) **Review licence timescales:** Current licence timescales may limit the ability to enhance the quality of offers, which include optioneering, early detailed development, enhanced engagement and introduce contractually binding milestone-driven programmes, necessary for improving the customer journey to meet Ofgem expectations outlined on this consultation. We believe the existing conditions under SLC12 prohibit opportunities for the customer to 'stop the clock' when it's requested, to allow for such enhancements, as listed above. This reflects outdated drivers, connection volumes, energy market activity, and customer expectations for some of connections market segments, such as EHV Generation Connections.

b) **Enable development of obligations and standards for a tailored approach:** From a licence perspective, the 'one-size-fits-all' treatment of major connections applications and offers should be reviewed to address the varying needs of different customers across major connections segments, to ensure expectations are met during offer development.

c) **Enable customer choice on application of obligations and standards**: Current licence conditions and GSoPs prevent customers from opting out of predefined timelines and provide limited ability for customers to stop the clock, when they request it. Feedback indicates customers would appreciate the flexibility to support the development of more detailed and informed offers that meet their needs.

d) **Foster collaboration:** Collaboration between DNOs should be included as a new measure of performance and part of new obligations and/or standards. Mechanisms such as MCI should also recognise and measure collaborative efforts among network organisations, fostering shared innovation, process improvements, and exchanging knowledge to benefit all customers and the broader industry.

e) **Recognise the impact on resourcing requirements to support enhanced journeys:** Proposed changes to offer development standards and processes, in line with the expectations set by the End-to-End review, may drive the need for additional resources and further IT investment. This would likely increase funding requirements for ED3, impacting the overall value proposition for consumers and customers.

We also support a prescriptive approach to bilateral interactions with NESO at the Distribution and Transmission interface to ensure consistent and timely responses from all parties, ultimately improving customer outcomes. To ensure alignment across networks, obligations should also extend to NESO and TOs, and any changes should align with the updated processes from Connections Reform.

In summary, clear, customer-centric service standards that apply to all customers are essential for improving the overall connection process. This requires the review of existing obligations, standards, and practices, considering diverse customer journeys, fostering collaboration, and shifting focus from rapid quotations to a more holistic approach that prioritises customer satisfaction and project efficiency. All of which should form part of the discussion for the ED3 price control. Additionally, IDNOs should have similar obligations, including engagement with DNOs, and clear exemptions should be defined where satisfying obligations along the customer journey are impacted by third party issues.

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 to be addressed?

The introduction of the CAP and the need to review the End-to-End connections framework calls for a comprehensive review of existing conditions, obligations, standards, processes, and the incentive framework. It is essential to review service standards alongside the existing regulatory framework and journey mapping to create a fit-for-purpose framework. This will ensure alignment and encourage the right behaviours, ultimately leading to improved customer outcomes, such as better results from Customer Satisfaction Surveys. The assessment should cover the entire customer journey, from pre-application to final energisation.

It is considered that a single scheme is subject to multiple standards of service requirements, including GSoP as individual payments to customers, a licence obligation to achieve an above 90% on GSoP per quarter across five key areas , TTQ and TTC penalty and reward mechanism and the SLC12 licence condition backstop, where networks are subject to a potential licence breach for failing to meet the 65 days quoted on a single scheme. As customer needs have evolved, obligations have been added and we would call for existing arrangements to be reviewed and amended to reflect the current landscape, allowing for the delivery of improved standards of service, tailored to customer needs.

We now specifically address the MCI framework established in ED2 and highlight some issues that could undermine the successful transition to a more enhanced journey:

- Major connections are lengthy, complex projects, but the current MCI is quantitative and based on only two milestones (i.e. receipt of quote and connection). To further improve customer service in this area, we believe additional milestones with further qualitative feedback from customers incorporated.
- Connections in Themes 1-5 are covered by the MCI, which is financial penalty only. This approach may encourage the wrong behaviours, but introducing an incentive to foster better engagement would motivate DNOs to improve their service across the customer journey and reward them for doing so. The positive impact of this can be observed through the Broad Measure Customer Survey.
- Any changes to customer satisfaction metrics should take account of instances where customers may intentionally record low scores, including comparisons with competitors such as IDNOs and ICPs, to negatively impact our score.
- Additionally, DNOs often receive lower scores due to factors beyond their control, such as third-party delays, which should not be reflected in the DNO's score.
- Performance against newer connections processes resulting from Connections Reform and CP2030 should be considered.

Lastly, the implementation of the new Transmission Connections process drives a fundamental shift in our approach to NESO interactions and processes to manage some distribution connection contracts. Any new standards must be explicitly based on these new processes and applied uniformly across all participating entities, including NESO, TOs, DNOs and IDNOs. Universal application will significantly enhance the consistency of engagement quality and the timeliness of responses throughout the entire connection journey from offer development to energisation.

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?

We welcome Ofgem's focus and desire to review the connections framework to enhance customer engagement, improve the quality of optioneering at the offer development stage, and elevate the overall service experience throughout the End-to-End customer journey. This opportunity to enhance the connections service provision may require a review of existing capabilities including knowledge, skills, and capacity. We believe implementing the scale improvements needed will necessitate additional resources, ultimately increasing connection charges and costs which will be passed to consumers and therefore must be aligned to the development of the ED3 price control framework.

To improve the customer journey, there needs to be a focus on enhancing application quality and entry requirements. There is urgency to improve the quality of customer applications, partly due to the upcoming G99 changes delivered in January 2025. However, further measures should be taken to raise application standards. This includes providing indicative project programmes to support DNOs in developing milestone programmes and defining clearer requirements for application content to support offer development and better meet customer needs through industry collaboration.

The delivery of further obligations on delivering increased standards of service across each customer journey would likely require additional resource and depend on appropriate funding and incentive structures, taking into consideration the varying readiness levels of different network organisations to implement or expand this capability.

We also recommend that the development of new obligations, standards and processes must be aligned with ED3 and future price controls and the associated incentive framework.

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?

We do not agree with all the issues set out under Theme 3.

Firstly, the review has not fully considered the standards that are in place today. Notably absent is the current obligation on DNOs to contact customers within a defined timeframe to schedule works once they have accepted the connection offer and made payment. Additionally, there is no consideration of the existing standard for commencing and/or completing works on the date agreed with the customer. It is key that dates are agreed with customers to ensure alignment is made with their programme of works.

Secondly, we are subject to obligations to use “all reasonable endeavours” to achieve the standards prescribed in the licence. This includes meeting specific standards for both demand and generation in at least 90% of cases across five key areas on a quarterly basis. Failure to meet this proportion of standards could constitute a breach of our licence. As a DNO, we strive to offer and deliver against agreed connections dates in every case and have proactively implemented measures to mitigate customer impact.

Thirdly, ensuring that there is consistent application across DNOs and IDNOs on practices such as Allowable Changes and Queue Management Milestones would minimise disruption and delays to customers. Any disparity allows parties to circumvent these practices, potentially creating detrimental impacts for Networks and other customers.

Lastly, at NGED, we strive to provide reasonable and ambitious connection dates to our customers. However, given the unique circumstances of each connection request, a ‘one-size-fits-all’ approach would be extremely challenging. Delays in connection dates can occur for many reasons outside the DNO’s control, including the need for transmission works, planning and consenting, equipment lead times, customer delays, ICP handovers, and project contract novations. We believe this is an area where it is critical that further insight is provided on the type of connections reviewed as part of development of this problem statement, and if there was a specific focus on Distribution or Transmission connections. Some connections agreements have varying challenges and levels of complexity, such as connecting several single-phase domestic dwellings up to a 400kV Power Station.

It is widely known that the industry is also facing an unprecedented volume in connection applications, and there is a significant and coordinated effort through the Connections Reform and CP30 initiatives to address these challenges. As such the focus of this End-to-End connections review needs to be aligned to the implementation of Connections Reform and CP30 and facilitate their introduction as part of ED3.

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?

We do not support the proposal for a strengthened principles-based licence condition around meeting connection dates. Taking into consideration the number of variables throughout the project lifecycle, any such additional obligation outlined in Proposals 3a, 3b and 3c would require caveats and exemptions to protect the DNO from delays outside of its control. This would diminish the value of a principles-based licence condition and lead to an increase in the administrative burden for both the DNO and Regulator.

With DNOs focusing on a more robust approach to queue management, alongside the implementation of Connections Reform and CP30, customer concerns around connection dates will be eased with the removal of stalled connections projects. Establishing the timeline for a connection often depends on third parties and various conditions beyond the DNO's control. This includes, but is not limited to, planning authorities, customers, contractors, ICPs/IDNOs, suppliers or manufacturers and survey providers. This is due to the complex requirements to deliver a project including wayleaves, streetworks, Section 58, Section 37 and supply chain constraints amongst others. Timescales for larger projects are often subject to tender for the customer, and the customer cannot commit to a connection date until pre-requisite requirements are concluded.

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?

Whilst we understand the sentiment in adopting minimum standards around agreeing and meeting connection dates, any SLAs would be heavily caveated, and the majority would be exempted due to delays typically being outside of the DNO's control. This could render the standards/SLAs meaningless.

We are open to discussing minimum engagement standards to ensure clear communication and progress updates throughout a project. A full review of existing obligations such as Discuss Dates and Commence Works is needed to create a smooth process that meets all customer needs. The design of these additional minimum engagement standards should be developed with customer representatives to ensure that they meet the needs of customers and are not seen to be arbitrary steps in the process.

Standard engagement could include:

- A kick-off meeting to align expectations, delivery capabilities, and timelines.
- Regular progress updates based on agreed milestones, with adjustments if delays occur.
- Meetings aligned with milestone dates in the customer's Connection Offer Agreement.

Not all customers want the earliest possible connection; many prefer a timeline that fits their schedule. Any changes to the regulatory framework must reflect this, supporting a first-ready, first-connected approach and encouraging open dialogue between networks and developers.

While milestones exist in Connection Offer Agreements, we take a fair and pragmatic approach to enforcement when delays are beyond the customer's control or clear progress is shown. The current requirement for TOs to "use all reasonable endeavours" is sufficient, as stronger obligations would place undue risk on the licensee given the factors outside a network operator's control.

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 do not support a financial instrument to offer recourse to connecting customers who experience delays to their connection dates, as most delays are out of the DNO's control. Connections Reform and CP30 should leave us with an improved queue of ready projects that we can work with openly and collaboratively to deliver in a timely fashion. In turn, this will support the progression and delivery of connections across the industry.

Any financial instrument with unknown liabilities could lower investor confidence in networks, leading to higher costs overall for connecting customers. It could also allow competitors to raise issues and complaints,

causing market distortion and requiring significant resources to resolve. Ofgem can impose financial penalties of up to 10% of the licensee's annual turnover for licence breaches, which we believe is a sufficient deterrent and should remain in place.

DNOs already face significant financial incentives to deliver timely connections. These include GSoP payments, potential penalties under TTQ and TTC for Minor Connections and the risk of licence breach for failing to meet standards in over 90% of cases on a quarterly basis. Given these measures and the limited potential to improve DNO-developer collaboration, we are unclear why such an instrument would be necessary.

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?

We agree that customer engagement should be a priority, ensuring all parties stay informed with greater transparency on progress. The level of engagement should be set during the kick-off meeting, as each customer has different needs. Any changes must also align with the reformed connections process.

Regulatory changes for connections cannot be considered in isolation. They must be aligned with RIIO-ED3, Connections Reform and CP30, as well as broader industry structural reforms, including Strategic Spatial Energy Planning, the Centralised Strategic Network Plan and Regional Energy Strategic Plans. These changes must also support the Government's Planning Reform agenda and its goals of delivering high-quality infrastructure and achieving clean power commitments.

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 some of the issues identified under Theme 4, including enhancing the quality of Connections Offers, and better alignment of the basic offer templates across DNOs to help define what "good" looks like. Enhancing the quality of offers can be achieved through the review and implementation of suitable licence timescales, developing customer segmentation, tailoring frameworks and processes for different connection types, improving standards of customer applications, and increasing engagement with customers (and other parties if relevant) in the early stages of offer development. This should all be developed through coordination with the ED3 price control and new incentives framework.

Alternatively, some of the identified issues could also be resolved through an exercise of engagement with customers where more clarity around each step of the process can be provided, so they know what to expect and when, rather than through bespoke licence conditions. This includes additional clarity around what customers should expect from transmission connection offers.

- Currently, the emphasis on meeting tight timescales, driven by existing obligations and standards, incentivises an approach that may lead to sub-optimal outcomes. This lack of flexibility hinders our ability to tailor engagement, offers, and services to individual customer needs and expectations on good service. Each customer has unique requirements. Some prioritise a swift offer, accepting that the terms may evolve. Others value a more deliberate initial process, prioritising the quality of the offer and acknowledging the time investment required.

- The current framework cannot accommodate the different journeys, as doing so would place the DNO at risk of incurring penalties under the incentive if they attempted to prioritise quality over timeliness.

Another area where there is scope for improvement, relates to curtailment estimating and reporting, which can be supplied with the connection offer and gives the customer the necessary data required to assess the viability of their project.

Further to this, any additional obligations on DNOs to ensure more detail is developed at the offer development stage will increase costs to connecting customers, but may not always be the right outcome. We highlight two examples:

- Enhancing the robustness of Offer and removing caveats is often resource-intensive, including conducting tenders or engagement with delivery teams, which at the application stage can be viewed as inefficient (unless specifically asked for by the customer and funded by them).

- A significant proportion of applications do not progress to delivery, with typical acceptance rates around 20%. This means that conducting additional work at the stage of application in every case could be wasteful and unnecessary in c.80% of all DNO application offers.

Therefore, the degree of development of the connection offer needs to deliver value for consumers and customers, depending on how Ofgem suggests funding additional activities. In some cases, enhancing each aspect of the connection offer at the initial stage will be unwarranted. Alternatively, the extent of offer development/optioneering could be presented as options to customers at the application stage. In this case, it is crucial to ensure that the customer understands the trade-off between cost, timeliness and

completeness of offer to make an informed decision.

Lastly, it is important to understand that the quality and content of some distribution offers, as well as subsequent contract updates, do not solely depend on the relevant DNO but are impacted by the relevant NESO offers. DNO generation customers above a certain size are required to progress through a Transmission Impact Assessment (TIA) and receive a NESO offer (based on technical design by the TO). The standards that apply to NESO offers (in terms of quality, content, detail, and engagement) differ from distribution. This divergence can act as an obstacle to discussing and reviewing the offers provided within the required timescales (with both NESO and relevant TO). The interaction with NESO and TOs ultimately impacts the quality and timeliness of the DNO offer, and consequently the experience of distribution customers, along with the timelines for delivering their connection projects.

For these reasons, we consider that it is necessary to ensure that any changes to licence obligations, standards, or processes to improve the quality of connections offers must also take account of NESO and TOs' role in DNO offers.

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?

We are opposed to a principles-based licence condition regarding the completeness and quality of the offer and supporting documentation. However, we are happy to engage with Ofgem to understand more about the proposition and provide insights into why we are supportive of a more prescriptive approach to any licence conditions/obligations. Specifically, we need to know what a principles-based approach would look like, how it would be supported through guidance and methodology, and the benefits of this approach compared to prescriptive (foundational) licence conditions which we believe would be better suited to drive the desired consistency in performance by DNOs and service provision for Customers.

Additionally, it is crucial for Ofgem to provide insight into how this approach would coordinate with the reformed connections process at Transmission, that will be reflected on Licence and Codes changes expected to be concluded in Q1 2025.

We advise against defining the approach without first completing an End-to-End review of the connections framework, including the Licence and GSoPs. This review would provide more insights into the problems that need to be addressed and how to address them.

We believe it is also essential to:

- First develop insights into the different journeys of connections customers.
- Then review existing obligations and standards frameworks based on the journey mapping findings.

This will help determine the most efficient approach - whether prescriptive or principles-based - to ensure the new obligations framework addresses current connections challenges, such as inconsistency in service provision across different regulated network organisations.

Customers vary in their expectations and requirements, and their journeys differ depending on the scheme they are looking to connect and the level of works required. This needs to be reflected in the foundational obligations framework to ensure DNOs have the means to meet customer expectations. Therefore, a principles-based licence condition on the completeness and quality of the offer and supporting documentation would be insufficient to accommodate these differences and could lead to uncertainty due to varying interpretations.

We recommend that future obligations, standards, and processes should be prescriptive, reflecting the diversity and complexity of connection journeys. These should be supplemented by methodologies and guidance that enable flexible and innovative approaches, which can be reviewed on a more regular basis and reflect the pace of change. An example of the approach we are advocating for is the recent NESO CUSC Code changes known as CMP434/435, where prescriptive foundational code is further supported by guidance and methodologies. When looking to change obligations and conditions, the following areas should be considered:

- **Recognition of different customer pathways**: Customers, in particular Major Connections, have expressed the desire for DNOs to have sufficient time to develop offers so that further exploratory work can be done to provide certainty on scope, time and costs, including insight into possible dependencies from Distribution and Transmission reinforcements. Customer choice, or opportunity to choose different pathways to deliver on needs for the project, should be reflected in the licence.
- **Review of the licence timescales to provide an offer**: Stemming from the previous point, licence timescales should move away from a 'one-size-fits-all' approach to one that ensures the timeline is reflective of the journey required to deliver on the desired improvements. The timeline should also reflect the complexity of the project solution and the level of certainty the customer wants to be developed as part of the Offer preparation.
- **Consistent templates**: We recommend the development of a suite of templates that can be provided as part of a new framework to define a suitable or complete offer. This will address customer feedback on inconsistencies across DNOs and help assess the quality of offer content by providing a baseline for what 'good' looks like.

Lastly, anything that is introduced needs to be consistent across Transmission and Distribution where possible.

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 the current Licence Conditions for Major Connections Connection Offers don't meet customer expectations for content, development options, and engagement. Therefore, it is not possible to propose minimum Ofgem standards or SLAs on completeness until the existing framework is reviewed.

Focusing on speed often results in highly caveated offers to reduce risks, especially for more complex designs or flexible solutions/products. Improving offer quality, by including crucial data such as construction, curtailment and protection information, and finalised tender costs, within the current timeframes will only be viable following a review of offer provision timescales. This added information would lead to increased costs, which would be passed on to customers via assessment and design (A&D) fees and/or to consumers through the price control mechanism. Offering customer choice would ensure that detailed offers (with the higher cost that the additional detail entails) will only be developed for those customers that expressly request this on their application, avoiding unnecessary costs for customers not wanting this.

We recommend that Ofgem align any licence and standards framework redesign with the changes being driven by Connections Reform for Distribution and Transmission projects. There is a possibility that if Gate 1 offers are introduced at Distribution, they will not contain the same level of detail as is expected in the DNO offer today, which will need to be reflected.

We would also like to recommend that a more agile framework is established, based on prescriptive standards that are set for certain types of offers, i.e., basic offer, a premium offer, HV, EHV, EHVG, offers

dependent on TIA. Different types of offer would drive different price points, timescales and information for the offer provision.

Lastly, minimum application standards for customers must also improve. If we are required to provide a more detailed and accurate offer, this will be dependent on the level of accuracy and evidence provided by the customer.

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

We support Ofgem's description of 'quality' outlined in footnote 33 of the consultation. However, we note that the concept of 'quality' is inherently subjective. Customers may judge the quality of an offer based on whether their desired connection date is provided. However, the true measure of quality should be clear, transparent, and understandable explanations of the offer, based on minimum content and structure standards.

From NGED's perspective, a quality connection offer should be simple and clear for the customer to understand. It should also be based upon the customer's requirements and contain all the information that they need, including overview of risks, dependencies, and conditions. Accuracy is critical to a high-quality offer, as far as reasonably practicable costs should be accurate to allow the customer to make an informed decision on the best connection option for them.

As previously mentioned, the quality and content of Distribution offers are impacted by the content of NESO's offer and the engagement with NESO and TOs. It is therefore paramount that the outcome of implementation reform and the introduction of a new gated process with a new suite of Transmission Offers (Gate 1 and Gate 2 Offers[3]) needs to be understood before minimum quality standards for offers are developed. Ultimately, the new NESO offers will impact the quality of distribution offers, with regards to scope, detail and timescales to connect.

We also believe it is essential that standards and guidance developed on what a "high quality offer" looks like must engage with customers and stakeholders to ensure their views and expectations are understood and reflected in changes driven in obligations, standards and incentives frameworks.

Lastly, we would recommend that the same principle of a "high quality offer" is introduced to offers issued by NESO (due to the dependency DNOs have on the offers issued by NESO to update distribution contracts) to DNOs.

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

The quality of offers should be an integral part of the overall End-to-End review. This will ensure that the outcome balances customer expectations with what can reasonably be achieved within licence timescales (both existing and new).

- The improvements and changes resulting from Connections Reform should also be considered. The objectives of Connections Reform should not be overlooked during this review, as DNOs are impacted and will serve as a vehicle for delivering the intended reduction of speculative projects entering the queue and retaining a connection contract, with the overall aim of ensuring a right-sized generation queue, framework, and network designed to efficiently deliver Net Zero. Our

[3] Gate 1 looks to deliver an indicative offer at transmission and under discussion currently is the need for DNO offers to mirror that approach for generation offers

current licence obligations mandate the provision of a quotation in every scenario, with limited exceptions for "unreasonable circumstances." However, there is no clear definition of what constitutes an unreasonable circumstance, leading to potential inconsistencies in its application. We recommend, therefore, reviewing the licence and standards to align with the process changes driven by Reform for transmission applications.

- This would involve setting minimum requirements for customers to determine the type of offer they receive (Gate 1 or Gate 2 offers). Details on these offers can be found in the Methodology publications issued by NESO to complement CUSC modifications and the licence, which are still pending approval.

If the framework, obligations and standards for DNOs are changed to drive delivery of enhanced offer quality, it is essential that the same treatment be extended to IDNOs to ensure consistency for customers and a level playing field across the competitive market.

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?

We disagree with the issues outlined under Theme 5.

Currently, we are obligated to provide connection dates (timescales) as part of the offer. These dates can be subject to various conditions, such as land access, planning, detailed design, supply chain constraints, network access, and TIA. These dates, depending on the type of connection (minor or major), may need to be agreed after the acceptance of the offer and realised within specific timescales, and these also represent measurable performance metrics (TTQ).

While NGED consistently strives to provide customers with the most suitable available connection dates, these commitments can be impacted by uncertainties beyond our control.

Currently, networks are currently required to mutually agree a completion date with the customer. Whilst we provide an estimated connection date within the offer, as noted above, DNOs have a GSoP to mutually agree completion date, whereby if the customer wasn't satisfied with it, then we would have a discussion to find a way forward that is acceptable to the customer. This approach works for projects with fewer uncertainties compared to Major Connections, which often depend on Transmission Network Reinforcements.

We therefore doubt that stricter licence conditions would improve outcomes. Instead, the framework and standards should be flexible enough to suit different customer journeys and maintain clear communication, since initial connection offers can change. NGED aims to provide the earliest estimated connection date possible. Different regions also face unique challenges, and inconsistencies in dates could lead to complaints and extra administrative work without benefiting customers.

Recent initiatives—like the ENA SCG, Connections Reform project, and CAP—have led to improvements that can reduce connection dates by up to 10 years through innovations such as technical limits and storage modelling. Additionally, as a result of Connections Reform code changes and associated methodologies (e.g. Gate 2, Project Designation, CNDM), we are on the verge of introducing new processes to manage transmission connections. These processes will focus on progressing only projects that are ready and needed, reducing the queue, and aligning network development with strategic plans to improve connection times and support CP30.

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 disagree with the proposal outlined under Theme 5, as we do not believe that a strengthened principles-based licence condition would bring added value, as demonstrated in our previous answer. Additionally, we disagree with a licence condition on offering the earliest achievable date, on the basis that it would be susceptible to different interpretations based on a range of factors, and occurrences of events, many of which are outside of the control of DNOs.

There is a significant reliance on third parties throughout the connection process. This includes, but is not limited to, interactions with planning authorities, dependency on obtaining consents and wayleaves to access third party land/property, navigating interactions with third parties involved in the process (customers,

ICPs, IDNOs), and facing challenges within manufacturing and supply chains. We are also impacted and unable to control or influence transmission constraints, resulting from the need to work with NESO and TOs to accommodate additional distribution load or generation; one of the main drivers for the challenges and complaints by customers in recent years over connection timescales.

These external factors introduce inherent uncertainties and necessitate a degree of flexibility during the life of the project. Focus should be placed on the standardisation of the framework to manage the customer relationship and contractual arrangements throughout the life of the project, as discussed in Theme 2. This will ensure the right level of engagement and communication of risk and changes. The same framework should be applicable to both Distribution and Transmission, due to the dependencies already outlined in previous answers.

It is important to focus on how DNOs can improve customer access to information and data so that customers are able to better understand network conditions and the length of the queue. Thereafter, it is important to ensure that this information informs customer applications and allows customers to undertake their own analysis.

As mentioned earlier, there is a growing dependency on the Transmission Connections process, as most generation schemes (above 1MW) and some demand schemes are subject to project progression and TIA. This process faces challenges with the time it takes to get transmission offers and access capacity, leading to uncertainty in connection lead times.

We are hopeful that the Connections Reform process will address these issues. However, we will need to wait for the outcome of the implementation process, which is due to take place in 2025. In the meantime, our distribution offers continue to include suitable conditions to accommodate unknown elements that can lead to changes in connection dates.

To this end, here are some suggestions for setting standards for the content of the offer and its milestones:

- When Milestone M4 (TSO Interface) has concluded, the DNO can engage with the customer to reach an agreed date supported by a mutually agreed variation to the offer/contract. Further guidance on how this date is agreed (e.g. relevant factors) should be explored.
- Standardising the content of the offer should consider known lead times for equipment and the connections queue etc. NGED is already ambitious with connection dates e.g., if the equipment lead time is 12 months and installation takes 3-4 months, we set a 15-month target for delivery. Meeting this timeline depends on receiving customer payment to place timely equipment orders.

Although we believe connection offer dates shouldn't be part of a licence obligation, we still expect them to be part of the quality assessment and customer engagement framework throughout the project. This approach protects customer interests without the drawbacks of a licence obligation.

In summary, due to the complexities and uncertainties surrounding the connections process, we disagree with the proposal under Theme 5. If this proposal were developed, it would require further consideration to adequately reflect the complexities of the UK's connections landscape.

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

We strongly suggest that any obligations are extended to IDNOs, NESO and TOs, where relevant, to ensure a fair and consistent process for all customers, regardless of who they choose to carry out their connection.

As mentioned previously, introduction of obligations based on a principles-based approach could lead to a wide-range of challenges and a lack of clarity for networks, which can consequently create uncertainty and be counterproductive.

Connections Reform and the expected improvements need to be considered when developing any changes related to Theme 5. The reshuffling of the initial queue is expected to improve connection dates for those already in the queue who will retain a connection, as well as for future applicants.

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 agree that all the issues identified by Ofgem in Theme 6 are impacting NGED's customers. NGED is committed to providing customers with improved systems and processes to enable the energy transition, including delivering Minor Connections and facilitating the connection of domestic LCTs for customers.

As per Core Commitment 31 of our Major Connections Strategy published in 2021, which states 'Make it as easy as possible for customers to apply to connect individual domestic LCTs by providing a same day connections response via an online self-assessment tool', we have developed a full suite of online self-serve tools for domestic LCTs[4] including solar, battery storage, EV charging and heat pumps. This allows customers to apply 24/7 and obtain an instant decision, including auto-approval.

Our operating practices support the adoption of domestic LCTs, and in most cases following the notification of an LCT installation where remedial work has been identified as required, the customer is still able to use their LCT in the interim. Network safety and integrity remains of the utmost importance and the number one priority. As a result, we recognise that there are occasions where work must be carried out on the network to facilitate a connection.

We do not fully agree with the 'postcode lottery' described in the consultation. For example, industry has looked to standardise charging for reinforcement related to domestic LCT installation. This is socialised and helps eliminate cost barriers to adoption. Each DNO is responsible for delivering quality service, and feedback is captured through the Broad Measure Customer Satisfaction survey. Through this incentive mechanism, DNOs continually strive to improve processes for customers. This is not exhaustive however, and we are open to exploring additional avenues to improve standards of delivery, which we discuss further in this question.

We also do not fully agree with the characterisation of the issue identified under Export Limits. The ENA, with the support of DNOs, has delivered the G99 SGI 'fast-track' process. This allows domestic customers installing larger LCTs to be connected on a Connect and Notify basis, without full network studies, provided the specified criteria are met. It is again important to note that network safety remains the number one priority.

We agree that a significant number of LCTs are installed without due notification to the DNO. This can cause detrimental impact on networks when assessing network risk and ensuring security and safety of supply.

As mentioned, NGED recognises the need for minimum standards of delivery to ensure that customers in all areas receive comparable service. We would welcome the opportunity to support Ofgem in developing these proposals further, alongside impacted customers, stakeholders, and organisations representing domestic customers (i.e. Citizens Advice and LCT trade associations). We would welcome engagement through bilateral meetings or workshops as needed and would be happy to present the improvements NGED has introduced to enhance processes and customer experience.

All proposals should apply equally to DNOs and IDNOs so that customers on DNO networks or on IDNO

[4] NGED Connections

embedded networks are treated equitably and can expect a minimum level of service and clarity, regardless of who they choose to connect with.

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 are broadly supportive of each proposal except Proposals 6a and 6d. Our reasoning for each is explained below. We would welcome the opportunity to support Ofgem in developing these proposals further.

Proposal 6a – Delays/Timelines

In line with what we have said elsewhere in our response, we do not support the inclusion of a new principles-based licence condition for network companies. Principles-based licence conditions are liable to different interpretations and therefore usually require supporting guidance to support their enforcement. This would create more burden on Ofgem and network companies, and we are concerned that a principles-based licence condition could be counter-productive to Theme 6's goal of setting requirements on DNOs that are 'uniform, clear and unambiguous' (page 48, paragraph 2.113).

However, we are supportive of Ofgem defining clear objectives and expectations for timelines and delays, and/or, setting Service Level Agreements (SLAs) and/or minimum standards that DNOs are obliged to meet for minor connection requests. We encourage Ofgem to ensure that any timelines, SLAs or minimum standards are clearly measurable, balance customer service delivery and cost to deliver, and therefore deliver tangible benefits for customers.

In our experience, not all customers want or require the same level of DNO engagement. Setting the right number, type and timescale of SLAs is essential. If SLA timelines are too long, then customer service may not improve; if they are too short and coincide with a significant increase in domestic LCTs connecting to the network, the cost of delivering them (which would be passed on to customers through the price control mechanism) could significantly increase. It is also worth noting that any SLAs may need to be on a 'best endeavours' basis for the remainder of ED2 and only fully defined in licence or regulatory instructions and guidance (RIGS) from ED3 onwards where appropriate. For example, paragraph 2.114 describes delays caused by the need to unloop services as avoidable. This isn't always the case, however, as unlooping of some services where needed can be complex and time consuming through no fault of the DNO. In this case, a best endeavours SLA may be more appropriate.

We would be happy to share our existing policies, approaches and suite of self-serve tools with Ofgem and other DNOs to support the development of SLAs and the creation of a minimum standard for delivery. These include:

- Our policy allows for the connection of the vast majority of domestic LCTs with any works required (i.e. cutout changes) taking place on a remedial basis.
- We have a contract with third parties undertaking cutout fuse upgrades on our behalf.
- Of 80,000 LCT connections made in 23/24, 89% of direct enquiries were approved the same day.
- We have developed a RAG status for domestic heat pumps which means that we auto-approve more heat pumps connecting to the network.

- We have already demonstrated our commitment to collaboration with our development implementation of our clearviewconnect tool[5] which has been shared and adopted by other DNOs.

We agree that policies and approaches for minor connections need to be future-proofed. Further automation of the connections process for domestic LCTs will be required to make the journey efficient for the customer connecting today as well as those connecting in future.

Proposals should apply equally to DNOs and IDNOs so that all customers are treated equitably.

Proposal 6b - Inconsistencies

As per our response to proposal 6a, we welcome the creation of SLAs/minimum standards and would be happy to share our existing policies, approaches and suite of self-serve, auto-approval tools with Ofgem and other DNOs for them to be adopted industry-wide as appropriate.

Whilst we are broadly supportive of this proposal, Ofgem will need to ensure that any new or modified obligations on DNOs are clear and objective enough to be complied with. In our experience, obligations which are capable of subjective interpretation, ultimately, do not benefit the customer.

Proposal 6c - Monitoring

We support monitoring and reporting/publishing of data around minor connection performance irrespective of whether SLAs are introduced. LCT data is already published through the annual RRP cycle and referenced in our Major Connections Annual Report reporting. When designing SLA monitoring, this existing information should be reviewed for relevance and applicability. Please consider that additional LCT data reported at increased frequencies would need to be balanced against the cost of gathering, assuring and publishing it.

Proposal 6d - Enforcement

We are not supportive of the enforcement proposal. Volumes of LCTs are forecasted to increase exponentially. We therefore believe that Ofgem's proposals should focus on enabling domestic LCTs to connect to the network quickly and easily whilst incentivising DNOs to collaborate on sharing best practice to facilitate this. We believe that the focus needs to be on getting it right for customers, not compensating customers when it goes wrong, as this does not improve customer service.

We believe that Ofgem should incentivise DNOs for good performance (as well as, or instead of, considering financial penalties). As such, Ofgem should consider a financial reward *and* penalty rather than a punitive, financial penalty-only approach.

We would also highlight that current GSoP failure payment rates are proportionate to the lower cost of connections experienced by many of these types of customers. As these are reportable to Ofgem, there are sufficient deterrents for DNOs, particularly as they are coupled with the risk of financial penalties where DNOs fail to achieve greater than 90% GSoP success rate on a quarterly basis.

In addition, some elements of the minor connections end-to-end process are outside of the DNO's control and therefore, networks should not be ultimately responsible for recovering lost costs due to delays which are usually outside of their control.

We do not support a BMCS-style customer satisfaction survey, as customers are likely to confuse LCT installers' work with NGED's work. Since NGED allows LCTs to be installed prior to remedial works, the

[5] NGED clearviewconnect

customer could be surveyed months after the installation has been completed, and responses may therefore not be reflective of the initial process to connect the customer of the DNO. Quite often, the end-user does not engage with the DNO but may be captured within the survey.

Proposal 6e – G98 Limit

Whilst we are supportive of an increase, we believe DNOs should be encouraged to review this through engineering recommendations rather than be mandated through a licence condition or codified in RIGS. This will allow all network operators to adapt requirements based upon the best engineering solution, and should the engineering standards change, there would be no need to alter the licence or RIGS.

What constitutes "a justification of why uplift is not in the consumer interest or could have unintended consequences for the network" would need to be more clearly defined by Ofgem and industry to ensure uniform understanding and adoption. Depending upon the scale of any change to the G98 threshold, the impact on rural networks will also need to be considered. These networks have smaller infrastructure and are more susceptible to voltage rise risks, so it is likely that additional reinforcement will be required on such networks. NGED's current process allows for 5kW to be installed provided the impedance of the network is below a certain threshold. If these parameters are defined in engineering recommendations, there is a clear route to the construction of robust networks which will help consumers move to Net Zero.

In our view, this proposal should apply equally to DNOs and IDNOs so that customers on DNO networks or on IDNO embedded networks are treated equally.

Proposal 6f - Notifications

We are supportive of the notifications proposal. The current regime does not provide enough protections to the DNO or to the end user in the case of incorrect or non-notification. We would suggest installers are monitored through registered trade bodies and associations as opposed to placing this obligation on individual customers who may not understand the registration process.

We also strongly suggest that the notification process is online, automated and free of administrative burdens for all stakeholders. Installers should be obligated to register domestic LCTs installed through NGED's available self-serve tools https://connections.nationalgrid.co.uk/

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 provide suggestions below on how to ensure the smallest scale customers are protected and LCT roll out is supported.

Investment: Enabling and funding DNOs to undertake "no regrets" LCT-driven network investment and reinforcement in anticipation of uptake would benefit domestic customers looking to connect LCTs. Areas with current high levels of LCTs connected, or forecasted in the DFES to connect, could be prioritised first. Similarly, urban areas could also be prioritised. NESO, through the Regional Energy Strategic Plans (RESP) framework, is expected to help provide consistent assumptions and methodologies which will in turn define profiles for LCT use. These profiles will inform network business plans, providing additional assurances to Ofgem.

We recommend that Ofgem considers funding DNOs as "Net Zero-ready" networks, similar to the approach taken for broadband and 5G network rollout. This would lead to a neighbourhood-by-neighbourhood approach ensuring that work associated with minor connections and installation of domestic LCTs will be undertaken concurrently, and leaving the local network "Net-Zero ready". This work could include: HV

transformer, LV network, 3 phase service cable and service position (i.e. cut-outs changed, fuses upgraded, services un-looped).

Continually improving network visibility: Currently, distribution networks do not have full visibility of the entirety of LV networks, but over time, we have been increasing our measurement capacity (such as increasing the levels of automation and bulk study runs). Further improvements to networks' measurement capacity would help achieve the objectives mentioned in this question. This includes an improved understanding of LV network capacity, network utilisation, and constraints. This could be developed through the LV network monitoring project and through the use of smart meter data. In addition, improvements to the rate of notification of connecting assets would allow networks to account for the impact of LCT demand on their network.

Collaboration: As mentioned previously, cross-DNO collaboration can improve the consistency of processes and facilitate the sharing of best practice across the industry.

Comprehensive package including incentives: The recommendations provided above represent specific examples that can help improve customer experience for small customers and support LCT rollout. These recommendations could be complemented by incentives for DNOs and IDNOs to facilitate quicker connections of domestic LCTs and drive improved digital tools. A comprehensive package of measures would be more effective in achieving the goals mentioned in this question (i.e. protecting small scale customers and supporting LCT roll out), compared to a narrow focus on addressing poor performance.

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?

We broadly agree with the issues set out under Theme 7 and observe that they are common in today's landscape. While we prioritise our customers' needs, we appreciate that not everyone will be satisfied every time. When complaints arise, we strive to resolve them swiftly. As part of our commitment to delivering excellent service for our customers, and in accordance with the Gas and Electricity Consumer Complaints Handling Regulations, we have established a clear complaints procedure and escalation process, which can be found here: National Grid - How to make a complaint.

Of the issues Ofgem presents under this theme in paragraph 2.138, we can relate to the first bullet, that being "The threat of raising a determination can be used as a bargaining / leveraging tool by an impacted party, even when it's clear Ofgem may not have the vires to determine. This can waste time and resources in network companies". Furthermore, we find that the threat of a determination can come as part of a first communication of a complaint rather than as a last resort after the full complaints process has been followed.

We welcome and would look forward to engaging constructively in an Ofgem review of the guidance for connection determinations. We provide further views on Ofgem's proposal in question 7b below.

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

We agree with Ofgem's proposal to review and update the guidance if changes are needed for the current connections process and landscape. We recommend that Ofgem explores how different dispute resolution mechanisms can work together for better outcomes. This may include:

- **Escalation** and how procedures for a DNO complaint and Ofgem determinations could work together, with the latter as an escalation of the former. Currently, it is common for customers to run both a DNO complaint and an Ofgem determination as a twin-track. Instead, we'd suggest collaborative resolution between licensee and customer be a requirement before the customer approaches Ofgem, which should be a last resort.
- **Industry standards:** While NGED has developed its own customer complaints procedure, as mentioned in Question 7a, standardisation across networks could be beneficial. Currently, there is limited guidance on how the complaints process should work across the industry, leading to varying customer experiences. Establishing an industry standard, with clear and visible determination guidance for connections, could support smoother resolutions and is worth exploring.

In addition, we believe the determinations process could be clearer by explaining what can and cannot be referred to Ofgem in simple terms e.g., a layperson's explanation of Ofgem's vires. We suggest defining and signposting Ofgem's remit and parameters for determinations to customers. We also propose that any updated guidance includes examples or scenarios for disputes and the determinations process to follow.

We welcome an industry discussion on this and look forward to helping design principles and supporting processes that benefits customers, licensees, the regulator and impacted parties.

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

No further comments on Theme 7.