

Ofgem's consultation on the connections end-to-end review

National Grid Electricity Transmission response

12 February 2025

This is National Grid Electricity Transmission plc's response to Questions 1 to 7 of Ofgem's consultation on the connections end-to-end review of the regulatory framework dated 8 November 2024. Our response to Question 8 on incentives was submitted separately on 13 January 2025 as requested by Ofgem.

We fully support the ongoing programme to reform the connections process. We are actively working with others to reform the connections process and we are committed to helping the Government achieve its target of Clean Power by 2030 and to support the wider economy to decarbonise and reach net zero emissions by 2050. Reform provides a good opportunity to review the current package of incentives and obligations related to connections to ensure they remain fit for purpose and targeted at what will support us deliver a high quality and timely service to our customers and wider stakeholders. Incentives and obligations must be aligned to roles and responsibilities that will endure post reform of the connections process.

The desired outcome sought from the connections end-to-end review, as set out in the Connections Action Plan, is a framework of incentives, obligations and requirements pertaining to network companies and the National Energy System Operator (NESO) that ensures improved quality of service and timely connection outcomes. We agree that meeting this outcome is important and recognise the role we play in delivering it. It is important, as Ofgem is doing, to consider incentives, obligations and other requirements, e.g. through the codes, as a package to avoid a situation where a network company could face duplicate financial penalties through a combination of incentive penalty, licence breach and customer compensation.

The proposals put forward in the consultation are in an early stage of development. We welcome Ofgem consulting at this stage of their development, allowing us to input our experience and the feedback we hear from our connection customers. We encourage Ofgem to take into consideration, in designing the regulatory framework, the practical realities of the connections environment and the external factors which TOs have to manage and respond to. This is critical to ensuring that the framework meets the desired consumer objectives, including facilitating efficient delivery. There will be external factors which change TOs' delivery plans. Something as simple as the weather can result in a planned outage to deliver a customer connection being withdrawn as NESO seeks to maintain network security and as such connection dates may have to change. The risk of delays to dates will become an increasing challenge. The scale of network activity needed to meet our, Ofgem's and Government's ambitions for the RIIO-T3 period means that securing outages will be increasingly challenging. It is not clear that the dynamic nature of the operating environment has been reflected in the proposals put forward by Ofgem.

At this early stage it is not possible to conclude that the proposals will therefore meet the outcome desired. To do so requires aligning any changes to obligations and incentives with the connections arrangements that will endure post reform and accounting for the challenging operating environment going forward. Reformed connections arrangements are not yet finalised so naturally Ofgem has not been able to reflect on them in this consultation. We offer our support to Ofgem in co-developing, alongside NESO and the other transmission owners (TOs), revised process and documentation to support making obligations around timely and high quality connection services clearer for all parties. This could include reviewing existing timelines in the System Operator Transmission Owner Code (STC) so that they align with an agreed connections process post reform. The established Reform Implementation Hub offers a route for doing so.

In summary, in developing the proposals further we consider there is a need to focus on the following key points:

- Obligations must align with the processes, roles and responsibilities that will endure post reform and drive towards delivery of the same outcome. Reforms to the connections process are well under way, albeit subject to Ofgem approval by the end of Q1 2025. The move to a gated process, structured through a NESO led approach will change the approach to setting connection dates for customers. This is a fundamental change to the customer journey for connections which must be reflected in the licence, codes and any associated governance or guidance. Ofgem has, in forming its proposals in the consultation, reviewed customer journeys based on existing processes which must be re-evaluated against the process that will endure post reform.

- Ofgem should avoid introducing new principles-based licence conditions where alternative regulatory treatment is possible. Principles-based licence conditions are burdensome for Ofgem, network companies and stakeholders as they require guidance to support parties comply and Ofgem to monitor compliance. Even with guidance, different interpretations can be reached causing confusion and frustration amongst stakeholders.
- The use of financial incentives, in this case a connections capacity creation incentive and a reformed Quality of Connections Satisfaction Survey are more effective regulatory mechanism to achieve Ofgem's objectives to drive high quality and timely delivery. Calibrated as a 'fair bet' and in an objective manner with both penalties and rewards they are an effective tool to drive TO behaviour. Further discussion of incentives is provided in our response to Question 8b submitted on 13 January.
- There should be compelling evidence of the potential or realised customer detriment to support establishing additional or tightening existing obligations on TOs. Much of the evidence put forward by Ofgem in the consultation relates to processes to connect to the distribution network. While there are known frustrations connecting to the transmission network, reform is targeted at addressing many of these and the need for additional obligations should be evaluated in that context. The different roles of NESO, TOs and Distribution Network Operators (DNOs) in the connections process must also be accounted for.
- As acknowledged by Ofgem there is a balance to be struck between quality and pace. We consider that current obligations, including requirements in the codes, strike an appropriate balance and any changes should not adversely impact this balance.
- Proposals to insert obligations and/or introduce financial penalties changes the risk balance of the regulatory framework and this comes at a cost. Ofgem should provide an impact assessment when reaching final conclusions that quantifies potential costs and potential benefits.

Answers to the questions posed are in Appendix A.

Appendix A: Response to the consultation questions

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

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 see provision of visible and accurate data as a process of continuous improvement, responding to customer need, rather than there being a point of successful delivery that we should be tasked to reach.

We recognise the issues identified and know connecting customers (and prospective customers) would generally like to see improvements in the information available. We support improvements in arrangements that facilitate greater coordination between parties involved in providing connection services. Network companies, as acknowledged in the consultation, have been making improvements in the type and way information is shared with stakeholders. There is much ongoing work in this space that needs to continue and it is vital that improvements in what and how information is shared accounts for process changes that will endure post the connections reform programme. This programme could change the value stakeholders place on different information that we and National Energy System Operator (NESO) provide.

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

We recognise the aim of the Connections Action Plan in seeking a single digital view. Noting that Ofgem state that developers are comfortable accessing individual company portals and place greater importance on the quality of the data, we propose that development of individual network data tools should be the priority over combining into one tool. Much progress has already been made and continues to be made in this regard. Our view is that an additional central intervention is not needed to achieve the desired objective.

We consider that there are already incentives on us to produce data and information that is useful, accurate and timely for our stakeholders. We therefore do not support the need for a regulatory requirement on a single digital view across all network companies and NESO. Neither do we support the need for a regulatory requirement to individually produce digital tools at this time. The connections process is undergoing significant change through connections reform. This must be accounted for to avoid resource and expense to extend existing digital tools at pace, which a new requirement could drive, with information that may be of less use to stakeholders under the enduring process. Connections reform will impact both the information that is more useful to our stakeholders and who is the best party to provide that information.

Our RII0-T3 plan outlines steps we will take to improve customer data provisioning through the data sharing infrastructure, combined with data products and content channels, including data provision to NESO. We have proposed additional investments to enhance the customer journey by improving access to information, in line with continuous improvement feedback loops. This approach will enable us to adapt to customer and stakeholder feedback and their changing needs throughout the period.

When connections reform is embedded we would support a reconsideration of whether the benefit to customers of a single digital view, or an obligation on what information we are required to provide digitally, outweighs the costs. If at this point an obligation is considered net beneficial then there should be consideration of whether a licence obligation is required to develop and maintain it (and which party should hold this obligation) or whether it could be managed through a codified requirement.

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 goal of consistent and accurate data. As per our response to Question 1b we consider it essential that data and information sharing processes align with the enduring connections process post reform. Standards should be limited to what is necessary to provide stakeholders with consistency and therefore comparability. This would allow freedom for tools developed by individual networks to evolve how such data is visualised in response to feedback from users.

Were NESO to publish data for the whole of the GB transmission system then consistency of inputs it receives from TOs could be managed through code requirements. If one single digital view across all GB networks (transmission and distribution) is developed, then this will require more significant standards to ensure interoperability. The additional

resource, and therefore cost, required to do this should be assessed against the benefits when deciding if one single digital view for the whole system is the most beneficial route to take.

Due to the changing nature of what may be considered the most useful data and way of presenting it, we consider that codified requirements would be the most suitable means of including a new requirement, were it deemed necessary. Placing such detail in licences would not be the most efficient approach due to their inflexibility.

It is also worth noting that network companies have an existing requirement to comply with Ofgem's Data Best Practice Guidance¹ which specifies some requirements around the data we publish.

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?

Given this information is being provided without a specific regulatory requirement we do not see the need to introduce one. We have existing obligations to provide Ofgem with information it reasonably requests.²

If obligations are added it will be important to account for the different roles and responsibilities across the sector. Currently we as a TO provide NESO with information and NESO then provides this to the Energy Networks Association (ENA) who compiles data from all network companies. The System Operator Transmission Owner Code (STC) could be used to standardise how and when TOs provide information to NESO with the obligation to provide the information to Ofgem then sitting with NESO.

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?

This question is best answered by our stakeholders. Connections reform will likely change what information is most useful to stakeholders and when that information should ideally be provided in the reformed process. We would welcome Ofgem sharing any feedback they receive so that we can act on it as we continually improve the approach we take to data and information sharing.

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.

This question is likely aimed at connecting customers. They will have a better understanding of whether aggregating information, that prevents legal barriers from disclosure being breached, would result in the information still being useful or not.

In relation to Ofgem's consideration of whether more information should be published on the projects in the connections queue, we note that there are legal barriers to publishing customer sensitive data. We consider information about individual projects in the connections queue (their location and capacity fulfilment) to be sensitive information as this data belongs to the customer rather than ourselves. Under s105 of the Utilities Act 2000, networks are unable to disclose information to the public which they obtained pursuant to the Electricity Act 1989 unless consent is provided. NGET is also restricted from publishing confidential information pertaining to individual connection projects by its licence obligations, in particular Special Condition 9.17, and by the confidentiality obligations under the industry codes, in particular the STC.

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

No further comments on Theme 1.

¹ Ofgem (2021), [Data Best Practice Guidance](#)

² Ofgem (2024), [Transmission Licence Standard Conditions: Condition B4](#)

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

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

We agree that on the transmission network there is a limited explanation of the standards of service to be expected at each stage of the process. Stakeholders will be better placed to comment on the consistency or otherwise of service quality across the TOs. We publish an explanation of the process customers should expect but service quality is naturally harder to define beyond setting timescales for each process.³ That is why, alongside day-to-day engagement, we currently measure our level of service and receive feedback from our customers through the Quality of Connections Satisfaction Survey which is linked to a financial incentive. We aim to act on this feedback to continuously improve our service. We have proposed that the Quality of Connections Satisfaction Survey be updated (to reflect the reformed connections process) rather than removed as currently proposed by Ofgem. An updated survey would play an important role in ensuring TOs are focussed on improving standards for customers and therefore its removal could result in detriment to customers.

We agree that one of the major concerns raised by stakeholders is the time taken at each stage of the connections process. One of the primary outcomes sought from connections reform is to re-baseline the expectations around connection timelines for all parties (network owners, NESO and customers) with a new gated process to facilitate connections to the transmission network. Connections reform is therefore, in part, designed to alleviate this known issue and whether it remains an issue should be assessed once a reformed process is embedded.

In relation to the transmission/distribution interface, we consider that connections reform and related changes will have a positive impact. A Connection and Use of System Code (CUSC) modification was recently submitted to Ofgem to implement connections reform which includes requirements for Distribution Network Operators (DNOs) to submit information to NESO.⁴ A CUSC modification to change the threshold at which a Transmission Impact Assessment is undertaken in England and Wales is also progressing.⁵ This will reduce the volume of connections to the distribution network that trigger an assessment and as such remove a step from the customer journey.

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 in this area. Principles-based licence conditions are burdensome for Ofgem, network companies and stakeholders as they require guidance to support parties to comply and Ofgem to monitor compliance in this area. We struggle to see how guidance, as suggested by Ofgem to build on a high-level licence requirement, can provide the clarity needed to ensure that networks know how to comply, customers know what to expect and Ofgem knows how to monitor compliance. At the extreme, a complaint against the licensee related to a connections process could be considered a licence breach. Different interpretations may be reached which risks causing confusion and frustration amongst stakeholders.

For connections to the transmission system, NESO holds the contract with the customer. The TO provides information to NESO through the transmission owner construction offer (TOCO) which is used by NESO to produce a connection agreement offer for the customer. Any obligations, principles based or otherwise, must recognise which party is responsible for each process and take into account where obligations will sit under the enduring process post connections reform.

To support a high quality service, we consider that the transmission Quality of Connections Satisfaction Survey should be reformed rather than removed, as currently proposed by Ofgem. This is a more appropriate tool to drive the desired outcome. Further discussion of incentives is provided in our response to Question 8b submitted on 13 January.

³ NGET (2025), [The detailed connections process](#)

⁴ NESO (2024), [CMP434: Implementing Connections Reform](#)

⁵ NESO (2025), [CMP446: Increasing the lower threshold in England and Wales for Evaluation of Transmission Impact Assessment](#)

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 agree that there is a tension between timeliness and quality. Quality can suffer if a party is pushed to deliver under strict timelines. We are not always in a position to add resource to an area of the business to manage spikes in volumes as we must manage our obligation to develop and maintain an efficient, co-ordinated and economical system of electricity transmission, deciding where to allocate resource to best meet this obligation. Additionally, there is technical knowledge and skills needed for parts of the process which take time to develop. But more importantly, we consider there to be practical barriers to putting timeframes on the majority of processes we follow when connecting customers to our network. There is no such thing as a standard project when it comes to connecting generation, storage or demand to the transmission network. It would be inappropriate, impractical, and potentially counterproductive, to place timeline requirements on many parts of the process.

Notwithstanding the points above, we consider that revised process and documentation should be developed to support making obligations around timely and high quality connection services clearer for all parties. This could include reviewing existing timelines in the STC so that they align with an agreed connections process post reform. Any revised or new requirements must account for the detail of NESO and TO roles and responsibilities under the reformed process which are not yet fully defined and agreed on. It would therefore be sub-optimal to make detailed proposals on what, if any, changes should look like at this stage. We also consider that it is equally important for the expectations and obligations on NESO and customers to be clearly defined and reinforced under appropriate mechanisms.

We offer our support to Ofgem in co-developing proposals through workshops alongside NESO and the other TOs. The Reform Implementation Hub will be agreeing all necessary process and responsibility details and could be used as the route to develop any changes. There are existing requirements on NESO and the TOs for the provision of information between parties as part of the connections process. These are referenced in the licence⁶ and specified in the STC, in particular Section D and Schedule 8. Modifications to the code should be the primary route to specify additional process level requirements where the process is between the NESO and TOs. Placing obligations on parties through the licence could create misalignment in requirements across codes and licences as they may be modified independently.

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

Codes and licence requirements will need to be revised to align with the enduring connection process post reform. This change process is already underway. As discussed in response to other questions we see value in using this opportunity to review process and documentation to provide clarity for all parties.

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?

No further comments on Theme 2.

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

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?

There is limited discussion of issues beyond the one issue that getting a connection takes too long. Most of the bullets describe ways that could mitigate this issue rather than raising additional issues. We recognise and understand that customers can be frustrated by both the initial connection date offered and when delays occur during the development process.

Connections reform is aimed at supporting better management of the connections queue which should alleviate some of the issues currently being faced by customers seeking a connection date to the transmission system and not being

⁶ Ofgem (2024), [Transmission Licence Standard Conditions: Condition D4A](#)

able to get one until the 2030s. This is the key issue we hear from our stakeholders in relation to the connections process.

While delays are a feature of the existing transmission connections process we note that many of the examples provided relate to connections at the distribution level. We welcome Ofgem sharing evidence of issues it has heard about in relation to transmission network connections so we can take these on board in reviewing and improving our processes.

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 agree with the goal of proportionate requirements on network companies to meet agreed connection dates. Key is to align on what should be considered proportionate.

We consider that the current requirement in the licence strikes the right balance and should not be changed. Changing the requirement to “*must complete*” would materially change the balance and is not proportionate as it does not reflect the fact that delays can be outside our reasonable control. As acknowledged by Ofgem there are parts of the process that are outside of our control either because they rely on processes being followed by other licenced parties or external factors, such as planning and consenting or constraints within our supply chain. We take reasonable steps to mitigate these but they are not fully mitigatable and can cause delays to intended delivery dates. TOs and NESO also have contractual obligations to notify customers of delays.

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

We consider that standards, which we interpret as obligations to deliver connections within generic timeframes, are not practical to implement. There is no such thing as a standard project when it comes to connecting generation, storage or demand to the transmission network. It would be inappropriate, impractical, and potentially counterproductive, to place requirements on meeting generic dates for all connections.

We instead consider that a financial incentive is the best tool to drive positive outcomes for customers when it comes to supporting timely delivery. This is on the assumption that the financial incentive provides a ‘fair bet’ with opportunity to outperform due to the positive actions taken, and penalties where service is poor. We have proposed a connections capacity creation incentive. Further discussion of incentives is provided in our response to Question 8b submitted on 13 January. Inclusion of minimum standards would also create duplication and, as acknowledged by Ofgem, could result in less ambition and lower standards overall for customers.

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 introduction of a new financial instrument that offers recourse to customers when their connection is delayed. For customers connecting to the transmission network there is already the option to choose financial recourse in the event of delay when contractual terms are agreed. This option exists through the liquidated damages provisions. These contractual damages are paid by TOs when the Commissioning Programme or Completed Date is delayed due to acts or omissions of the TO.

We consider that the additional inclusion of a financial instrument linked to an obligation has not been well justified. Take up of the existing option is low which could be an indication that customers do not value this provision, recognising that passing additional cost and risk to a TO and its contractors would likely add to the overall cost of connections services.

Managing a new process for financial recourse would also require significant investment of time and money for networks, Ofgem and potentially customers, and present practical challenges:

- Given the different characteristics of those connecting to the network, calculating the consequential loss to customers would be challenging and complex.
- Delays can be outside of our control and can result from a series of events which are attributable to different parties within the project life cycle, particularly for complex or lengthy projects. There is a risk that determining who has caused the delay becomes a dispute process on its own. It would be a complex process to factor in when delays were down to actions we have taken, and therefore financial recourse would be due, and when they have not. Introduction of this process could therefore increase the volume of determinations.

In addition, such an instrument would change the balance of risk in the regulatory framework, exposing networks to disproportionate financial detriment.

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

In order to manage additional requirements and therefore risk placed on us as a TO, some of that risk will need to be passed on to contractors responsible for delivery of parts of a connections project. This could have consequences for reaching commitments with the supply chain, potentially pushing up costs or elongating procurement timelines. The risk of this happening must be weighed against the benefit and value customers place on meeting connection dates.

Theme 4 - Quality of connection offers and associated documentation

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?

The issues raised appear to mainly relate to connection to the distribution network. We recognise some of the issues raised but consider it would be helpful to be clearer on the evidence of issues on distribution and transmission networks separately. There should be compelling evidence of the potential or realised customer detriment to support establishing additional or tightening existing obligations on TOs.

We agree that there is a trade-off between quality and timeliness. We find that the timeline we are required to meet in providing information to NESO, as set out in the STC, for it to then use in the customer offer can mean that some information is indicative and subject to revision as the process moves forward. We know there are improvements we can make. We seek feedback from our customers and NESO on the information we provide, through the Quality of Connections Satisfaction Survey and general engagement.

Under the proposed gated process being implemented through connections reform, the fundamental process and methodology for producing an offer will be re-defined, as per the code modifications and associated methodologies currently being progressed. Therefore, we recommend that any incentive or obligation around quality and documentation be revisited in more detail following go-live of reform.

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 consider that introducing new principles-based licence conditions should be avoided where alternative regulatory treatment is possible. Principles-based licence conditions are burdensome for Ofgem, network companies and stakeholders as they require guidance to support parties comply and Ofgem to monitor compliance. Even with guidance different interpretations can be reached causing confusion and frustration amongst stakeholders.

For connections to the transmission system, NESO holds the contract with the customer. The TO provides information to NESO through the transmission owner construction offer (TOCO) which is used by NESO to produce a connection agreement offer for the customer. Any obligations, principles-based or otherwise, must recognise which party is responsible for each process.

Currently the STC outlines the requirements on TOs and NESO in this process, including the timeline for information sharing. We consider this an appropriate route for setting out requirements on parties. 'Quality' is hard to define as it will mean different things to each party involved. If we had more time to carry out our role then quality, if defined as meaning more certainty in the information included in the quote, could be improved. But for some consumers quality could also mean delivering quickly. We therefore do not support such an obligation as it would not be clear and, as such, is unlikely to achieve the desired outcome, nor be in line with good regulatory practice.

If improvements are deemed useful in supporting the goal then these should be specified in the code alongside existing requirements. We support working with STC Parties to review the existing requirements to ensure they support the goal of high quality offers and drive an appropriate balance between quality and timeliness. This review would need to be mindful that connections reform will impact responsibilities and timelines and this should be accounted for in setting

any additional requirements on TOs or NESO. There is currently a modification being progressed which, if approved, will implement changes to the code resulting from connections reforms.⁷

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?

See our response to Question 4b. We consider the STC the appropriate route for making any changes post a review of the information exchanged between TOs and NESO, that ultimately feeds into the offers NESO provides to customers.

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. Quality is naturally subjective.

Customers may judge quality based on whether their desired connection date is offered or not. But this should not be a factor in whether the offer is of high quality or not. Rather the provision of clear, transparent and understandable explanations of the offer should be the marker of quality. As discussed above, an additional measure of quality could be the level of certainty in the information in the quote but this must be traded off with the time taken to produce the quote.

We consider 'quality' to relate to how the components of an offer that NGET provides to NESO aligns with our current obligations as set out in the licence and STC. This includes: alignment of engineering insight/information to a specified expectation of what the customer should see; accuracy of specific details provided in the offer; consistency of the content of the offer with other specific and strategic engineering solutions/outputs from NGET. If quality is deemed to mean something different then the STC should be updated to reflect this – if a definition were needed then the level of detail required lends itself better to a code than the licence. Changes to the existing requirements around the quality and timeliness of information sharing between parties (DNOs, NESO, TOs, customers) may be beneficial.

As an example, under the proposed new connections process, subject to Ofgem approvals, a Gate 1 Offer to a customer will constitute an "*indicative point of connection and connection date*". This will be ascertained by NESO undertaking a desktop-based engineering study. Within this process it may be beneficial to define the engineering data and insight that NESO needs from TOs in order to conduct the desktop-based study. For NGET, high quality could constitute satisfactory delivery of this defined engineering data and insight to NESO by an agreed timeline. Under this example high quality is being assessed by NESO, based on agreed standards, as recipient of the information rather than the customer. We consider this appropriate as the customer may not be happy with the indicative point of connection and date, but this alone should not be a judgement on the quality of the information provided.

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

No further comments on Theme 4.

Theme 5 – Ambition of connection offers

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 recognise that there is a risk that strengthening requirements to deliver connections by set dates could create the perverse incentive to set less ambitious dates in the first place. As per our responses under Theme 3, we consider that the current requirements on timely delivery of connections creates an appropriate balance that we can manage given what is within and outside of our control in delivering connections. Therefore, we consider that this issue of a perverse incentive to set unambitious delivery dates will not materialise.

We also consider that there is an inherent issue with reaching an agreement between all parties on what 'ambitious' should mean. There is a tension between what an individual customer may seek in terms of an ambitious date for it connecting to the network and the date we may reach given our requirement to think broader about the impact that connection will have. In addition to meeting the needs of a connecting customers, we have a requirement to comply with the licence obligation to develop and maintain an efficient, co-ordinated and economical system, a requirement to

⁷ NESO (2024), [CM095 – Implementing Connections Reform](#)

comply with the Security and Quality of Supply Standard (SQSS), and a need to consider the level of resilience sought in the system overall.

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 consider that the current regulatory requirement is strong. *“Time being of the essence”* is appropriate language. *“Earliest achievable connection date”* would not be appropriate. It could imply that network companies prioritise delivery of connections above all other requirements to meet our obligation to develop and maintain an efficient, co-ordinated and economical system of electricity transmission. We do not believe that is Ofgem’s intent.

We support the need to deliver connections as quickly as is practical to do so. The issues around the connections queue and offers for connection dates being far into the future are well documented. The current connections reform programme is aimed at improving this situation and we support the planned approach due to be implemented during 2025. Reforms will also change the approach to revised offers which should be recognised by Ofgem in taking work on this theme forward.

We instead consider that a financial incentive is the best tool to drive positive outcomes for customers when it comes to supporting timely delivery. This is on the assumption that the financial incentive provides a ‘fair bet’ with opportunity to outperform due to the positive actions taken, and penalties where service is poor. We discuss this further in response to Question 8b submitted on 13 January.

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

No further comments on Theme 5.

Theme 6 – Minor connections

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.

DNOs and their connecting customers are better placed to provide evidence in response to this 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?

As per our response to similar questions on the other themes, we do not support the inclusion of new principles-based licence conditions for this type of activity. In relation to the option of setting minimum standards or SLAs, DNOs and their connecting customers are better placed to provide evidence of what processes this could reasonably apply to and to respond on the detail of the other proposals raised. But in principle we support financial incentives as the most appropriate tool for driving quality and timeliness over setting minimum requirements. This is on the basis that certain criteria for the inclusion of a financial incentive can be met, as covered in our response to Question 6c.

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 consider that where performance is measurable, actions within a network’s control can positively or negatively impact performance and improved performance is beneficial to consumers (both individually and collectively⁸) then networks should be financially incentivised through use of an Output Delivery Incentive. A financial incentive provides impetus to focus on addressing poor performance, in order to avoid a penalty, and pushing the bar of what is considered high performance, to achieve a reward.

⁸ For examples, incentivising networks to take actions that support delivery of a decarbonised electricity system supports all consumers be bringing carbon benefits and domestic energy resilience.

Theme 7 - Provisions and guidance for determination

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 support Ofgem's articulation of the problem and recognise the issues identified.

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

We support Ofgem reviewing its guidance in relation to connection determinations. It would be particularly helpful if the guidance:

- Covered a practical explanation of the powers Ofgem has in determining a dispute in addition to the information in Appendix 1 of the existing guidance. Greater understanding from stakeholders on what Ofgem can and cannot determine could reduce the volume of speculative requests received.
- Included templates outlining the information and level of detail expected from each party at each stage of the dispute process to help set an expectation of the requirements that will sit with parties ahead of the process starting.
- Communicated reasonable expectations over the length of each stage of the process based on a review of the timeline of past disputes. This could complement the guidance providing further detail on Ofgem's assessment phase. For example, are there types of dispute that are more likely to trigger Ofgem to seek technical advice that would likely make processes longer than would otherwise be the case?

This review should also address changes that have occurred since the guidance was published in 2017 to help stakeholders understand the connections process and roles and responsibilities of different entities. National Grid Electricity Transmission (NGET) no longer owns the system operator (NESO) which is now a separate licenced entity. NESO therefore is now responsible for providing offers to parties seeking connection and the role of NGET is now the same as the role of other TOs as discussed in the document. The guidance should ensure each party is clear about their role in the dispute resolution process now that NESO and NGET are separate entities.

Changes to the guidance should also be made to align the dispute resolution process with the connections process that will endure after the ongoing reform programme. The STC outlines when disputes are referred to Ofgem so any amendments to the STC in this regard should flow through into Ofgem's guidance. Ofgem should update the guidance, if needed, to specify which parts of the reformed connections process it has vires to determine on and which parts it does not. Ofgem should not have vires to determine on grievances related to the outcome of queue management, where the approved methodology has been applied, but this may be an area where customers' expectations need clarified.

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

The consultation states that Ofgem's role in disputes is referenced within Standard Condition C9 of the electricity transmission licence but the reference should be to Standard Condition D4B as per the most recent version of the licence dated 1 October 2024.⁹

⁹ Ofgem (October 2024), [Transmission Licence Standard Conditions](#)