



Consultation On Proposed Changes To The Regulatory Framework Around Electricity Grid Connections, As Part Of Connections End-To-End Review

February 2025

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Canary Wharf
London
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13 February 2025

Dear Alasdair,

Consultation On Proposed Changes To The Regulatory Framework Around Electricity Grid Connections, As Part Of Connections End-To-End Review

We welcome the opportunity to respond to Ofgem's part consultation/part call for input on the proposed changes to the regulatory framework around electricity grid connections, as part of Ofgem's connections end-to-end review. This response is on behalf of SSEN Transmission¹ ("SSENT"), part of the SSE Group, which is responsible for the electricity transmission network in the north of Scotland.

We are committed to delivering a network for net zero, actively pursuing the pathway to 2030 and supporting the Government's Clean Power 2030 Action Plan ("CP30"). That pathway is clearer as a result of the regulatory and policy shift towards anticipatory strategic network planning driven, initially, by the 2030 energy targets and then the Strategic Spatial Energy Plan ("SSEP") and Strategic Network and Regional Planning. This will shape the mix of clean energy sources connecting to the grid through the NESO's proposed TMO4+ process and the energy code reforms.

These are fundamental changes in the connections and network environment. In response to a future where strategic planning is at the core, the connections process is evolving and will operate in an environment which is materially different from that experienced by customers and networks over the past decade. The regulatory framework should also evolve, but that evolution should be driven by the future needs of consumers, customers and companies in a reformed connections environment, not the current arrangements which are about to be replaced. We are concerned that Ofgem's review and proposals focuses on developing a regulatory response to the 'as-is' connections environment and not the more relevant 'to-be' future.

As an illustration, the consultation summarises 'issues' in relation to the quality of offers, discusses potential causes and proposes reform to the current regulatory framework to improve on the current experience. That will be overtaken in a future which is guided by national targets and strategic planned network investment where connection offers could differ materially from current, in their information, documentation and detail. A future regulatory framework needs to be designed around that environment. It will need to start with RIIO-T3 to accommodate advanced approval of network investment (strategic, shared and sole use) in order that

¹ Scottish and Southern Electricity Networks is a trading name of: Scottish and Southern Energy Power Distribution Limited Registered in Scotland No. SC213459; Scottish Hydro Electric Transmission plc Registered in Scotland No. SC213461; Scottish Hydro Electric Power Distribution plc Registered in Scotland No. SC213460; (all having their Registered Offices at Inveralmond House 200 Dunkeld Road Perth PH1 3AQ); and Southern Electric Power Distribution plc Registered in England & Wales No. 04094290 having their Registered Office at No.1 Forbury Place, 43 Forbury Road, Reading, RG1 3JH which are members of the SSE Group www.ssen.co.uk

subsequent connection offers are based on confirmed projects, clear timelines for energisation and stable scope for estimated costs.

In developing the next stage of consultation, we would encourage Ofgem to frame that future connections environment and then reflect on what regulatory framework response is required to enable that.

We have addressed the consultation questions in the attached **Appendix** and summarise key themes below.

We support the changes introduced by the connections reform process and are committed to delivering CP30. As outlined in our recently submitted RIIO-T3 Business Plan, our fundamental goal is to deliver a network for net zero and the delivery of customer connections plays a critical role in achieving this already stretching and ambitious goal. Connections incentives and obligations need to be sensible and pragmatic when balanced against ASTI and the outcome of the RIIO-T3 framework, noting that at the time of this review the T3 incentive regime is still under development.

We are in a period of unprecedented industry reform and investment, while also setting the next RIIO-T3 price control. The scale of the infrastructure delivery challenge for 2030 is yet to be confirmed by the reformed connection process, while simultaneously the delivery window is rapidly closing. Although capacity will be confirmed by CP30, delivery is dependent on the queue being reordered with the appropriate regulatory approvals against a backdrop of existing challenges.

We strongly oppose the introduction of financial penalties/recompense to customers. Incentives are the correct driver to achieve a whole system, innovative and efficient process post reform, with a focus on effective collaboration across organisational boundaries to overcome barriers/delays to meeting shared objectives, with the current RIIO framework designed to incentivise TOs behaviour in the consumer interest. Connection dates will continue to be conditional on a number of factors including changes from the customer, NESO or other network licensee, planning consents, supply chain availability/pricing and system outages. TO's are already held to account for timely delivery of infrastructure through various existing mechanisms under the price control framework and in their licence (PCDs, Licence Obligations, ODIs), which can see them face reward for timely delivery and also face penalty for under delivery or poor performance. Further risk of penalty (with no potential for reward) will lead to an unacceptable level of double jeopardy for the TOs and risks having the opposite effect of incentivising accelerated delivery to one of more caution as TOs try to balance the cost of timely and efficient delivery with the potential for punitive additional risk.

We take immense pride in serving our customers in increasingly challenging circumstances as the number of applications has risen exponentially. We highly value and benefit from the feedback from the Quality of Connections ("QoC") survey which provides customer insights that underpin our embedded culture of continuous improvement.

Ofgem should not design new incentives and obligations to address issues with the old process. We remain concerned that Ofgem's review and proposals are based on old processes and not the new connections process. There needs to be further clarity about how the new connection process will work in practice, and whether it will result in a more overall effective process. Many, if not most of the issues of connections timeliness may be addressed and represent a more overall effective process for customers without the need for additional regulatory measures.

We support setting standards for the customer journey and the quality of offers and documentation.

We agree there must be clarity for customers on the distinct role and responsibilities for NESO/TOs/DNOs. There are changes proposed by Ofgem that we agree will support this, with clear objectives and accountability across the end-to-end process.

We recognise there will be a different kind of customer journey post connections reform, and this will drive changes in customer behaviour. Data is vital to this, given the focus of CP30 and subsequently the SSEP on availability/capacity. Use of connections data must be informed by customer insights and drive the ability for customers to self-serve, supporting higher quality applications. We are committed to the principles of open data and continued collaboration, driven by NESO in their leadership role, to support improving visibility and accuracy of connections data and network capacity.

Yours Sincerely

Rebecca Middlemiss
SSEN Transmission

APPENDIX

THEME 1 – VISIBILITY AND ACCURACY OF CONNECTIONS DATA AND NETWORK CAPACITY

We note the significant changes to the connections process since Ofgem's end-to-end insight gathering was conducted, which was based on the current connections process. Considering the progress which has since been made, and the significant reforms which are in train, we believe many of the concerns raised in the consultation will be addressed or negated in time and without the need for regulatory intervention. To this end, we do not believe it is necessary to introduce new regulatory requirements regarding data sharing.

CP30 and SSEP are specifically designed to provide a clear, strategic overview of future energy infrastructure needs, including spatial targets, optimal locations and technology specific requirements. The SSEP will outline where and how energy generation, storage and grid capacity should be developed to meet national demand and net zero goals, effectively replacing the need for capacity maps with ensuring availability of capacity relating to SSEP and CP30. CP30 will focus on clean power generation, ensuring that the capacity requirements for the transition to a low carbon energy system are clearly defined and planned.

SSEP and CP30 will provide the necessary spatial and capacity related information, making separate, detailed capacity maps redundant and unnecessary.

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

We agree that there is room for improvement in relation to some of the topics covered within this theme. We note that over recent months positive steps have been taken to bring about improvements through the introduction of the NESO's Connection 360 (C360) tool. We recognise that these are the first steps, and we will continue to engage with the NESO to further develop and refine this tool and look forward to seeing a more formal and more detailed plan and delivery timeline.

Strategic alignment (initially via the Clean Power Action Plan 2030 (CP30) followed by the Strategic Spatial Energy Plan (SSEP)) will impact and inform the future development of the C360 tool; we believe strategic alignment will provide clarity and allow focus on providing the most relevant and appropriate information to be shared. To this end, we see a real need for flexibility and adaptiveness in the data and information solutions developed by industry to ensure they can keep up with developments. Accordingly, if any new regulations are introduced regarding data sharing, it is vital that they are drafted to enable flexibility and adaptiveness and are not overly specific and rigid.

We also note and support NESO's commitment to publishing information on the outcome of applications for Gate 2. This exercise will show the status of each technology for each zone, which will inform future applicants. This is set out in the Connections Network Design Methodology – section 5.18 in relation to the outcome of Gate 2 to the Whole Queue and section 7.13 in relation to the enduring new connections process.

We are committed to continually improving data and information provision to customers, which is reflected in our Quality of Connections (QoC) results. In our QoC survey results for the year to date (April 2024 – December 2024) we note:

- Positive responses regarding information provision at the pre-application stage:
 - 97% of survey responses rated detail and quality of information provided as either Excellent or Good².
 - Positive verbatim feedback: *“Lots of technical issues were covered in the meeting and we were left with a really good understanding of what we need to do moving forward.”*
- Positive responses regarding information provision across the connections journey:
 - On average across each of the touchpoints when we survey on information provision, 94% of survey responses rated detail and quality of information provided as either Excellent or Good³.
 - Positive verbatim feedback: *“Excellent support from a technical perspective. Found the meetings we arranged to be very well attended with a lot of preparatory work having gone into them. We had a reliable correspondence throughout and when questions couldn’t be answered in meetings there would be a response afterwards to clarify.”*

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

We agree with the importance of creating, maintaining and continuously improving data tools to provide accurate, usable connections data to customers and other interested parties. However, we do not agree that it is necessary to introduce this as a regulatory requirement.

Currently, different data tools are being used across network companies. While we understand there are potential benefits in developing a unified set of open data tools, this requirement needs to be assessed holistically in view of potential benefits, usability, time required for migration of data, agreement on a unified digital view between network companies and NESO, costs involved, etc.

Overall, we support the benefits of a connections process aligned with a strategic plan and the direction that this provides in terms of a tool that adds value and is effective in delivering what customers need.

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 do not believe a new regulatory requirement on the creation of guidance / standards for data visualisation tools is necessary. We note the active collaboration is already underway across industry and existing obligations and guidance, as set out below.

We are already engaged and actively participating within the ENA Data and Digitalisation Steering Group data standards, metadata standards and data triage subgroups. In addition, we are project partners participating in the Data Sharing Infrastructure pilot project led by NESO, which we believe will help address some of the challenges around data sharing and data access. This could be another vehicle to enable data standardisation via the Data Sharing Infrastructure (DSI) governance body before a specific regulatory requirement is enacted.

² 54% Excellent, 43% Good

³ 55% Excellent, 39% Good

Additionally, we note the existing guidance and obligations relating to data standards, including:

- There is a specific use case on creation of guidance and standards for data visualisation tools under Ofgem's Data Best Practice Guidance ("DBPG") dated August 07, 2023, which the licensees are required to comply with.
- In particular, principles 2, 3 and 8 emphasise the need to *"use common terms within data assets, metadata and supporting information, describe data accurately using industry standard metadata and ensure data assets are interoperable with data assets from other data and digital services."*
- Employing data best practices is already a regulatory requirement within Special Licence Condition 9.5.

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 believe there is a need for a new regulatory requirement on TOs to provide connections data. As noted in the consultation, DNOs, TOs and NESO already provide data to Ofgem, Government and the ENA for publication in the ENA's monthly data book. We believe this process works well and has delivered valuable outputs; we would be keen to understand if Ofgem believes there are any limitations or material issues with the current arrangements so that we can take steps to address these.

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?

We look forward to the opportunity to review responses to this question from customers and other interested parties, which we will endeavour to consider through our collaborative work on data sharing with NESO and the other TOs.

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

We anticipate that, as we move into the new connections process, new opportunities (and challenges) for providing data will be identified by NESO, TOs, customers and other interested parties. We look forward to furthering our work on data tools with NESO and the other TOs to continuously review – pre and post implementation of the new connections process – how best to meet customers' needs, in line with data privacy rules and other challenges. We anticipate ongoing development of data tools and their content to consider customer feedback and any future industry changes.

For example, we note the importance of providing customers with live data showing where capacity will be available (in line with CP30 or SSEP targets) in advance of each TMO4+ application window. There will be an overlap of the offer acceptance window with the following TMO4+ application window, meaning uncertainty over which offers will/will not be accepted by customers. This presents two separate challenges: the data must be suitably aggregated/anonymised (granular data is only made public, eg on the TEC Register, once a signed contract is in place); and there will be a lack of certainty over capacity availability. Work is needed

to consider how best to present usable, anonymised and timely information to customers before each TMO4+ application window.

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

Overall, we note the progress which has been made by industry since the publication of the Connections Action Plan (CAP). This progress includes: the development of the C360 tool (which we understand will be further refined and improved through collaborative working between NESO and the TOs); and NESO's development of Connections Reform proposals (aligned to CP30), which will inform and focus the information provided to customers.

Whilst we do not believe it is necessary to implement new regulatory requirements regarding data sharing, if Ofgem proposes to take forward any Theme 1 proposals then the differing roles of TOs and NESO should be considered. The clear distinction between TOs and NESO responsibilities (eg TOs are contributors/collaborators, whereas NESO own the C360 tool) must be reflected in the drafting of any data sharing obligations. Any new obligations should also avoid being overly specific, to allow the necessary flexibility to adapt to potential future industry changes and customer feedback/needs.

Lastly, whilst we understand the value of, and support the development of, self-service data tools for customers, we feel it is important not to lose sight of the value of human interaction throughout the connections process. The feedback we receive within QoC surveys underlines how important it is for customers to have rich conversations with knowledgeable colleagues. QoC has provided us with incredible insight which we have used to refine and improve our processes to better meet customers' needs.

- Positive verbatim feedback (application process and offer stage): *“Ultimately, they listen and engage whilst also being very knowledgeable. It feels very collaborative rather than just being lectured on what to do. They propose different ideas. It is a two-way conversation. Ultimately, they deal in very technical aspects of connection but are able to communicate this over very plainly.”*

THEME 2 - IMPROVED STANDARDS OF SERVICE ACROSS THE CUSTOMER JOURNEY (NOT INCLUDING “MINOR CONNECTIONS”)

We support improving standards of service across the customer journey and that a minimum standards licence condition with an incentive could achieve this.

We believe the alignment of connections with SSEP and CP30 will significantly enhance foresight by aligning infrastructure development with longer-term strategic objectives, offering a more proactive and forward-thinking approach to grid expansion. By providing a comprehensive, future-looking roadmap for energy system growth, these frameworks enable Transmission Operators (TOs) to better plan and prioritise connections, ensuring that capacity is available where and when it is needed. This alignment will create a more efficient, milestone-based connection journey, as projects can be carefully mapped out and managed with greater predictability. Customers will benefit from a clearer understanding of timelines, with the potential for delays minimised through more informed decision-making and forward planning. Ultimately, this streamlined approach will not only reduce uncertainty for customers but also improve the overall customer experience, ensuring that connection processes are completed more efficiently, with fewer changes or challenges.

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

We recognise some of the challenges outlined under Theme 2 – *Improved standards of service across the customer journey (excluding “minor connections”)*. We are committed to enhancing and continually improving service standards. Despite a period of unprecedented volumes of connections applications and rapid growth of the connections queue, we have continued to prioritise customer insight and feedback to drive improvements. This is reflected in our last published Quality of Connections survey performance results, where we achieved a score 8.6/10.

We have considered the issues set out by Ofgem under the themes and provided thoughts on key aspects of these.

Timeframes

In relation to the points raised around timeframes, we have internal SLAs that ensure timely Pre-Application meetings. These are consistently recognised as a high-performing milestone in our Quality of Connections survey performance. To balance efficiency and quality, we believe response timeframes should begin only once the TO has received key project information to allow meaningful discussion. This ensures quality and value of engagement is maintained.

Regarding timeframes for kick-off meetings and personnel assignment post-offer acceptance, we support a practical approach that aligns with project requirements and delivery timelines. While a project manager or System Planner may not always be assigned immediately, we appoint a dedicated Customer Relationship Manager to ensure ongoing engagement and support throughout the process.

Transmission Customer Journey

We support efforts to improve service standards and believe a balanced approach is key to ensuring both efficiency and quality.

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 recognise the intent behind Proposal 2a to create a flexible, principles-based regulatory framework, however we believe this approach introduces and presents challenges. A principles-based approach may lead to varying interpretations, causing inconsistencies in service delivery and regulatory uncertainty for TOs. Translating broad principles into practical action can be challenging, requiring strong support and guidance to ensure consistent application. Additionally, without well-defined service standards, the focus may shift towards regulatory compliance rather than tangible service improvements, leading to inconsistent customer experiences.

A model that combines minimum standards with incentives would deliver more positive outcomes for customers. Such an approach would not only provide the necessary accountability but also encourage continuous improvement and ensure that the end-to-end customer journey is managed effectively across industry.

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 believe that introducing new minimum standards, accompanied by incentives for exceeding them, could be an effective way to improve service across the customer journey. Clear minimum requirements would provide consistency and accountability, ensuring that all customers receive a reliable baseline level of service. At the same time, incentives for outperformance would encourage TOs to go further, enhancing service delivery and continuous improvement beyond the minimum expectations and enhancing the customer experience.

This approach would balance regulatory oversight with flexibility, allowing TOs to enhance standards of service. Specific areas of the connections journey that could benefit from this approach include pre-application engagement, response times and post-offer relationship management. By setting clear expectations while rewarding higher performance, this model will build on the existing focus we have on improving the end-to-end customer journey and create better outcomes for customers and the wider industry.

We have given some thought to how this could be implemented and would welcome the opportunity to discuss this further with Ofgem.

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

The Quality of Connections (QoC) survey has become a pivotal tool for benchmarking our customer service performance, delivering clear benefits for both SSEN –Transmission (“SSENT”) and our customers.

In our view, the QoC survey should be retained and evolved, continuing to put the voice of the customer at the core of quality improvement.

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?

Measuring customer satisfaction and leveraging insights

We are committed to engaging with our customers, understanding their journeys, and addressing their needs. Our Customer Insights Team plays a central role in ensuring that customer feedback is shared across the business and that the Voice of the Customer is amplified. One of the most valuable tools in this effort is the Quality of Connections survey, which provides a critical measure of customer service performance and ensures accountability. By gathering customer feedback going beyond satisfaction scores, we are able to gain deeper insights into customer experiences and our service delivery.

Through carefully designed surveys, we are able to identify emerging trends and customer concerns early, enabling us to proactively address issues. The survey milestones have ensured ownership and accountability for delivering continuous and targeted service improvements across the connections journey. Given its regulatory and incentive/penalty structure, the survey provides Ofgem with visibility of customer service performance across the TOs and has promoted continuous industry collaboration.

We believe that some of the issues identified in the End-to-End Review could continue to be effectively monitored using the ‘Quality of Connections survey’. This survey, along with the insights gathered, goes beyond simply tracking customer satisfaction as it provides actionable data on emerging challenges and opportunities for service improvements. Our consistently strong results in the survey demonstrate our commitment to service excellence.

As we move into a new process and regime for customers, we believe the survey will bring significant benefits by enabling the early identification of issues on an ongoing basis. In our view, the Quality of Connections survey should be retained and evolved, continuing to put the voice of the customer at the core of quality improvement.

Tailored insights and learnings

We believe it would have been beneficial for the consultation to more clearly distinguish the issues specific to the Transmission customer journey and service provided. At times when not specifically highlighted it is unclear whether the identified issues apply to both transmission and distribution. We would welcome any insights specifically prevalent to transmission, as this will ensure our assessment and views are appropriately tailored to meet the unique needs of Transmission customers.

THEME 3 - REQUIREMENT ON NETWORKS TO MEET CONNECTION DATES IN CONNECTION AGREEMENTS

We believe the current obligations on TOs to “use all reasonable endeavours” is an appropriately high bar to achieve, but which also recognises the challenges which are outside of TOs’ control. We do not support a move to “must complete all necessary works and activities by...” as this is too rigid a requirement and fails to recognise challenges outside the TOs’ control. We recognise and appreciate Ofgem’s understanding of the external challenges which TOs and customers can face, and that this must be taken into account in any obligations related to delivery of connection dates.

We strongly oppose the introduction of financial penalties/recompense. Incentives are the correct driver to achieve a whole system, innovative and efficient process post reform, with a focus on effective collaboration across organisational boundaries to overcome barriers/delays to meeting shared objectives. TOs are already subject to a complex regulatory framework that includes licence obligations, RIIO price control deliverables, and output delivery incentives, all of which hold them accountable for timely and efficient network development. These see TOs face reward for timely delivery and also face penalty for under delivery or poor performance.

The introduction of financial recompense mechanisms for connection delays risks placing TOs in an unacceptable level of double jeopardy. Further risk of punitive action (without reward) would create an unbalanced framework where TOs face multiple layers of regulatory exposure for the same underlying challenges, many of which are influenced by external factors beyond their direct control (e.g., supply chain constraints, planning delays, outage requirements, wider system reinforcements, etc), as also acknowledged by Ofgem (paragraph 2.87). Being able to create a financial penalty that applies solely to the TO and not impacted by other parties would be extremely challenging to implement and deliver during the price control, without significant regulatory burden being created as also noted by Ofgem (paragraph 2.86) Financial recompense instead of incentivising accelerated delivery will cause TOs to take a more risk averse or cautious approach as they try to balance the cost of timely and efficient delivery with the potential for punitive additional risk.

The regulatory regime should focus on using incentives to drive TOs behaviour. The introduction of financial recompense could negatively impact consumers. TOs may face conflicting priorities, having to balance the need to meet customer requirements with the broader implications for consumers. This potential impact on consumers must be carefully considered before implementing any such measures.

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 understand some of the sentiment behind some of the concerns raised (eg the importance of customers being kept informed of any delays impacting their connection). At the same time, it is important to recognise that connection dates can be impacted by reasons outside TOs’ control. These include: changes to connections made by customers, NESO or other licensees; planning consents; outage requirements; relevant work to be undertaken by customers prior to connection; and supply chain challenges.

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 believe the current obligations on TOs to “use all reasonable endeavours” is an appropriately high bar to achieve, but which also recognises the challenges which are outside of TOs’ control. The current obligation on TOs strikes the balance appropriately. We do not support a move to “must complete all necessary works and activities by...” as this is too rigid a requirement, fails to recognise challenges outside of TOs’ control, and risks duplicating existing obligations and incentives already faced by TOs for delivery through the price control framework and their licence.

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

We do not believe there is a need to introduce a minimum standards licence condition or SLAs on TOs to meet connections dates in connections agreements and key timelines through the customer journey.

As we move through this first phase of connections reform, given the significant volume of unknown programme information it is wholly inappropriate to create an obligation that may penalise TOs. We disagree with introducing penalties for regulated parties, where they don’t meet timelines metrics, meeting key milestones or providing information to customers, as this could lead to protracted disputes on circumstances within or out with the control of the TO.

We also believe that there would be implementation complexities with this proposal due to the number of factors outside TOs control. These include developer delays, planning delays, outage requirements driven by NESO, and relevant work to be undertaken by customers before connection. More development would be required on clearly defined targets that apply solely to the TO and are not impacted by other parties, otherwise this would be extremely challenging to implement and deliver, without significant regulatory burden being created.

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 strongly oppose the introduction of financial penalties/recompense.. Incentives are the correct driver to achieve a whole system, innovative and efficient process post reform, with a focus on effective collaboration across organisational boundaries to overcome barriers/delays to meeting shared objectives. TOs are already subject to a complex regulatory framework that includes licence obligations, RIIO price control deliverables, and output delivery incentives, all of which hold them accountable for timely and efficient network development. These see TOs face reward for timely delivery and also face penalty for under delivery or poor performance.

The introduction of financial recompense mechanisms for connection delays risks placing TOs in an unacceptable level of double jeopardy. Further risk of punitive action (without reward) would create an

unbalanced framework where TOs face multiple layers of regulatory exposure for the same underlying challenges, many of which are influenced by external factors beyond their direct control (e.g., supply chain constraints, planning delays, outage requirements, wider system reinforcements, etc), as also acknowledged by Ofgem (paragraph 2.87). Being able to create a financial penalty that apply solely to the TO and not impacted by other parties would be extremely challenging to implement and deliver during the price control, without significant regulatory burden being created as also noted by Ofgem (paragraph 2.86) Financial recompense instead of incentivising accelerated delivery will cause TOs to take a more risk averse or cautious approach as they try to balance the cost of timely and efficient delivery with the potential for punitive additional risk.

The regulatory regime should focus on using incentives to drive TOs behaviour. The introduction of financial recompense could negatively impact consumers. TOs may face conflicting priorities, having to balance the need to meet customer's commercial requirements with the broader implications for consumers. This potential impact on consumers must be carefully considered before implementing any such measures.

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 note the progress being made in industry, which should deliver tangible benefits in terms of connections delivery. For example: faster procurement; the new connections process, which will ensure a focus on 'readier' projects; and the proposed changes to planning rules.

Additionally, our customer experience approach includes allocating a Customer Relationship Manager to each project, ensuring regular, high-quality engagement with customers throughout the journey of their project to connection (including engagement on changes to connections dates) and post-connection.

THEME 4 – QUALITY OF CONNECTION OFFERS AND ASSOCIATED DOCUMENTATION

We agree that the quality of offers, and associated documents could be based on minimum standards licence condition with an associated incentive. We do not believe a penalty is necessary to drive the desired behaviour.

SSEP and CP30 will establish a robust strategic framework for the future development of the energy system, clearly outlining key investment priorities to meet both present and future energy needs. These frameworks will guide the evolution of the transmission network, ensuring that infrastructure upgrades and expansions are aligned with long-term goals for sustainability and decarbonization. As a result, the quality of connection offers will be increasingly tied to already approved network investments, enhancing overall customer experience by reducing uncertainties and ensuring timely, high-quality connection services.

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 recognise some of the issues outlined within this theme, particularly those related to the balance between the timeliness of offers and the quality of the information provided. As referenced in the consultation, we agree that the unprecedented volume of applications received by network operators and the licenced timescales has contributed significantly to the challenges when producing offers, which require complex system studies. If there are fewer applications and sufficient time is provided to perform detailed studies, then this should ultimately lead to higher quality offers.

Initial offers are produced on desktop-based analysis, and naturally there will be material revisions to quotes/offers as projects progress; certain aspects of a connection solution can only be ascertained once the development programme and on-site assessments progress. Other reasons for such revisions include but not limited to: other applications in the network area leading to changes in design and shared works; changes in project scope; supply chain cost increases; and customer requests.

Recognising the impact and importance of clear and early communication, we assign a Customer Relationship Manager (CRM) to each project in development. The CRMs maintain regular engagement with customers and provide a route in for customers. This engagement is supported by project managers, engineers and other specialist colleagues as required.

We use the Quality of Connections survey at the 'Application Process and Offer' stage to seek feedback and understand customer satisfaction with their offer, particularly gaining insights in relation to key aspects:

- Ease of understanding the offer
- Queries being addressed at the final offer stage
- Opportunities to discuss the final offer with us
- Explanation of the rationale for the final offer
- Communication by our employees
- Final offer meeting customer needs

So far this year, 92% of survey responses rated the final offer meeting their needs as Excellent or Good⁴, highlighting our commitment to providing clear, well-communicated, and customer-focused offers. We continue to use this valuable feedback to enhance our processes and ensure the best possible experience for our customers. As highlighted in Theme 2, we believe the Quality of Connections survey is a key tool for continuing to measure important aspects to identify improvements.

We have a culture of continuous improvement and aim to resolve any concerns raised within QoC feedback. An example of this is that, to address concerns raised around the complexity of offers, we have Offer Information Process (OIP) calls with our customers, with support from our engineers, to explain the connection solution we are providing in detail to enhance their understanding of the solution proposed. For improved communication with our customers, as part of our Business Plan, we plan to reinforce our CRM systems to provide timely communications to ensure we continually improve our communication and engagement with customers, keeping them updated regarding the progress of their connections.

Going forward, connections reform will introduce clear criteria for project readiness and strategic alignment, prioritising 'readier' and strategically aligned projects fulfilling the specified criteria for a connection date. The introduction of this criteria will reduce the overall volumes of applications requiring a full offer, providing more scope for improvement.

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

Our preference is for minimum standards, with the potential to receive an incentive. We believe this is the better option as it will provide a minimum level of consistency across networks businesses, with the opportunity to go over and above the minimum standards.

With a principle-based licence condition, network operators may interpret the principles differently, leading to variation in how they present their offers and supporting documentation. This inconsistency in interpretation will create uncertainty for the customers as well as make it difficult for them to be assured that they are receiving the same level of fair and transparent information. Additionally, it is equally important that the network operators also have certainty in regulatory expectations to ensure compliance and avoid unnecessary risks.

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 agree that the quality of offers, and associated documents could be based on minimum standards licence condition with an associated incentive for TOs. We ask that, if developing any rules relating to offers, Ofgem recognises the role of TOs and NESO: for example, the creation and delivery of the final offer is undertaken by NESO utilising the information provided by TOs. We do not believe a penalty is necessary to drive the desired behaviour.

⁴ 51% Excellent, 41% Good

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

We look forward to the opportunity to review responses to this question from customers which we will endeavour to consider, alongside the feedback and insight we receive through our Quality of Connections surveys, with a focus on the elements of the offer we as a TO provide.

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

We welcome further dialogue with Ofgem on the development of any new rules regarding offer quality and how these rules will consider the move to a new windowed process with batched assessment of offers. Additionally, on an ongoing basis, TOs need a route to raise issues in future if there are unprecedented volumes of applications in any window for any reason that may cause challenges for delivery of quality offers within set timescales.

THEME 5 – AMBITION OF CONNECTION OFFERS

We strive to provide the earliest achievable connection dates, as well as to provide flexible options (eg non-firm offers) to customers and we feel that the current regulations are sufficient in enabling this behaviour.

We would urge caution against introducing regulatory obligations which (either in isolation, or when taken together with other obligations such as those outlined in Theme 3) could encourage overly ambitious connections dates or prioritise speed of delivery over other factors (eg quality, safety and security).

Going forward, both CP30 and SSEP will establish clear and long-term goals for the energy system development, focusing on achieving sustainable and efficient infrastructure that meets both current and future energy demand. Ambition in connection offers will be directly informed by these frameworks, with spatial targets outlined for specific areas of energy generation and transmission. These targets will determine where and how infrastructure needs to be developed, ensuring that connection offers are not only ambitious but also strategically aligned with national energy goals.

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 understand the logic behind the concerns outlined in this theme but feel that the current regulations sufficiently require TOs to provide appropriate connection dates to customers.

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 strive to provide the earliest achievable connection dates, as well as flexible options (eg non-firm offers) to customers and we feel that the current regulations are sufficient. We do not believe an amendment to the current requirement is necessary to drive this behaviour.

Going forward, the new reformed process is the route by which connection offers will be made, these will be ambitious as aligned with the targets set out in CP30 and beyond, the earliest achievable connection date is already captured and will be achieved through the CNDM and associated network studies.

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

It is important to note that the rebaselining of the current queue (through Gate 2 to the Whole Queue) and the move to a strategic approach to network design (through SSEP) will help enable TOs to provide connection dates which better meet customers' expectations.

We note that Ofgem's end-to-end insight gathering was conducted based on the current connections process, and the issues identified, and the proposed solutions do not take into account the upcoming changes and the positive impacts they will have, therefore negating the need for regulatory change.

We would urge caution against introducing regulatory obligations which (either in isolation, or when taken together with other obligations such as those outlined in Theme 3) could encourage overly ambitious connections dates or prioritise speed of delivery over other factors (eg quality, safety and security).

THEME 7 - PROVISIONS AND GUIDANCE FOR DETERMINATIONS

We agree the guidance for determinations should be reviewed, and we have provided some feedback on this, the timing for this should be considered carefully to ensure that the appropriate engagement and consultation with affected parties can be undertaken in a meaningful way.

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 agree with some the issues identified under this theme.

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 the 2017 guidance for connection determinations. As part of the review, Ofgem should ensure that the appropriate engagement/consultation with affected parties can be undertaken in a meaningful, open and transparent manner.

The timing of the review should be considered carefully, it may be beneficial to complete the review and implement new guidance prior to the new enduring connections process commencing.

The guidance for 2017 also needs updated to reflect the role of NESO in connections dispute resolution.

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

When the guidance is reviewed, Ofgem should consider providing clarity on what are considered to be "exceptional cases" in the context of cost recovery i.e. where a party can recover its costs against the other (para 5.37).

When the guidance is reviewed, Ofgem should also consider providing more clarity on timescale for determination of disputes. It's unclear in the present draft that while Ofgem will aim to make decisions within a "reasonable timeframe", we understand it may typically take 3 months or longer for "more complex disputes".
