

Updates to Connections Methodologies

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On 15 April 2025 we published Decisions to approve three Connections Methodologies: the Gate 2 Criteria Methodology, the Connections Network Design Methodology, and the Project Designation Methodology.

As part of our approval, we made recommendations which NESO has now implemented by publishing updated Connections Methodologies. This Decision approves the updated version of the Connections Methodologies published on NESO's website on 30 April 2025 and appended to this Decision.

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Approval of Updated Connections Methodologies

NESO's licence conditions E15.3,¹ E16.2,² and E17.8³ require the production of each respective Connection Methodology as well as submission to Ofgem for approval. On 15 April 2025 we approved the versions of the Connections Methodologies published by NESO on 21 March 2025.

In our Decisions we made recommendations to be implemented in the Gate 2 Criteria Methodology and Connections Network Design Methodology ("CNDM") as needed. We also acknowledged that NESO would need to make minor changes to align with our CMP434 and CMP435 Decisions and the Government's update to the Clean Power 2030 ("CP2030") Action Plan Connections Annex on 7 April 2025.⁴

Following our Decisions, NESO published updated Connections Methodologies on 30 April 2025. These updated versions implement the recommended updates and include typographical and clarificatory changes as outlined in NESO's covering note⁵ accompanying the update and marked up for transparency in each Methodology. These clarificatory and/or changes consequential to our decision have been made to all three Connections Methodologies.

All changes are relatively minor and are in line with the objectives for each of the Connections Methodologies. Accordingly, it continues to be our assessment that each of the Methodologies meets the objectives we set for them in licence conditions E15.2, E16.3 and E17.10 of each respect Connection Methodology. Our previous Decisions⁶ gave our full rationale and this approval decision assesses theses minor changes and confirms that they are appropriate and in line with the objectives we set for the Connections Methodologies.

Updates implemented by NESO in accordance with our recommendations

We recommended two changes for NESO to implement through the Gate 2 Criteria Methodology and CNDM, as needed.

Firstly, we recommended that NESO provide assurance to projects eligible for Protection Clause 2a, and which have existing agreements to connect on or before 31 December

² This condition requires the production and approval of the Connections Network Design Methodology

¹ This condition requires the production and approval of the Gate 2 Criteria Methodology

³ This condition requires the production and approval of the Project Designation Methodology

⁴ <u>https://www.gov.uk/government/publications/clean-power-2030-action-plan-solar-capacity-update-letter-to-neso/clean-power-2030-action-plan-solar-capacity-update-letter-to-neso-7-april-2025</u>

⁵ https://www.neso.energy/document/359806/download

⁶ <u>https://www.ofgem.gov.uk/sites/default/files/2025-04/Gate-2-Criteria-Methodology-Final-Decision.pdf</u> <u>https://www.ofgem.gov.uk/sites/default/files/2025-04/Connection-Network-Design-Methodology-Final-Decision.pdf</u>

https://www.ofgem.gov.uk/sites/default/files/2025-04/Decision-PDM-updated.pdf

2027, that they will retain connection dates and connection points. This change responds to concerns raised in response to our Minded-to Consultation. In our view, it is right to provide this certainty for projects that are due to connect in 2027 (and which already fall within Clause 2a) so that they can proceed to construction and energisation without delay. We are satisfied with how NESO has implemented this recommendation through section 6.2 of the updated Gate 2 Criteria Methodology and sections 5.4 and 5.6 of the updated CNDM.

Secondly, we recommended that NESO simplify Protection Clause 3 so that projects that (i) submitted planning on or before 20 December 2024, (ii) have no outcome by the closure of the CMP435 application window, and (iii) achieve consent after the closure of the CMP435 application window, are eligible to receive Gate 2 terms in a future CMP434 window even if this would breach zonal or national permitted capacities. In our view, considering the advanced stage that these planning applications should have reached by the closure of the first 'Gate 2 to Whole Queue' application window, it is right to remove the driver to appeal and make Protection Clause 3 consistent for all projects, irrespective of the variations between planning regimes. We are satisfied with how NESO has implemented this recommendation through section 6.2 of the updated Gate 2 Criteria Methodology and sections 7.2 and 7.3 of the updated CNDM. These changes are in line with the licence objectives we set for the Gate 2 Criteria Methodology and the CNDM.

Clarification on resubmission of Queue Management Milestone evidence

The Gate 2 Criteria Methodology has also been updated to reflect that it is only projects 'directly connected' at transmission that do not need to resubmit Queue Management Milestone evidence to establish eligibility for Protection Clauses. This update reflects that Distribution Network Operators ('DNOs') plan to recheck Queue Management Milestone evidence. The reasons for this update and for making such checks at distribution are:

- distribution milestone information may be less accurate due to the passage of time⁷
- NESO and network companies want to minimise the risk of using inaccurate management information for embedded projects as the basis for determining whether those projects are eligible for Protection Clauses
- NESO intended to include these proposed changes in the previous updates to Methodologies on 21 March and subsequently included this approach to Queue Management Milestone evidence collection in the Readiness Declaration. It is important that both documents align.

⁷ This is less the case for transmission where milestone information is more current following CMP376.

We see benefit in having accurate and up-to-date milestone information to ensure that the process of evidence collection and validation delivers on the intent to protect welladvanced projects. We have considered that fact that this process adds to the expectations for embedded customers in terms of information provision, but it does not change policy or intended outcomes. Developers that have met these milestones should have sufficient time to obtain such evidence for the first application window. This update also aligns with the Readiness Declaration published by NESO.

Overall, we agree with NESO's view that it is reasonable and proportionate for DNOs and Transmission connected IDNOs to request and validate up to date queue management evidence for embedded projects. This change is implemented through section 6.2 of the Gate 2 Criteria Methodology and aligns with the objectives we set for this Methodology.

Minor typographical changes and updates to align with our Decision

We noted in our Decisions that NESO would need to make minor updates to the Connections Methodologies to align them with CMP434 and CMP435. Accordingly, NESO has removed references to 'the Pause' as these process steps are no longer applicable. NESO is still expected to publish the 'EA Register' (to the extent possible) and have included this within the list of information it will publish after queue formation. In addition, the NESO has made minor typographical changes⁸ to all three Connections Methodologies. We agree these changes are necessary and in line with the objectives we set for the Connections Methodologies.

Updates to align with the CP2030 Action Plan Connections Annex

We noted in our Decisions that NESO would have needed to make minor amendments to the Connection Methodologies to reflect and refer to the update to the CP2030 Action Plan Annex on 7 April to merge transmission and distribution zones for solar. We recommended that this minor update was to be taken forward alongside the recommendations in our Decision. Sections 5.4 and 7.2 of the CNDM implement this update. We agree these changes are necessary and in line with the objectives we set for the CNDM.

Governance of further updates

Following this approval, NESO is required to review the Methodologies at least annually. NESO licence conditions set out an obligation for NESO to consult on changes to Connections Methodologies unless otherwise agreed with Ofgem. We expect further updates (even if minor) to wait until the annual review process unless urgent and agreed

⁸ A full overview of the changes, including typographical changes, can be seen here: <u>https://www.neso.energy/document/359806/download</u>

with us. This would mean that while administrative, clarificatory and low impact additions may not require consultation, we expect this housekeeping to wait until the annual review process which would, in any case, require consultation. Accordingly, **we do not expect further changes following this approval until the Methodologies are updated following review and consultation.**

Decision Notice

In accordance with NESO licence condition E15.4, the Authority approves the version of the Gate 2 Methodology published by NESO on 30 April 2025 and shown in Appendix 1.

In accordance with NESO licence condition E16.14(a), the Authority approves the version of the Connections Network Design Methodology published by NESO on 30 April 2025 and shown in Appendix 2

In accordance with NESO licence condition E17.20(a), the Authority approves the version of the Project Designation Methodology published by NESO on 30 April 2025 and shown in Appendix 3.

Jack Presley Abbott Deputy Director – Strategic Planning and Connections Signed on behalf of the Authority and authorised for that purpose