

Email: connections@ofgem.gov.uk

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To all interested parties,

Our response to the recent surge in demand connection applications, the volume of which is misaligned with the most ambitious demand forecasts

This guidance sets out our response to the recent surge in demand connection applications, which exceeds even the most ambitious forecasts for future demand. This trend poses a serious risk to the timely connection of strategically important demand projects that are ready to unlock real benefits for consumers and citizens by generating economic growth, reducing energy system costs and supporting decarbonisation.

We are therefore exploring a range of regulatory levers to address this swiftly and effectively in partnership with government, the National Energy System Operator (NESO) and network companies. Our aim is to ensure the demand queue is composed of viable projects that will progress towards connection, generating growth and value for consumers.

Background

The electricity connections process plays a critical role in ensuring generation, storage and demand projects can connect to the grid in an efficient and secure manner. The ability of demand projects to access the electricity system in a timely manner is in the fundamental interests of all consumers and citizens. Combined with faster connections for new generation, this can stimulate economic growth across the country.

We recently approved NESO's [Connections Reform Package \(TMO4+\)](#). This new approach to queue management prioritises projects that are (1) 'ready' and (2), in the case of generation and storage, 'needed', under the Clean Power 2030 Action Plan. The 'needed' filter does not apply to demand projects. The aim of TMO4+ is to ensure ready and needed projects can access faster connection dates than would have been possible under the former connections process. Building on this, we are now turning our attention to the recent surge in demand connection applications.

Surge in demand connection applications

Since November 2024, there has been a significant increase in total contracted offers in the demand queue. Recent [Energy Networks Association data](#) illustrates the scale of this increase:

- November 2024: 41 GW (17 GW Transmission, 24 GW Distribution)
- June 2025: 125 GW (97 GW Transmission, 29 GW Distribution)

Demand projects (excluding embedded demand) are only required to meet TMO4+ readiness criteria, as there is no ‘needed’ filter for demand. In principle, it is sensible not to restrict demand connections, given economic growth and decarbonisation ambitions. However, this has unintentionally led to excessive growth in the demand queue, with the volume of projects now far exceeding even the most ambitious demand forecasts.

It is our understanding that data centres account for a significant share of growth in the demand queue. This includes a mix of credible data centre projects with the potential to unlock value for consumers and citizens, as well as less viable projects that may crowd out those with genuine merit and block progress for those behind them in the queue. Alongside publication of this guidance today (6 November 2025), NESO – with our support – is launching a Call for Input on the entire demand queue. This process will gather deeper insight into the composition of the demand queue to inform any regulatory change that may be required.

The presence of unviable projects in the demand queue risks misallocating resources and undermining network planning, ultimately creating inefficiency across the electricity system. If left unaddressed, this could delay timely connections for viable projects, erode confidence in the connections process and delay the realisation of benefits across Great Britain. Urgent reform of the demand connections process is therefore required.

Our regulatory duties

We are required to carry out our regulatory functions in line with our principal objective to protect the interests of current and future energy consumers, which includes achieving the UK’s net zero targets, and ensuring security of supply as well as having regard to economic growth.

We consider that targeted intervention to manage the surge in demand applications is aligned with our principal objective and broader statutory duties. As such, we are treating this as a priority issue.

Options under consideration

Demand projects are technically complex and varied, creating challenges that require careful management. Recent reforms are important features of the new connections process, however, the current volume of projects in the demand queue requires further action to be taken.

To unlock benefits for consumers and generate economic growth, a targeted approach is required to enable timely connections for viable demand projects. Our proposed solutions will support both new demand projects seeking connections and help existing businesses transition to the electricity network as the economy decarbonises. We are therefore exploring a range of options to deal with this, outlined below.

1. We will curate a viable queue to enable demand projects progress to connection:

Queue Management Options -

- We will review ongoing queue entry and membership requirements to ensure viable projects progress in the demand queue.
- We note that the Connection and Use of System Code (CUSC) Panel has assigned [CMP417: Extending principles of CUSC Section 15 to all Users](#) a ‘high priority’ rating. We agree that

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this proposal raises important policy questions in the context of demand connections and support it being treated, until its conclusion, as a high priority.

- Our consultation on our minded-to position to approve [CMP448: Introducing a Progression Commitment Fee to the Gate 2 Connections Queue](#) closed on 3 November 2025. If approved, we consider that there is likely merit in assessing whether a similar regime could apply to demand connections, and how that might interact with CMP417. We encourage NESO (and to the extent relevant, the Workgroup for CMP417) to consider whether the current timelines for CMP417 are consistent with its status as high priority, and whether an equivalent proposal is capable of progression alongside or in advance of CMP417.
- We are also considering whether there are demand-type-specific requirements that may be needed for certain sectors or technologies to ensure that viable projects are able to demonstrate their maturity and proceed through the queue.
- We expect Distribution Network Operators to review their connection processes and update them as required to gather additional information from applicants that better demonstrates project maturity – and pursue greater alignment between the requirements and process at distribution and transmission.

Improving Data and Analytical Understanding of the Queue -

- Today (6 November 2025) NESO is publishing a Call for Input to gather information on the composition of the demand queue. This will inform the case for any regulatory and policy change necessary to create an effective demand connections process.
- In the next stage of our End-to-End review of the connections process we will outline proposals to strengthen data sharing requirements. Accurate, up-to-date connections data is critical for all stakeholders. We expect all network companies to prioritise data quality and meet existing data sharing obligations and best practice as a minimum.

2. We will enable faster connections through regulatory reform:

- We note stakeholder concerns around the lack of clarity on connecting at high voltages (connections over 132 kV in England and Wales). These connections are not, in principle, prohibited under the Electricity Act 1989. The consideration lies in whether developers seek to build or own high voltage assets in Great Britain.
- We sent back [CMP414: "CMP330/CMP374 Consequential Modification"](#) to NESO, which proposes removing the 2km limit for the self-build of transmission assets. We recognise that the Proposer of the related CMP330 and CMP374 modification proposals considers this change could speed up connections. We encourage the Workgroup to consider practicable solutions that might contribute to more expedient connections without placing undue risk on other network users or licensees. Similar to CMP417, this should be treated as a high priority proposal until its conclusion.
- We also note interest in enabling greater ownership and operation of high voltage assets. Any change to this will require careful assessments of consumer impacts, system risks, and regulatory implications. We are working to explore options and solutions for this.
- We will work with NESO and network companies to understand the barriers to greater use of non-firm, ramped, or self-supply connection agreements.

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3. Prioritising strategic demand connections:

- Any action we take must align with government's strategic direction on demand connections, ensuring that reforms actively support broader government objectives.
- We stand ready to support implementation of the [Industrial Strategy - GOV.UK](#), which commits to reduce grid connection times for strategically important projects. This includes implementing the new Connections Accelerator Service to provide demand projects with support connecting to the grid and amending regulatory processes and accelerating connections for strategically important projects (using new powers in the Planning and Infrastructure Bill, once passed).
- Alongside this, we expect NESO to bring forward amendments to its connections methodologies and guidance as needed to ensure projects identified as strategically important by government can benefit (where appropriate) from capacity reservation, or other forms of prioritisation.

Next steps

We will work at pace to develop and implement this targeted package of regulatory and policy measures in partnership with government, NESO and network companies over the coming months to reform the demand connections process.

We welcome suggestions from interested parties on any potential options that could help improve the demand connections process. Please share these with connections@ofgem.gov.uk by 5 December 2025.

Our priority is to protect consumers, whilst ensuring the connections process and electricity system are fair, efficient, and generate positive outcomes for everyone.

Yours faithfully,



Jack Presley Abbott

Deputy Director for Strategic Planning and Connections