

Public

Via Email:

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Supplemental Ofgem Guidance on the determination of disputes: Gate 2 to Whole Queue

Dear Ofgem,

Thank you for the opportunity to respond to your consultation published on 31 October 2025, and which is on an important topic that customers, networks and NESO will require clarity on in respect to the transformational Gate 2 to Whole Queue process.

Who we are

NESO lies at the heart of the energy system as an independent, public corporation responsible for planning Great Britain's electricity and gas networks, operating the electricity system and creating insights and recommendations for the future whole energy system.

At the forefront of our efforts is delivering value for consumers. We work with government, regulators and our customers to create an integrated future-proof system that works for people, communities, businesses and industry.

NESO's primary duty is to promote three objectives: enabling delivery of a cleaner, affordable and reliable energy system for current and future consumers. NESO will take a whole system approach, looking across natural gas, electricity and other forms of energy and will engage participants in all parts of the energy ecosystem to deliver the plans, markets and operations of the energy system of today and the future.

We are generally supportive of your proposals for publishing supplemental Ofgem Guidance on the determination of disputes related to the Gate 2 to Whole Queue process, including it being a targeted and time-limited process pending a wider review. We have therefore not responded to each of your questions and have instead provided our comments below, by exception.

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Our key points

- Under 2.4 of Appendix 1 (Bullet 3) it will be the DNO, where it is the party that has the contractual relationship with NESO, raising the dispute under CUSC with NESO on behalf of the relevant party, rather than the relevant party raising it directly. It would be good to make this clearer in relation to this route. The footnote is also to a marked version of the Gate 2 Criteria Methodology, rather than to the clean, final approved version.
- It is clear which route Ofgem is intending to apply to directly connected projects (to NESO), and to small and medium embedded generation projects (to the DNO, who may in turn raise a dispute with NESO, as above). However, it may be worth being clearer on expectations for large, embedded generation projects, noting they have contracts with both the DNO and NESO, and that they applied to NESO rather than the DNO in the Gate 2 to Whole Queue process.
- There is no mention of the TOs in relation to determinations. Depending on the nature of the dispute it is possible that the TOs may also need to be brought into the determination process, formally or informally, we assume. Therefore, it may be worth this being clear in relation to any guidance e.g. how would this be done and in what circumstances noting that in the context of offers this is provided for under both the STC and respective TO and NESO licence conditions.

We look forward to continuing to constructively engage with you and your team on this further over the coming months, including in relation to 'NESO's complaints processes'. However, should you require further information on any of the points raised in our response in the meantime please contact James.Norman@neso.energy.

Yours sincerely

James Norman
Head of Connections Strategy