

## Heat Pump Association Consultation Response: Ofgem ED3 Sector Specific Methodology Consultation

Response submitted by: Olivia Smalley on behalf of the Heat Pump Association on Wednesday 3<sup>rd</sup> December

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### About the Heat Pump Association:

The HPA is the UK's leading authority on the use and benefits of heat pump technology and represents over [370 member organisations](#) which include the country's leading manufacturers of heat pumps, components, and associated equipment as well as energy companies, certification bodies, installation businesses, training providers and others critical to the heat pump supply chain. Proposals put forward by the HPA are developed closely with a membership base that represents around 96% of the heat pump market manufacturing share, including all the large multinational companies providing products to the UK market, ensuring that the proposals are workable and credible.

We note that proposals most relevant to the HPA responses can be summarised as follows:

- To set requirements that shift the planning process further towards proactive action rather than reactive, recognising the transformational years ahead.
- To identify low voltage network reinforcement and unlooping as activities to be carried out via programmatic, area-based activities, in advance of anticipated connections.
- To expand categories of connection types (currently minor and major) to support setting requirements and incentives that reflect customer needs and experiences, either by voltage, customer type or a blend of the two.
- Minor connections including heat pumps are not fully included in the DNO incentives in ED2 (e.g. they only apply where works are quoted for and thus exclude the majority of heat pump installations). Ofgem propose to bring minor connections, and specifically LCT connections, into the incentive regime.
- To move customer surveys for connections and LCT from the general survey, which is not linked to incentives, into a metric within a proposed "smaller connections incentive".
- To consider a potential new role for DNOs in coordinating the expansion of LCT, this would be subject to future consultation.
- To consider how accountability for consumer outcomes could be achieved via the evolution of performance reporting.

## **HPA Response to Consultation Questions (only those relevant to heat pumps):**

### ***Long-term integrated network development plans:***

#### **Q5. What are your views on the guidelines for proactive investment decision-making across all DNOs?**

We welcome Ofgem's recognition that the coming years represent a transformational change which is significantly different to the previous needs for maintenance and stability. Delays to heat pump connections have become one of the most common barriers to progressing the decarbonisation of heat and key to solving it is network preparedness rather than reactive action. As such, while there will always be reactive actions to support connections, the proposed incentivisation of proactive investment decision-making is one we support. We would urge Ofgem to consider how best to achieve regional consistency in such decision-making to avoid any element of a postcode lottery.

#### **Q6. Do you agree that LV network reinforcement and unlooping of legacy service connections are suitable areas for a programmatic, area-based approach in ED3?**

Yes. These are areas where reactive upgrading is causing delays to the installation of LCT such as heat pumps, and which can in many cases be addressed ahead of demand. We agree that planning can consider localised issues, particularly when forecasting future demands, but generally note conducting such work ahead of demand will be more cost effective than the sum of individual reactive interventions.

#### **Q7. What are your views on the need for national consistency in the delivery of proactive unlooping programmes?**

Inconsistency between DNOs has been a particular concern for heat pump installers, particularly those who work in several regions. Unlooping has the potential to affect connections in 4 million homes and a consistent approach to unlooping programmes can avoid the negative reports of postcode lotteries that can harm confidence when consumers are considering switching to heat pumps.

### ***Connections***

#### **Q18. Do you agree that the connection types of 'minor' and 'major' should be redefined? If so, do you have thoughts on how they should be redefined, via voltage works required, customer type, a blend of the two, or a split not considered here?**

We recognise the relative simplicity of categorising connection types by voltage works but given the high volume of heat pump connections (as well as other LCT) that will take place for residential consumers, the optimal customer experience would seem to be provided by categorisation by customer type and sub-categorisation by voltage. Furthermore, we would strongly suggest that the installer for minor LCT connections should be recognised as responsible for the connection application and that, as the applicant, they are by default treated as the customer for the connection service without undue complexity in demonstrating that they can act on behalf of the consumer.

**Q20. Do you agree with our proposal for LCT connections and their associated enabling works to be brought into the connections scope and incentivised, with the potential to set varying working day targets for different connection activities?**

Yes. In our response to the end-to-end review, we identified the need for minor connections to be subject to monitored standards of service in order to address the issues experienced with delays to connections. We believe incentivisation and the standards of service requirements and monitoring needed to deliver it will provide confidence to installers and a consistent service to consumers.

**Q21. Do you agree the incentive should be reward and penalty (as per the RII0-ED2 minor connections incentive)?**

Yes. We believe that DNOs should benefit from good service, provided this is by exceeding expectations, and that a penalty-only approach is a negative principle on which to base the incentive.

**Q22. Do you think any LCT connection incentive should be for domestic, non-domestic, or both?**

We believe that the significance of decarbonisation in all building types would be best supported if the LCT connection incentive was designed for both domestic and non-domestic connections.

**Q23. Notwithstanding the proposals we have set out under 'Redefining Connections Types', do you have alternative proposals for what DNOs need to do to speed up connection times for LCTs, and what incentives (other than those we have discussed in this chapter, obligations and/or funding may be required to support this?**

When connecting domestic heat pumps, we believe the majority of installations are low risk and can proceed without intervention. There have been suggestions (such as at the DESNZ co-ordinated "Heat pump network connections: application, notification and approvals

workshop” on 6<sup>th</sup> August 2025 in Salford) of an option within the ENA Connect Direct Platform for identified low-risk connections to proceed on a self-service basis allowing the installation to proceed with the notification for information and asset visibility.

### ***Broad Measure of Customer Service***

**Q30. Do you agree with removing the 'Connections Survey' and the LCT related elements from the 'General Enquiries Survey' from the CSS part of the BMCS and putting this into the new smaller connections incentive?**

Yes. We understand that the CSS part of the BMCS was unrelated to incentivisation. By moving it into the smaller connections incentive it can play a proportionate role in incentivising good service for heat pump connections.

### ***Energy efficiency***

**Q41. Do you have any views on our proposal for DNOs to play a bigger role in the delivery of energy efficiency and low carbon measures?**

We understand that the consideration here is around the DNO role in coordinating the installation of low carbon measures. We would note that this is a significantly different role to that which they currently play. If the proposal proceeds, careful design will be needed to ensure it is deliverable, does not become a barrier to LCT deployment and is appropriately resourced.

### ***Accountability for consumer outcomes***

**Q49. Do you agree with our proposal to retain and adapt SLC50 Business Plan Commitment Reporting? Do you have suggestions for how the reporting should evolve?**

Accountability for consumer outcomes is key to improved performance in minor connections and in respect of LCT connections reporting should be considered in the context of demonstrating the delivery of the connection service.

The following content was submitted by HPA as part of the end-to-end review and should form part of the considerations for the evolution of reporting.

HPA believe clear, publicly available, data is critical to building confidence in the connections process. There is no legal requirement for DNOs to report on service levels and while the ENA have suggested they will monitor timescales via Connect Direct this has not yet been reported on.

Data that could fall within the scope of monitoring for minor connections should include, but may not be limited to, the following:

- i. The volume of heat pump connection applications being received and progressed by DNO region.
  - a. A breakdown of the total by the systems used to make applications (App/Paper based form)
  - b. The number where a “connect and notify” approach is used.
- ii. The outcome of heat pump connection applications, suitably categorised.
  - a. Number auto approved
  - b. Where not auto approved, broken down into reason was given, and time taken to approve.
  - c. The number where additional information was needed/requested.
  - d. The number where improvement works were necessary and how long this work took to complete
- iii. Where improvement works were needed prior to installation, to identify the work required.
  - a. Upgrade of the fuse.
  - b. Unlooping of supplies.
  - c. Other (free fill text box)
- iv. Where additional information was needed/requested, to identify the type(s) of information sought and an indicative understanding of whether this was sought from the installer or the customer.
- v. Quantify instances where the installation was allowed to proceed with improvement work to be carried out later.
- vi. Timescales for delivery, and any published Standards of Service or SLA they could be measured against.
  - a. Range and Average Processing time for approving applications by DNO/iDNO.
  - b. Range and Average Timings for approving applications where additional information is needed/requested.
  - c. Range and Average Timing for approving applications where improvement work is required, by work type by DNO/iDNO.
- vii. Access to any evidence of proactive network improvements, such as unlooping without waiting for connection applications.
- viii. Potentially to quantify instances where installation was known to have been carried out without any notification to the DNO/iDNO.