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To: All interested stakeholders

Update on delays to connection dates for some TMO4+ Protected Projects

At this time, Ofgem will not be granting relief from NESO/TO obligations regarding delayed dates for affected Protected Projects; we do expect the delayed connection dates due to be offered by NESO/TOs to still be as ambitious as possible.

On 2nd October 2025, we¹ received a letter from the National Energy System Operator ("NESO") and Transmission Owners ("TOs") informing us that they expected they would be unable to comply with elements of the Connections Methodologies as part of the Gate 2 to Whole Queue process ("G2tWQ"). This relates specifically to the requirement to issue Gate 2 offers to certain existing projects, qualifying for Protection, which were due to retain their existing connection date and point of connection.

The letter explained that if the Connections Methodologies were followed, NESO and TOs would be compelled to issue some Gate 2 offers with connection dates which were known to be unachievable (in some cases with dates in the past) as well as inaccurate points of connection in one case. They expressed concern that this would raise compliance issues under other terms of their licences, the CUSC, STC and connection agreements. Additionally, if this process was followed, in cases where issued Gate 2 offers contained unachievable terms, they would shortly have to be followed up with a further variation with revised connection dates and/or points of connection based on the best available information. NESO and TOs noted in their letter they did not consider this to be in connection customers' or consumers' interests.²

The letter proposed that, in the circumstances, it was appropriate to depart from the requirements of the Connection Methodologies. It proposed to allow Gate 2 offers for affected Protected Projects to be issued with amended connection dates (and locations in a limited number of cases), notwithstanding that this would not comply with the requirement for such offers to retain these existing terms. To allow this, the letter requested relief from certain obligations in relation to the affected offers. The rationale put forward for the proposed approach was to mitigate inefficiency, reduce the risk of confusion to connection customers and avoid unnecessary consumer costs.

¹The terms "we", "us", "our", "Ofgem" and "the Authority" are used interchangeably in this document and refer to the Gas and Electricity Markets Authority. Ofgem is the office of the Authority.

² Transmission Owner Construction Agreement ("TOCA") Variation Offers and Gate 2 Modification Offers.

Summary of Ofgem response

Below we set out our response to the NESO and TOs' request letter, expressing our disappointment and dissatisfaction with this outcome for affected Protected Projects. Since becoming aware of this issue, we have been regularly liaising with NESO and TOs to understand both the impacts and drivers for these delays. At present we have insufficient information on these to make any conclusions and therefore, at this time, we will not be granting relief from NESO/TO obligations for affected Protected Projects. We will continue to engage with NESO and TOs following publication of this letter to ascertain the causes of these widespread connection date delays. We will also consider how this issue may best be handled and whether there is a systematic problem that needs addressed. Once we have a clearer understanding of the circumstances and impact, we will consider what, if any, further action may be in consumers' interests for Ofgem to take on this matter.

Through engagement with NESO and TOs, we now have a more accurate understanding of the quantity of affected Protected Projects. We consider it to be in the interests of connection customers and consumers for the offers for these projects to be issued as soon as possible. These offers must be as ambitious as possible as per the ambition set out in our joint letter with Government in November 2025.³ Further, insofar as possible, the original connection date and point of connection should be offered. As with any case where a licensee knows it may not be in compliance with its regulatory obligations, we consider it to be in the interests of consumers for NESO and TOs to engage openly and candidly with customers, and to mitigate negative consumer impacts wherever possible. In this case, as a minimum, we would expect that to include accurate and clear communications using the best available information so that clarity is restored and maintained as soon as possible.

Background

TMO4+ Decision

On 15th April 2025, Ofgem approved changes to the regulatory framework to enable reform of the connections process, known as 'TMO4+'.⁴ This package of reforms comprised industry code modifications, modifications to electricity standard licence conditions and the introduction of Connections Methodologies⁵, established under the NESO licence. As part of TMO4+, G2tWQ is a process to rationalise the existing connections queue to prioritise projects that are 'ready' and 'needed'. The criteria for meeting these thresholds are set out in the Connections Methodologies.

Under the Gate 2 Criteria Methodology, for an existing project to be offered Gate 2 terms, it must meet the Gate 2 Readiness Criteria and one of the Strategic Alignment

³ [Open letter from DESNZ and Ofgem: expectations and ambition for Connections Reform to deliver Clean Power 2030 - GOV.UK.](#)

⁴ [Decision on Connections Reform Package \(TMO4+\) | Ofgem.](#)

⁵ The Connections Network Design Methodology ('CNDM'), along with the Gate 2 Criteria Methodology and Project Designation Methodology, were Methodologies created to underpin the reformed process and supplement the Connection and Use of System Code (CUSC) and System Operator Transmission Owner Code (STC).

Criteria.⁶ One criterion provided for some ‘ready’ projects to be ‘Protected’, meaning that they would be automatically deemed to meet the Strategic Alignment Criteria and therefore be in Gate 2, irrespective of Clean Power 2030 technology capacities. The relevant Gate 2 Strategic Alignment Criteria relevant in this context is:

- a) eligible for relevant ‘protections’ as set out in section 6.2 of the Gate 2 Criteria Methodology.

Protections

The protection clauses for projects that meet the above Gate 2 Strategic Alignment Criteria are:

- Protection Clause 1: Projects contracted to connect by end 2026 (CMP435);
- Protection Clause 2a: Projects which are significantly progressed (CMP435).

For the purposes of this letter, any project eligible for Clause 1 or 2a that is affected by this matter (ie will have their connection date or point of connection amended) is described as an “affected Protected Project”. Under the Connections Methodologies, projects qualifying under Protection Clause 2a with contracted connection dates of 31st December 2027 or earlier would retain their existing connection date and point of connection, ie these terms would be ‘protected’ (Additional Protections). As with Protection Clause 1, these projects were to retain their existing relative queue position during the queue formation process and remain in Phase 1.

Risk of NESO/TO breach of obligations

In June 2025, we were first made aware by NESO and TOs that there was a risk that in some cases of Protected Projects, existing connection dates may not be able to be delivered, and in one case a point of connection would need to change. This was later followed by the NESO and TOs’ formal request letter in October 2025. NESO and the TOs indicated that if they were to follow the Connections Methodologies by issuing offers which did not alter the date or point of connection from that on the existing contract, they would be issuing offers (Gate 2 Modification Offers and TOCA Variation Offers⁷) with connection dates and locations that were known to no longer be achievable.

From first becoming aware of the issue and throughout the rest of 2025, we have consistently engaged with NESO and TOs to understand the scale of the issue and identify those affected Protected Projects. We gave clear direction to NESO and TOs that we would require a full, finalised list of affected Protected Projects before we could evaluate their request. During this time, NESO and TOs were repeatedly unable to confirm this. We received final confirmed lists of the affected Protected Projects on 23 January 2026, allowing us to now respond on this matter.

⁶ [Gate 2 Criteria Methodology, Section 6.](#)

⁷ The Gate 2 Modification Offer is the means of varying the agreement between the NESO and connection customer; the TOCA Variation Offer is the means of varying the agreement between the TO and NESO.

The final lists of affected Protected Projects we received highlighted that across the three TOs, 340 projects qualified for this form of Protection in total. Of these, 210 projects (representing 62% of all projects qualifying) are affected Protected Projects that will have their existing connection date and / or point of connection changed. Whilst our engagement with NESO and TOs into the reason for these changes continues, around 135 of these projects will have their connection dates delayed due to some form of network-driven reason (either solely or jointly with developer delays), with 75 of these projects having their connection dates delayed due to developer-driven reasons.

As detailed in their letter, NESO and TOs have explored adopting a ‘two-stage approach’ to the issuing of these connection offers, whereby TOCA Variation Offers and Gate 2 Modification Offers with the existing (now undeliverable) connection date / point of connection would be offered as part of the G2tWQ process, which would then be followed by subsequent variations to provide the updated connection date / point of connection. This option was ultimately discounted as, in the view of NESO and TOs, it would create an inefficient process with potential for confusion, increased consumer costs and would perpetuate contractual uncertainty.

Therefore, the preferred approach by NESO and TOs is to issue a TOCA Variation Offer and Gate 2 Modification Offer in respect of each project, containing the updated date / point of connection from the outset. We refer to this as the ‘one-step offer approach’.

Ofgem Response

We are both frustrated and disappointed that it is not possible for TOs and NESO to meet existing connection dates and points of connection for all projects qualifying for this Protection, particularly given the widely recognised importance of ambitious and reliable connection dates. As set out in November 2025 in our joint letter with government, timely and ambitious delivery of enabling infrastructure and information from TOs is imperative to ensure Clean Power by 2030 remains achievable. There is a need for high quality and ambitious connection offers, and for network companies to deliver connections in the agreed timelines.

We have therefore been engaging extensively with NESO and the TOs to understand which projects are affected and the underlying causes for delayed dates / changes in point of connection. Based on engagement so far, there appear to be a number of potential factors, such as: changes to the forecast generation and demand background impacting CPAs; inconsistent use of queue management milestones; issues with projects obtaining planning consents; supply chain issues; and other network or developer driven delays, that have contributed to NESO and the TOs’ inability to meet existing dates in these cases. We will continue to investigate these factors to understand the root causes of the issue, and to determine which parties are responsible,⁸ with a view to reaching a conclusion on what action, if any, Ofgem may

⁸ We note that 64% of the delays to the connection offers are classified as either network-driven or both network and developer driven. Further investigation will be necessary to establish the cause of these network-driven delays in more detail.

take. At this time, no relief from NESO/TO obligations in relation to the connection offers for these affected Protected Projects will be granted.

We are already incentivising improved connections performance from TOs through a new connections incentive in the RIIO-ET3 price control, which will reward TOs for connections dates which they meet, and penalise them for dates which they miss. In our RIIO-ET3 Final Determinations, we committed⁹ that if we see a pattern of offered connection dates being beyond a reasonable period after the date requested by the customer, or the TOCA previously agreed, we may undertake a full audit of all offer dates provided and amend incentive targets/incentive parameters accordingly. Our right to amend incentive targets/incentive parameters exists notwithstanding any further action we may take on affected Protection Projects, following completion of our investigation into the causes.

In cases where it remains feasible to retain the existing connection date and point of location, NESO and TOs must offer that date. However, we also recognise that it would not be practical, efficient, or in consumers' or developers' interests for NESO and TOs to issue offers that contain terms which are known to be unachievable as this would likely only cause uncertainty and further confusion. Where it is no longer possible to retain the existing connection date or point of connection, TOs and NESO should offer affected Protected Projects their best view of the most ambitious date possible, which should be realistic, accurate and made in good faith.

While we view this as a disappointing outcome, we acknowledge that it in some circumstances is has become necessary because it is no longer possible for NESO/TOs to honour the relevant protections. We note, where the original connection dates and/or points of connection can no longer be met, there is no material or practical difference between the outcomes of the two-step and one-step offer approaches suggested: the connection dates offered to affected developers would be the same in both scenarios, and both approaches would potentially contravene the methodology by not providing the protected offer information. We therefore acknowledge that a one-step offer approach by which NESO/TOs make affected projects offers with the earliest feasible dates, based on the best information available, is a reasonable viable solution and constitutes the least worst outcome given the current circumstances. As with any case where a licensee knows it may not be in compliance with its regulatory obligations, we consider it to be in the interests of consumers for NESO and TOs to engage openly and candidly and to mitigate the negative consumer impacts wherever possible. In this case, as a minimum we expect that to include accurate and clear communications using the best available information so that certainty is restored and maintained as soon as possible.

Where NESO and the TOs determine that a protected date or point of connection needs to be modified, we encourage them to engage with the relevant customer to establish the particular circumstances of the case, and where possible, to agree connection

⁹ Paragraphs 3.111-3.113: [RIIO-3-Final-Determinations-ET.pdf](#).

dates and points of connection that are mutually acceptable. The dates offered should be ambitious, but also realistic and based on the best available information, so as to mitigate against the risk of subsequent variations that will only contribute to further uncertainty for developers and potentially have wider impacts for delivery of the reform's key objectives.¹⁰ NESO and TOs are also expected to take steps to mitigate against the risk of any further delays to connection dates for affected Protected Projects.

We have stressed to NESO and TOs the importance of prompt connection of the affected Protected Projects and set out our expectation that dates offered are realistic and not subject to further delays. To the extent any TO considers the affected Protected Projects are at risk of being delayed again in future, this must be promptly communicated to the Authority and affected connection customers.

Ofgem does not expect to hear referrals for disputes or determination on the TOs and NESO adopting the one-step offer approach. Please see the Supplemental Ofgem Guidance on the Determination of Disputes: Gate 2 to Whole Queue for the Authority's guidance for disputes and determinations in relation to Gate 2 to Whole Queue exercise, which we expect all disputing parties to read in full before approaching the Authority.¹¹

Monitoring and next steps

Licensees must continue to comply with their regulatory obligations; we will continue to monitor their compliance with those. Where licensees are at risk of breaching any requirements, we expect them to engage with us as early as possible (and affected parties to the extent relevant) to explore mitigations to avoid non-compliance. In any limited circumstances where compliance may be impossible or impractical, licensees may request relief from obligations, but we reiterate that we expect these requests to be limited and altogether avoided where possible.

Following publication of this letter, as noted above, we will continue to investigate: the drivers for these changes to existing connection dates and the single case where the point of connection will be changed; the extent to which they were avoidable; when it became known that dates could not be adhered to; and the relevant communication with customers thereafter. We will also explore the role of the queue management process and the impact (or lack thereof) they have had on these affected Protected Projects. We expect the continued full cooperation from both the TOs and NESO.

For now, we acknowledge that in some circumstances it has become necessary to issue offers that depart from the Methodologies in order to prioritise prompt delivery of TMO4+ and prevent further delay to the issuing of these offers. We expect TOs and NESO to offer protected projects their best view of the most ambitious date possible.

¹⁰ [Open letter from DESNZ and Ofgem: expectations and ambition for Connections Reform to deliver Clean Power 2030 - GOV.UK.](#)

¹¹ [Supplemental Ofgem Guidance on the determination of disputes: Gate 2 to Whole Queue | Ofgem.](#)

We reserve the right to take further action following the outcome of our investigation.
We would direct any affected Protected Projects to fully engage with both NESO and the relevant TO on their revised connection date.

Yours sincerely,

Jack Presley Abbott

Deputy Director – Strategic Planning and Connections

Signed on behalf of the Authority and duly authorised for that purpose