

4. Reactive LCT connections incentive

Type of proposal

Stretching commitment / **New or enhanced service**/Delivery accountability mechanism

Proposal summary

On 6 June 2025, during the ED3 RSBWG, SPENW proposed a **reward only incentive for reactive LCT connections related activity**, to encourage a fast service for customers wanting to connect LCTs. Following this, Ofgem agreed that an incentive was necessary and referenced this was proposed by DNOs.¹

We propose that this incentive covers speed of activity and customer satisfaction.

Works Type	Measurement
Request to Connect (Application submitted to DNO)	Average time from application submission, until approval, where no further works needed.
Interim solution confirmed, ahead of full works delivered	Average time from application submission to confirmation that interim solution is in place.
Works delivered on customer premises	Average time from application submission to completion of required works on the customer's premises.
Works delivered involving third party access	Average time from application submission to completion of required works, where third party consents are needed, e.g. to access a neighbouring customer property.

Customer Type	Survey Method
Individual domestic or small business customer	Customer to be surveyed following delivery of the LCT connection and/or associated works.
LCT installer	LCT installer to be surveyed bi-annually on their portfolio of LCT connections works with the DNO.

¹ Ofgem, [ED3 sector specific methodology consultation](#), October 2025, paragraph 4.34

Which ED3 outcomes does the proposal support? (confirm all that apply)

Investing for the energy transition/ **Responsible and sustainable business**/ Smarter networks/
Resilient networks

Which Consumer Interest Pillars does the proposal support? (confirm all that apply)

Low cost transition/ Fair prices/ **Quality and standards**/ Resilience

Summary of key reason(s)/driver(s) for the proposal

We are anticipating a fourfold increase in the volume of LCT applications received throughout ED2 and are forecasting another sizeable increase in the volume of LCT connections and associated enabling works applications received throughout ED3, as consumer appetite for LCTs continues to grow rapidly. Therefore, ensuring that DNOs provide an effective and timely service in this area is essential to improving customer confidence regarding the uptake of LCTs, whilst supporting Government's decarbonisation goals. It will directly support the uptake of LCTs by ensuring that the local network is able to support the installation of electric vehicle (EV) chargers and heat pumps in domestic homes and small businesses across GB.

For these reasons, we believe that a new connections incentive category should be developed under the new Connections Incentive Framework, focused specifically on LCT connections and associated enabling works. Such a framework would allow customers to install and enjoy the benefits of LCTs quickly, whilst delivering strong customer support throughout the process.

Summary of supporting evidence *(Examples could include references to sector specific intelligence, innovation projects, ISG engagement, wider consumer research, endorsement from third parties)*

There is widespread support for accelerating the customer journey for LCT connections. This is clear from Ofgem's end-to-end review of connections, the Warm Homes Plan and the National Infrastructure Commission (NIC) study. The NIC stated households must be able to connect LCTs like heat pumps and electric vehicle chargers without long wait times or complications.

Citizens Advice in their response to the ED3 SSMC expressed support for ensuring that the installation of LCTs to domestic homes and small businesses was extended to include the Time to Approve, Time to Quote and Time to Connect incentives and customer satisfaction surveys.² On including varying targets for the differing works that could be required, *"we understand the rationale that it is fairer, and more cost-effective, to have varying targets by the complexity of the work carried out"*.

Consumer research reveals that enabling faster and reliable access to LCTs such as EV chargers and heat pumps is desirable for consumers. The highest ambition level, focused on reducing delays to supply upgrades, is supported by the majority of customers, provided it delivers tangible improvements in speed and reliability.

² Citizen's Advice, [Response to ED3 SSMC](#), (December 2025)

The customer-focused members of SPEN and SP ENW's ISGs are also supportive of this proposal.

Summary of potential benefits

Generally, there are significant benefits to the faster deployment of LCTs to customers, society and the environment, including the potential to lower bills, improve air quality and reduce the risk of respiratory and cardiovascular disease caused by pollutants from fossil fuels. This incentive will support these benefits by speeding up the deployment of LCTs, allowing customers to enjoy these benefits quicker.

It will also encourage DNOs to look for further improvements to the process and generally provide a strong drive to customer service excellence by incentivising delivery of connections works and customer satisfaction.

It is appropriate that different average timelines for each of the above-mentioned works are set to reflect realistic targets and scope for improvement. Existing ED2 data can be used as the starting point for setting these average timelines, albeit with the acknowledgement that we are seeing a fourfold increase in LCT applications throughout ED2, and we anticipate further increase in applications throughout ED3. Therefore, any target timelines set will need to be mindful of the increased volume of applications anticipated in ED3.

Where the proposal relates to a new or enhanced service or to stretching commitments, explain why the proposal is not already business as usual or incentivised either through the existing RIIO-ED2 framework or under ED3 proposals that we are consulting on

There is currently no mechanism to incentivise to encourage timeliness of activities such as LCT approvals, fuse upgrades or reactive unlooping. This incentive would fill that gap and aligns with Ofgem's priorities in ED3, and in the Government's Warm Homes Plan, to support the growing demand for LCT adoption in both domestic and small commercial properties. In its SSMC publication, Ofgem state *"This will need DNOs to be more agile, faster, deliver better quality service to meet consumers' needs and expectations and government ambition for LCT rollout."*³

Some of the activity might be covered by the general enquiries element of the BMCS, however this will likely only form a small part of the sample. A dedicated incentive would allow DNOs to strive for excellence and to learn from customer feedback, improving confidence in customers regarding the uptake and benefits of installing LCTs.

³ Ofgem, [ED3 Sector Specific Methodology Consultation](#), (October 2025)

Where the proposal relates to a new or enhanced service, explain why DNOs are best placed to undertake the activity described under the proposal

These activities are solely within the DNOs remit and therefore DNOs are best placed to undertake this activity.