

Guidance

Ancillary Document 3: Draft direction to electricity distribution licensees

Publication date:	29 July 2026
Contact:	Salvatore Zingale / Calum Shields / Charles Prideaux / Keren Maschler / Liam King
Team:	Strategic Demand Connections
Email:	connections@ofgem.gov.uk

This document contains text of a proposed direction to holders of an electricity distribution licence to give effect to Curate proposals as part of demand connections reform.

© Crown copyright 2026

The text of this document may be reproduced (excluding logos) under and in accordance with the terms of the Open Government Licence.

Without prejudice to the generality of the terms of the Open Government Licence, the material that is reproduced must be acknowledged as Crown copyright and the document title of this document must be specified in that acknowledgement.

This publication is available at www.ofgem.gov.uk. Any enquiries regarding the use and re-use of this information resource should be sent to psi@nationalarchives.gsi.gov.uk.

1. Introduction

- 1.1 This document sets out a draft direction to require licensees to vary their connection agreements.

Draft direction letter issued by the Gas and Electricity Markets Authority

Draft direction letter issued by the Gas and Electricity Markets Authority (the “Authority”) to the holders of an electricity distribution licence in relation to the Demand Connections Reform – Curate proposals

On [decision date] 2026, the Authority published its decision on the Curate pillar of Demand Connections Reform (the “Decision”). In the Decision, the Authority stated that it would issue a direction (the “Direction”) to the holders of an Electricity Distribution Licence (the DNOs) in relation to Demand Connections Reform.

In accordance with that Decision, the Authority hereby directs all DNOs to amend their existing bilateral agreements with customers who meet the definition of Data Centre Service set out in section 11 of the CUSC, but which do not go through the TEA Equivalent Process. Any bilateral agreement with a connection date within 6 months of the date on which this Direction takes effect is exempt from this Direction.

Each DNO must do the following:

- verify which of its customers meet the definition of Data Centre Service through a Self-Declaration Letter as set out in section 6 of the CUSC, and
- for these customers who self-declare as Data Centre Services, add to each relevant bilateral agreement a document setting out the requirements for meeting the Data Centre-specific User Progression Milestones specified in the Decision, the timeline for meeting those milestones, and any related text necessary to assist customers in understanding and meeting them.

Given the potential disparity between bilateral connection agreements across the various DNOs, before implementing changes to individual customer contracts, each DNO will have to submit to the Authority for approval an example of their proposed drafting of the changes to the relevant bilateral agreements.

This Direction is made under the Planning and Infrastructure Act 2025 (the “Act”). Section 17(1)(b) of the Act confers powers to the Authority to “*direct an electricity distributor to modify a qualifying distribution agreement entered into by the electricity distributor*”. Under Section 17(2) the Authority may exercise this power “*for the purpose of improving the process for managing connections to the electricity transmission*”.

Guidance Ancillary Document 3: Draft direction to electricity distribution licensees

system or the distribution system". The Authority believes this Direction to fall squarely within the scope of these powers, as set out in the Decision.

The Authority directs the DNOs to make the required changes in sufficient time for them to take effect from [date] 2026. The Authority will consider each DNO to have complied with this Direction once the proposed drafting has been approved by the Authority and the changes applied to the relevant existing bilateral agreements with customers.