

Consultation

Modifications to Special Condition 3.21 of the Gas Transporter Licence – Biomethane Distributed Entry Reinforcement (BDERt)

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Response deadline:	7 September 2026
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This document explains our decision to modify Special Condition 3.21 (SpC 3.21) of the Gas Transporter Licence – Biomethane Distributed Entry Reinforcement (BDERt), issued under SpC 3.21 of the Gas Transporter Licence.^{1,2}

This is a consequential and targeted change required to SpC 3.21, following our decision to allow Gas Distribution Network (GDNs) to move use it or lose it (UIOLI) funding between their networks within the same corporate group.

¹ References to the “Authority”, “Ofgem”, “we”, “us” and “our” are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work.

² Capitalised terms not defined in this letter have the meanings given to them in the Biomethane Connections UIOLI Governance Document or Special Condition 3.21 of the Gas Transporter Licence.

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1. Introduction

Purpose of this consultation

- 1.1 Through our recent assessment of the Biomethane Connections UIOLI framework, we concluded that corporate groups operating more than one gas distribution network should be permitted to reallocate Biomethane UIOLI allowances between their network areas. Our final decision to modify the Biomethane Connections UIOLI Governance Document was published on our website on 10 August 2026, alongside this document.
- 1.2 The purpose of this consultation is to seek stakeholder views on consequential and targeted modifications to the Gas Transporter Licence that would align the licence funding profiles with this policy intent. Specifically, we propose to replace the existing network-level Biomethane Connections UIOLI funding profiles for Cadent's East of England, London, North West and West Midlands networks with a single Cadent allowance, and to replace the separate Scotland and Southern allocations with a single SGN allowance. The modifications do not alter other elements of the UIOLI mechanism, including its purpose, overall level of funding available, the eligibility criteria for expenditure and the applicable expenditure caps.
- 1.3 We are also proposing to replace the current price control period totals with annual funding profiles. Specifically, we are replacing RIIO-3 totals (£20m per network) with annual totals (£4m per network) to ensure that licence formulae function as intended.

Consultation stages

Stage 1 Consultation open: 10 August 2026

Stage 2 Consultation closes (awaiting decision). Response deadline: 7 September 2026

Stage 3 Responses reviewed and published: 21 September 2026

Stage 4 Consultation outcome (decision or policy statement): 21 September 2026

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How to respond

We want to hear from anyone interested in this consultation. Please send your response to the person or team named on the front page of this document. We have asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can. We will publish non-confidential responses on our website.

Your response, data, and confidentiality

You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information. For example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations, or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we will contact you to discuss which parts of the information in your response should be kept confidential and which can be published. We might ask for reasons why.

If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the United Kingdom's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.

If you wish to respond confidentially, we will keep your response confidential, but we will publish the number, but not the names, of confidential responses we receive. We will not link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

How to track the progress of a consultation

1. Find the web page for the call for input you would like to receive updates on.
2. Click 'Get emails about this page', enter your email address and click 'Submit'.
3. You will receive an email to notify you when it has changed status.

A consultation has three stages: 'Open', 'Closed (awaiting decision)', and 'Closed (with decision)'.

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2. Expected benefits of the proposed changes

- 2.1 As set out in our decision document to modify the Biomethane Connections UIOLI Governance Document, the modifications to the UIOLI mechanism ensure that available funding can be directed towards eligible biomethane connection projects wherever demand arises within a corporate group's network areas. By removing the need for funding to remain tied to individual network areas, the proposed changes are expected to help avoid situations where allowance remains unused in one area while viable biomethane projects in another area are unable to access available funding. This provides greater flexibility in how allowances are administered to improve efficiency and consumer benefit, while maintaining appropriate regulatory oversight.
- 2.2 The proposed licence modifications are intended to give effect to the governance changes to the UIOLI framework.
- 2.3 We also consider that replacing the current price control period funding totals with annual funding profiles will provide an appropriate funding profile to support the effective administration of the UIOLI mechanism during RIIO-GD3.

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Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this consultation. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to stakeholders@ofgem.gov.uk.

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Appendix 1. Privacy policy

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, “Ofgem”). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. With whom we will be sharing your personal data

Information: Include here all organisations outside Ofgem who will be given all or some of the data. There is no need to include organisations that will only receive anonymised data. If different organisations see different set of data, then make this clear. Be as specific as possible.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for (be as clear as possible but allow room for changes to programmes or policy. It is acceptable to give a relative time e.g. ‘six months after the project is closed’)

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data

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- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
 - to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/> or telephone 0303 123 1113.

7. Your personal data will not be sent overseas (Note that this cannot be claimed if using Survey Monkey for the consultation as their servers are in the US. In that case use “the Data you provide directly will be stored by Survey Monkey on their servers in the United States. We have taken all necessary precautions to ensure that your rights in term of data protection will not be compromised by this”.

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system. (If using a third-party system such as Survey Monkey to gather the data, you will need to state clearly at which point the data will be moved from there to our internal systems.)

10. More information For more information on how Ofgem processes your data, view our [Ofgem privacy policy](#).