

Reference

Cadent response: Biomethane UIOLI

Date

17th July 2026

Cadent Gas Limited

Pilot Way Ansty Park
Coventry CV7 9JU
United Kingdom
cadentgas.com

Correspondence sent by email to: RIIO3@ofgem.gov.uk



Dear Tom,

I am writing in response to the Consultation on the Modifications to the RIIO-3 Biomethane Connections Use-It-Or-Lose-It (UIOLI) Governance Document, published on the 6th July 2026.

We agree with the intent of the proposed changes to better align the use-it-or-lose-it mechanism with the intent of supporting efficient and timely biomethane connections. We also strongly support the stated objectives of making better use of the funding available, enabling more viable biomethane connections to proceed, and ensuring that the funding follows demand rather than being fixed geographically.

After reviewing the updated governance document, we agree that the proposed changes, which enable intra-company funding flexibility and remove the prohibition on applying for cross-company transfers via the Coordinated Adjustment Mechanism, will ensure that the mechanism better achieves the stated intent and objectives. Our experience to-date demonstrates that demand for biomethane varies significantly by geographical region; therefore, to deliver the maximum consumer benefit, by connecting as much biomethane as possible across GB regardless of location, flexibility within the mechanism is required.

Looking forward, we support Ofgem's proposal to enable further changes to the framework, should they be required, via the upcoming Licence Statutory Consultation in the Summer, the review of RIIO-3 Associated Documents in the Autumn, and the review set out in paragraph 1.13 of the governance document. This approach means that as GDNs obtain further information, experience, and understanding of biomethane connection demand we can collectively review and assess whether further changes are required to better achieve the intent and objectives of the mechanism.

We will shortly update our charging methodology to ensure that it aligns with the updated guidance and ensure that we can progress biomethane projects to support GB decarbonisation goals.

Cadent Gas Limited

Registered Office: Pilot Way Ansty Park
Coventry CV7 9JU United Kingdom
Registered in England and Wales No.10080864

National Gas Emergency Service
0800 111 999* (24hrs)

*Calls will be recorded and may be monitored

5000419 (01/13)

Page 1 of 2

We have welcomed Ofgem's open and constructive engagement on the biomethane framework ahead of this formal consultation, and we look forward to continuing to work together, and with other stakeholders, as we seek to maximise the connection of biomethane to the GB gas system.

Yours sincerely,

[by email]

A handwritten signature in black ink, appearing to read 'R. Court', is positioned above a faint rectangular box.

Richard Court

Director of Regulatory Strategy