Call for input

Gas System Connections and Access Arrangements

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1. Executive summary

Great Britain's (GB) gas system is entering a period of transition as the economy decarbonises. While the pace and end-state of that transition remains uncertain, gas will continue to play an important role in keeping homes warm, supporting industry and underpinning energy security for many years. This changing environment means Ofgem must ensure the regulatory framework remains suitable for a transitioning system, maintaining security of supply while adapting to changing patterns of demand, utilisation and sources of gas. This is why we are launching this Call for Input (CFI).

The wider energy system is becoming increasingly integrated and strategically planned. Strategic plans such as Clean Power 2030 Action Plan (CP2030) and the Strategic Spatial Energy Plan (SSEP) are expected to play an increasing role in guiding future energy infrastructure and investment decisions. As the system develops, it is important to consider whether existing gas system operations arrangements, including connection and access processes, continue to support the needs of the wider energy system. Ofgem must ensure the regulatory framework remains fit for purpose and continues to protect consumers, support security of supply and facilitate efficient investment.

GB Gas System connection and capacity processes are currently market-led and administered independently by Gas Transporters. These arrangements have operated effectively during a period of relatively stable demand, but the gas system is changing. Demand patterns are evolving, new sources of gas supply are emerging, and the interaction between gas and electricity networks is becoming increasingly important.

In addition, we have seen increasing interest from large energy users, including data centres, whose energy requirements may have implications for both gas and electricity networks. This illustrates how decisions taken in one part of the energy system can increasingly influence network utilisation, infrastructure investment and costs elsewhere.

Recent reforms have sought to align electricity connections and network investment more closely with strategic energy plans. The central question is whether operational arrangements designed for a market-led system remain capable of supporting an increasingly strategically planned energy system.

This Call for Input (CFI) explores whether similar considerations may be required for gas connections and access arrangements. In particular, we want to understand whether current arrangements provide sufficient flexibility and coordination within a more strategically planned energy system or whether changes may be needed in future.

We are therefore seeking views and evidence on whether current gas system connections and capacity arrangements work as the system transitions and, if not,

whether additional monitoring, coordination or regulatory intervention mechanisms may be required.

2. Introduction

This chapter sets the context for Great Britain's gas system as it transitions towards a lower-carbon future, highlighting the continuing role of gas alongside increasing uncertainty around future demand, network utilisation and new gas sources. It explains why Ofgem is reviewing whether existing gas connection and access arrangements remain fit for purpose within an increasingly integrated and strategically planned energy system, and outlines the purpose of this Call for Input, Ofgem's role, and the consultation process.

Context and related publications

Great Britain's Energy Transition

2.1 The gas transition is a critical part of the UK's decarbonisation journey. While the pace and timing of that transition remain uncertain, overall gas demand is expected to decline, which will result in fewer users of the gas system. The gas network will continue to play an important role for many years, despite being used less intensively, and the sources of gas supply are also expected to become more diverse. As the system evolves, it is important that regulatory arrangements continue to support efficient operation of the network while ensuring costs are allocated fairly between consumers.

2.2 At the same time, the energy system is becoming increasingly integrated and strategically planned. With the introduction of strategic planning initiatives across electricity, gas and hydrogen, such as CP2030[1] and SSEP[2], it is important to assess whether existing gas arrangements will support future energy system requirements. This includes the frameworks governing connections and access to the gas network.

2.3 Ofgem is therefore reviewing whether current gas connection and access arrangements need to change in order to enable a more strategically planned energy system and test potential options for future reform in alignment with Government's programme.[3]

[1] Clean Power 2030 Action Plan - GOV.UK
[2] Strategic Spatial Energy Planning (SSEP) | National Energy System Operator
[3] Government's *Gas system in transition: security of supply* consultation which closed on 18 February 2026 is currently undergoing analysis of responses. We note Government's intention to undertake further work on network investment, affordability and the future role of gas.

Purpose of this call for input

2.4 We are aware that longstanding market-led arrangements provide certainty and predictability to system users, and that the commercial nature of many network processes can support efficient decision-making and provide confidence to those investing in and financing the gas system. However, through our regulatory oversight and engagement with industry, we have become aware of instances where operational processes and decisions have diverged, or appear to be beginning to diverge, from wider system objectives. In almost all such cases, these processes and decisions have been derived from market-led arrangements, with limited scope for Ofgem or any other body to intervene where outcomes may not align with strategic energy plans or wider consumer interests.

2.5 We are therefore publishing this Call for Input to understand whether the current operational arrangements remain suitable in a strategically planned energy system and inform the development of potential regulatory interventions in this area. Ofgem's initial view is that greater coordination may be required between strategic energy planning and operational decision-making and are inviting evidence to assess this position.

2.6 We are seeking views on the appropriate form, scope and characteristics of potential interventions in market-led arrangements, including how planning objectives could be reflected more effectively in processes such as network connections and access arrangements, and the role that different parties should play in delivering this coordination. Responses to this Call for Input will help shape the design of any future policy proposals and ensure that any intervention is proportionate, effective and informed by stakeholder evidence.

Ofgem’s Role

2.7 The Office of Gas and Electricity Markets (Ofgem) is the independent energy regulator for GB. Ofgem, as the ‘Authority’, regulates the gas system under the Gas Act 1986, Utilities Act 2000 and Energy Act 2023. Our principal objective is to protect the interests of existing and future consumers, with other statutory duties relating to net zero, security of supply and growth.

2.8 As the Authority, Ofgem has the power to grant licences for gas activities and to set the conditions of these licences. The Price Control Framework, which regulates transporters, was established pursuant to Ofgem’s licensing powers. The Authority also oversees connection complaints and market-led changes which occur through the Uniform Network Code (UNC).

2.9 It is the responsibility of government to determine the direction of policy within this space. It is the responsibility of Ofgem to ensure the tools we have available are used to align the market and meet our statutory duties.

Call for input stages

Stage 1 Call for input open: 24 September 2026

Stage 2 Call for input closes. Deadline for responses: 22 October 2026

Stage 3 Responses reviewed and published: Winter 2026/2027

Stage 4 Call for input outcome: Winter 2026/2027

How to respond

We want to hear from anyone interested in this call for input. Please send your response to the address on the front page of this document before the response deadline.

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.

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 call for input

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 call for input has two stages: ‘Open’ and ‘Closed’.

3. Delivering a Whole Energy System Approach

This chapter explains how energy system planning and gas system operation currently function in Great Britain. It outlines NESO's role as the independent system planner, Gas Transporters' role as system operators, and how planning outputs inform future network development and investment. It also highlights stakeholder concerns around the interaction between planning and operations, sector coordination, and the suitability of current regulatory arrangements.

Purpose of Whole Energy System Planning

3.1 Great Britain's energy system is becoming increasingly integrated and strategically planned. Whole system planning is a coordinated approach to energy system development that considers the needs of electricity, gas and future hydrogen networks collectively, rather than in isolation.

3.2 The purpose of whole system planning is to identify future energy system requirements, support security of supply, enable delivery of government policy objectives, and facilitate efficient investment across the energy sector. By taking a holistic view of the energy system, whole system planning seeks to minimise overall system costs and ensure infrastructure is developed where and when it is needed.

3.3 Whole system planning informs decisions on network development, maintenance, resilience and investment. However, achieving the benefits of strategic planning also requires shorter-term network activities and operational decisions to remain aligned with longer-term plans. This includes decisions relating to network access, capacity management, investment and connections.

System Planning in Practice

3.4 NESO is Great Britain's designated Independent System Operator and Planner (ISOP)[4] – an impartial body with responsibilities across the gas and electricity networks, including driving progress towards net zero whilst still maintaining energy security and minimising costs for consumers.[5]

3.5 In addition to its broad statutory responsibilities to provide independent advice and planning across the energy sector, NESO is regulated by Ofgem through its Electricity System Operator and Gas System Planner Licences[6]. These Licences

[4] *Energy Act 2023*, Part 5, Independent System Operator and Planner
[5] Ofgem, *NESO Roles Guidance 2023-2025*
[6] Ofgem, *National Energy System Operator (NESO)*

provide Ofgem with an important oversight role over NESO as it undertakes its strategic planning and forecasting activities for both gas and electricity networks.[7]

3.6 As part of its planning role, NESO develops a range of strategic planning outputs that assess future energy-system requirements and identify infrastructure needs. These include the Strategic Spatial Energy Plan (SSEP),[8] the Centralised Strategic Network Plan (CSNP),[9] the Gas Network Capability Needs Report (GNCNR)[10] and Gas Options Advice (GOA).[11] Together, these publications provide a strategic view of future network requirements and investment needs across the energy system.

3.7 Over time, strategic planning is expected to become increasingly cross-vector, reflecting the growing interaction between electricity, gas and future hydrogen systems. These plans will help inform network development proposals and may support investment decisions considered by Ofgem through the current RIIO (Revenue = Incentives + Innovation + Outputs) Price Control framework,[12] and any future Price Control frameworks which may follow.

3.8 NESO also leads the development of Regional Energy Strategic Plans (RESPs),[13] which are intended to provide a strategic framework for network development at a regional level. RESP1, expected in 2028, is anticipated to have a focus on the role of gas and hydrogen within an integrated energy system.

System Operations

3.9 System Operations broadly refers to a range of critical operational activities required to ensure that energy networks operate safely, securely and efficiently. System operation activities can include balancing supply and demand, maintaining network security and resilience, managing maintenance and operational constraints and ensuring users are able to access the system.

3.10 Within the electricity sector, NESO is both the independent system planner and the system operator. In its operational role, NESO manages the real-time operation of the electricity transmission system, balancing the network and maintaining system

[7] *Energy Act 2023*, Part 5, Independent System Operator and Planner
[8] The *SSEP* is NESO's pathway for GB's electricity and hydrogen generation and storage types, locations, capacities, and timings, due for publication late 2027.
[9] The *CSNP* is NESO's independent, long-term and whole-system approach to GB's transmission network planning, due for publication late 2028.
[10] The *GNCNR* is NESO's view on whether National Transmission System (NTS) capability meets current and future network requirements and was published December 2024.
[11] The *GOA* is NESO's evaluation of NGT investment proposals and was published December 2025.
[12] Ofgem, *Energy network price controls*
[13] The *RESP* is NESO's regional strategic energy plans, due for publication late 2028. The transitional RESP (tRESP) was published 30 January 2026 to support electricity Distribution Network Operator business planning for RIIO-ED3.

security. This dual role enables operational information and market developments to inform strategic planning, while strategic plans can be translated directly into operational and network delivery arrangements.

3.11 In contrast, within the gas sector, each gas transporter remains responsible for operating its own network. National Gas Transmission (NGT) operates the National Transmission System (NTS), while the Gas Distribution Network (GDNs)[14] operate their respective regional distribution systems. Connections, access arrangements and other operational decisions are therefore administered by individual gas transporters pursuant to applicable requirements under the Gas Act 1986 and Gas Transporter licences.

3.12 To support longer-term system planning, Gas Transporters are required to prepare and submit long-term development statements and forecasts, which provide important evidence for Ofgem, NESO and industry assessments of future network requirements.

Issue 1: Alignment between strategic and operational plans

3.13 As strategic energy planning becomes increasingly important across the energy sector, an emerging question is whether the relationship between system planning and system operation is sufficiently clear within the gas sector.

3.14 Strategic planning outputs produced by NESO are intended to inform future network development, operational decision-making and Ofgem funding decisions through the RIIO framework. However, preliminary engagement with stakeholders suggests there is still uncertainty regarding the precise mechanisms through which these outputs should influence operational decisions and how they interact with existing transporter duties and obligations.

3.15 A further issue relates to the different timescales over which system planning and system operation are undertaken. Strategic planning outputs such as the SSEP, CSNP, GNCNR and RESPs are designed to identify long-term energy system requirements and future infrastructure needs. In contrast, many operational decisions made at transporter level are driven by shorter-term commercial, technical and regulatory considerations. For example, transporters may face circumstances where a connection or access request satisfies existing statutory and commercial requirements but appears inconsistent with longer-term strategic planning outputs.

[14] Distribution System Operators are: Cadent, Northern Gas Network (NGN), Scotia Gas Networks (Southern and Scottish) and Wales and West Utilities (WWU).

3.16 As strategic planning develops, it will be increasingly important that operational processes respond to strategic planning outputs at an appropriate pace; we are exploring whether further regulatory mechanisms may be required to translate long-term system direction into shorter-term network decisions. Effective strategic planning can be developed using operational data which will ensure plans are pragmatic. For instance, reporting of gas network connection requests helps to inform longer-term network usage.

Issue 2: Coordination and Information Sharing

3.17 Strategic gas system planning is intended to support coordinated decision-making and help ensure that operational activities and future asset deployment are aligned with government policy objectives and wider system requirements. However, early stakeholder feedback suggests that information sharing between system operators remains relatively limited outside of existing regulatory requirements[15].

3.18 This raises questions about whether current arrangements enable sufficient collaboration between operators and furthering this, if a gap is identified, who should the responsibility for information coordination sit with.

Issue 3: Regulatory Framework

3.19 A final issue of misalignment arises where commercial incentives, market-led processes or transporter duties produce outcomes that do not support wider system objectives. This is a broad issue and may occur in a variety of circumstances across gas network operations. The following sections delve deeper into this issue, considering specific examples within connections and access arrangements and explore whether additional coordination mechanisms, governance arrangements or regulatory tools may be required to support whole-system outcomes.

[15] *Exit Capacity Planning Guidance, reporting requirements for transporters*

4. Connection Arrangements

This chapter outlines the current arrangements governing connections to the NTS and GDNs. The processes differ between networks. Across transmission and distribution, we examine issues relating to strategic planning, coordination and changing patterns of network use, and outline Ofgem's proposed approach to potential regulatory intervention where connection outcomes diverge from wider energy system objectives.

4.1 A connection refers to the physical point at which a system user connects its apparatus to Great Britain's gas network.

How do transmission connections work?

4.2 The NTS is a high-pressure transmission network owned and operated by National Gas Transmission (NGT). Due to the scale, pressure and operational characteristics of the network, not all users are suitable for direct connection, with parties seeking a direct NTS connection typically being those requiring the transportation of large volumes of gas.

4.3 There are a range of different connection types on the NTS. These broadly include:

- **NTS Entry Points** – which are connections that allow gas to enter the transmission system; and include facilities such as LNG terminals, beach terminals and, increasingly, large biomethane producers[16].
- **NTS Exit Points** – those allowing the flow of gas off the NTS; typically, power stations, large industrial users, and Gas Distribution Networks (GDNs)[17], and
- **Bi-directional Connections –** special connections facilitating NTS exit and entry (or re-entry), most notably interconnectors and gas storage facilities.

Importantly, future changes in network utilisation and gas supply patterns may change the nature of connecting parties, potentially increasing demand for bi-directional capability[18].

4.4 Connections to the NTS are governed by a range of legislative, regulatory and industry requirements. Crucially, the Gas Act (1986), subordinate legislation and statutory instruments such as the Gas Transporter licences place a range of

[16] Please refer to *Section I: Entry Requirements* of the UNC TPD (from paragraph 1.2)
[17] Please refer to *Section J: Exit Requirements* of the UNC TPD (from paragraph 1.2)
[18] Uniform Network Code (UNC) 0894 is a modification to facilitate biomethane entry into the GDN by exporting methane from the GDN into the NTS via compression. The decision is currently with Ofgem. *Joint Office UNC 0894*

obligations on gas transporters, including general transportation duties and specific connection obligations.[19]

4.5 These include requirements to provide connections to any requesting party upon reasonable request, as long as it is efficient and economic to do so. An initial connection offer is issued to a Connection Applicant as soon as reasonably practicable (within two months of the date that the application is deemed a Competent Connection Application).

4.6 To initiate the transmission connection process, prospective users must apply to NGT through the A20 connection process as defined in the relevant industry code, the Uniform Network Code (UNC)[20]. The A20 process is designed to ensure compliance with relevant legislative and regulatory requirements and includes technical assessment of the proposed connection, the impact on local network capability and any associated reinforcement requirements[21].

How do distribution connections work?

4.7 Gas Distribution Networks (GDNs) are lower-pressure regional transportation networks responsible for transporting gas from the NTS and, increasingly, from alternative sources such as biomethane production facilities, to directly and indirectly connected end users. As geographically defined monopoly networks operating within Local Distribution Zones (LDZs), GDNs primarily serve domestic consumers, businesses, smaller industrial users and Independent Gas Transporter (IGT) networks[22].

4.8 The nature of distribution networks is evolving. Alongside traditional NTS offtakes, new sources of supply such as biomethane injection facilities and emerging connection types such as reverse-compression arrangements, are introducing more diverse entry points and changing historic patterns of gas flow. While end-user demand remains the principal function of distribution networks, GDNs are increasingly required to accommodate a wider range of network users and operational requirements.

4.9 As with transmission connections, distribution connections are governed by a combination of legislative, regulatory and industry requirements. Planning and environmental legislation can influence the location and delivery of new

[19] Relevant statutory provisions include sections 9 & 10 of the *Gas Act 1986* (duties relating to network connections). Sections 27A & 27C make provision for certain connections and other disputes to be referred to the Authority for determination.
[20] Please refer to section 13.4 of the UNC TPD
[21] Ofgem, *Gas Licensing,* Transporter Standard Special Condition D12
[22] IGTs are out of scope of this CFI. Our focus is connection and capacity arrangements on the NTS and GDNs, where the principal issues identified in this document arise.

connections, while relevant health and safety legislation, including pipeline safety requirements[23,24], affects the design, construction and operation of connected assets. Most requirements arising from the Gas Act 1986, subordinate legislation and Gas Transporter licences apply equally to GDNs, including general transportation duties and obligations to provide network connections upon reasonable request[25].

4.10 However, there are important differences between transmission and distribution arrangements. GDN Connection Charging Methodologies play a particularly important role in shaping connection outcomes, while additional requirements such as the Gas Standards of Performance (GSOPs)[26] and GDN-specific incentive arrangements also influence connection delivery. While this approach allows flexibility to reflect local circumstances, it can also result in different approaches being adopted across networks.

4.11 Each GDN retains significant flexibility and discretion in how it designs and administers its connection processes, provided these arrangements remain compliant with the requirements of the Gas Act, licence conditions, applicable standards and wider regulatory obligations. As strategic energy planning develops, it is important to understand whether these largely decentralised arrangements strike the appropriate balance between local flexibility and nationally consistent outcomes.

4.12 Historically, these arrangements have operated within a relatively stable environment characterised by predominantly uni-directional gas flows and predictable patterns of network use. However, as distribution networks become more diverse and strategic planning, specifically regional planning, assumes a greater role within the energy sector, questions will inevitably arise as to whether existing connection arrangements remain fit for purpose and whether greater coordination may be required.

New Large Network Users:

Recent request for information (RFI) data demonstrates a large increase in potential new large demand users, most notably **data centres.**

[23] The Gas Safety (Installation and Use) Regulations 1998
[24] The Pipeline Safety Regulations 1996
[25] Relevant statutory provisions include sections 9 & 10 of the *Gas Act 1986* (duties relating to network connections). Sections 27A & 27C make provision for certain connections and other disputes to be referred to the Authority for determination.
[26] The Gas (Standards of Performance) Regulations 2005

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Data centres may choose to connect to the gas network and build on-site gas-fired power stations. Generating power behind the meter can ensure reliability and reduce congestion of power supply**.**

The growth of artificial intelligence is driving significant interest in data centre investment. This is set to profoundly impact the energy system. At time of publication, a total of 171 unique applications have been received by both transmission and distribution networks.

These connection requests have highlighted that without a coordinated approach, the increased use of the network may have implications for network capacity and reinforcement requirements.

5. Access Arrangements

Connections determine how consumers connect to the network, whilst access arrangements determine how network capability is used. This chapter outlines the arrangements governing access to the NTS and to GDNs, of which the processes differ significantly. It examines whether existing distribution access arrangements remain fit for purpose as network usage changes, including the growth of new gas sources and changing demand patterns. The chapter also considers how strategic energy planning should be reflected in capacity decisions and outlines Ofgem's proposals for enhanced monitoring, effectiveness of current capacity arrangements and targeted regulatory intervention where operational outcomes diverge from wider whole-system objectives.

How do access arrangements work?

5.1 Access broadly refers to the ability of a party to utilise a transportation network. Within the gas sector, access is the commercial and legal right to flow gas onto or off a transportation system. In practical terms, it provides the entitlement to use network infrastructure to transport gas between entry, where gas enters the network, and exit points, where gas leaves the network. This entitlement is referred to as capacity and is typically measured in kilowatt hours per day (kWh/day).

How does transmission access work?

5.2 On the NTS, the access regime can be divided into two distinct elements: capacity release and capacity allocation. Together, these arrangements determine how much capacity is available for use and how that capacity is distributed amongst network users.

Transmission Capacity Release

5.3 Capacity release refers to the process through which NGT determines how much capacity will be made available at a particular location on the NTS. Capacity represents the quantity of network capability made available to users and is typically set at, or below, the technical capability of the network at a given point. NGT determine the amount of capacity available, where it is made available, the duration for which it is available and the type of product through which it is offered. NGT releases capacity through a range of products, these include but are not limited to:

- **Firm Capacity**: Capacity that is contractually and financially guaranteed to be available and includes:

- **Baseline Capacity**: Capacity allocated to a specific entry or exit point and specified within NGT's licence.
- **Incremental (Obligated) Capacity**: Additional capacity created by NGT in response to demand signals or investment requirements.
- **Incremental (Non-Obligated) Capacity**: Additional capacity released without an enduring obligation on NGT to continue providing the product in future periods.

- **Interruptible Entry Capacity** and **Off-Peak Exit Capacity**: Capacity types which can be withdrawn by NGT when required

5.4 Alongside these products, several mechanisms influence the release of transmission capacity. The most significant is the Planning and Advanced Reservation of Capacity (PARCA) process. PARCA allows an applicant to reserve future transmission capacity in advance of formal allocation. Capacity can subsequently be delivered through existing capability, capacity substitution, contractual solutions or physical network investment.

5.5 Alongside commercial allocation mechanisms, several non-commercial allocation processes also exist, inclusive of capacity substitution and Long-Term Use It Or Lose It (LTUIOLI),[27].

Transmission Capacity Allocation

5.6 Capacity allocation refers to the process through which network users acquire rights to use the capacity released by NGT. Whilst capacity may be available on the system, demand for that capacity may exceed supply at particular locations and times. Capacity allocation arrangements determine how available network rights are distributed amongst users.

5.7 Most transmission capacity is allocated through market-based mechanisms. Capacity products are primarily sold through NGT-administered auctions. These auctions offer products ranging from within-day and day-ahead products to long-term rights extending beyond two years. Auction participants are typically Gas Shippers, and in some circumstances GDNs, who hold the relevant licences to flow gas through the system.

[27] Use It Or Lose It (UIOLI) capacity: Derived from unused firm bookings, UIOLI allows under-utilised capacity to be reallocated to alternative users.

Regulation of NTS Capacity

5.8 Transmission access arrangements are governed by a combination of legislative, licence and industry requirements. In broad terms, capacity release and capacity allocation arrangements derive from the general duties imposed upon Gas Transporters under the Gas Act (1986),[28] including obligations relating to non-discrimination, competition and the efficient operation of the gas system.

5.9 With respect to capacity release, Gas Transporter licence conditions require NGT to maintain transparent and objective methodologies governing the release of capacity and the management of network capability.[29] These arrangements include the release of baseline and incremental capacity, as well as mechanisms such as Capacity Substitution. More detailed requirements are contained within the Uniform Network Code (UNC), including specific provisions governing transmission capacity release products and the PARCA process.

5.10 These arrangements govern the auction-based allocation of transmission capacity and seek to facilitate fair and transparent access to the network.[30]

How does distribution access work?

5.11 Access arrangements at distribution level differ significantly from those on the NTS. Unlike transmission, where users acquire separate capacity rights through specific allocation mechanisms, distribution capacity is generally embedded within network design and provided through connection agreements. As a result, access and connections are closely linked, with network capability and capacity requirements largely assessed as part of the connection process.

5.12 Effective planning and forecasting are central to the distribution access regime. Capacity requirements are identified through a combination of connection requests, Annual Quantities (AQs)[31], Supply Offtake Quantities (SOQs), wider demand forecasts and network capability assessments. Over time, these arrangements are also expected to become increasingly informed by NESO's strategic planning outputs, including future RESPs.

5.13 Distribution capacity arrangements are governed by a combination of legislative, regulatory and industry requirements. The Gas Act (1986), subordinate legislation

[28] Gas Act 1986 Section 9, General Powers and Duties

[29] Capacity allocation arrangements are similarly derived from the Gas Act (1986) but are also significantly influenced by retained European Union legislation, including the Capacity Allocation Mechanisms Network Code (CAM NC)[29] European Network Codes | Joint Office of Gas Transporters - Gas Governance

[30] Detailed governance arrangements are contained within the UNC.

[31] Xoserve, *Annual Quantity (AQ)*

and Gas Transporter licences establish the overarching framework, including transporter duties and non-discrimination requirements. More detailed arrangements are contained within Uniform Network Code[32] and Network Exit Agreements.

5.14 Economic tests embedded within connections charging processes[33] play an important role within the distribution regime. These tests are intended to identify circumstances where investment associated with a new capacity request may be considered uneconomic and therefore help protect existing consumers from bearing unfair costs arising from new connections or network reinforcement.

[32] UNC TPD Section B – System Use and Capacity sets out requirements relating to capacity management, forecasting, AQs, SOQs and network planning.
[33] Connections charging arrangements are currently out of scope for this CFI.

6. Issues with the existing arrangements

Issue 1: Strategic Misalignment

6.1 Misalignment between distribution and transmission network for future connections and capacity arrangements may lead to network constraints, or reduced operability, in specific geographic regions. On the NTS specifically, as capacity becomes increasingly scarce in some locations, it is appropriate to consider whether existing arrangements provide sufficient incentives for active constraint management and optimisation of network capability.

6.2 The introduction of strategic energy planning raises a question as to how planning outputs should be reflected within operational decisions. Gas transporters are subject to a range of statutory and licence obligations, including duties relating to efficiency, economy and non-discrimination. Existing connection and access arrangements have been designed around these duties and have generally operated effectively within a market-led framework.

6.3 However, as whole-system planning becomes increasingly embedded within the energy sector, stakeholders have questioned how strategic planning outputs will interact with existing transporter duties and should interact with connection decisions. All gas transporters may face decisions which satisfy existing statutory and commercial requirements but appears inconsistent with wider strategic planning outputs.

Issue 2: Changing Use Patterns

6.4 Furthering the point above, historically capacity and connection arrangements have functioned within a relatively stable operating environment, with a well-established set of network users and generally predictable patterns of network utilisation. Distribution networks have historically operated primarily as uni-directional transportation systems, receiving gas from the NTS and delivering it onwards to consumers. However, the nature of distribution networks is changing. Biomethane facilities increasingly inject gas directly into distribution systems, future hydrogen blending facilities may create additional network entry points, and new operational arrangements have begun to alter historical gas flow patterns. At the same time, larger energy users and new forms of demand may create network requirements that differ from those traditionally encountered by GDNs.

Issues with connection policy:

Issue 3: Connection arrangements coordination and information sharing

6.5 Connection applications are currently assessed on an individual basis, with a primary focus on the impact of the proposed connection on the local network and compliance with relevant legislative and regulatory requirements. However, changing supply and demand patterns mean that decisions made within one part of the gas network may increasingly have implications elsewhere. This includes potential interactions with other network users as well as the users of other interconnected networks, future reinforcement requirements, strategic investment plans, and developments elsewhere on the energy system.

6.6 Distribution network connection decisions may also become increasingly relevant to future Regional Energy Strategic Plans (RESPs), which are intended to support network planning and investment at a regional level. Preliminary stakeholder engagement suggests that information sharing between operators remains relatively limited outside established regulatory requirements. This raises questions regarding whether current arrangements provide sufficient visibility of wider system impacts, and whether the existing balance between national consistency and local flexibility remains appropriate.

6.7 As strategic planning develops, it may become questionable as to whether current processes provide sufficient visibility of these wider considerations and whether opportunities exist to improve coordination between network operators and planners.

Issues with access arrangement policy:

Issue 4: Investment Signals and Market Behaviour

6.8 Historically, long-term capacity bookings have provided important information regarding future network requirements. They have informed network planning activities, informed investment decisions and influenced future capacity release arrangements. Whilst short-term products provide operational flexibility, they generally provide less information regarding future network utilisation and longer-term infrastructure requirements.

6.9 On the transmission network, auction data demonstrates a sustained decline in long-term capacity bookings at both entry points and exit points. As market participants increasingly favour shorter-term products, questions arise regarding whether existing access arrangements continue to provide sufficient incentives for

long-term bookings or whether alternative mechanisms may be required to generate the information and market signalling previously provided through longer-term commitments.

6.10 Concurrently, distribution networks are evolving to move gas bi-directionally, therefore the access arrangements will also need to evolve to account for this. The growth of biomethane production, the potential future role of hydrogen blending and the emergence of new forms of demand may increasingly challenge assumptions embedded within existing distribution capacity arrangements. Current frameworks remain heavily focused on managing offtakes from the network and may not always be well suited to a future in which distribution networks increasingly receive gas from a wider range of sources.

6.11 As booking patterns change, it is appropriate to consider whether current arrangements will continue to provide sufficient visibility to system planners and network operators. Effective strategic planning increasingly requires visibility of future network utilisation and infrastructure requirements and market behaviour provided much of this information.

Issues with access arrangement policy, on the transmission network:

6.12 The issues associated with transmission access arrangements are broader and more complex. Capacity release, allocation and investment signals are highly interdependent and form part of a mature market framework that has evolved over many years. It is increasingly evident that changes in network utilisation and booking behaviour are structural rather than temporary. The continued shift towards shorter-term products risks weakening the planning and investment signals that access arrangements were originally designed to provide.

6.13 We note that NGT is currently undertaking work to review select elements of transmission access arrangements[34], including proposed changes to industry methodologies and wider reviews of capacity frameworks. This Call for Input is not intended to duplicate those activities, but to seek evidence regarding whether the broader framework for access arrangements will remain fit for purpose as the gas system evolves.

Issue 5: Capacity Release Framework

6.14 The Baseline Capacity Table remains central to the release of firm transmission capacity and influences wider investment, substitution and access arrangements. However, Ofgem and stakeholders have noted that elements of the current

[34] NGT update to UNC Transmission Workgroup, July 2026

baseline structure originate from historical assessments of network capability and utilisation and may no longer reflect future network use.

6.15 As patterns of supply and demand evolve, it is increasingly important that released capacity reflects underlying technical capability and operational requirements. This may require consideration of alternative approaches, including more dynamic release methodologies, seasonal arrangements, or other mechanisms capable of better reflecting changing patterns of network utilisation.

Issue 6: Capacity substitution

6.16 Current arrangements allow unsold baseline capacity to be reallocated through mechanisms such as Capacity Substitution. While this can improve utilisation of existing assets and reduce unnecessary investment, it also raises questions regarding how strategic considerations should be reflected within access arrangements.

6.17 As long-term bookings decline, it may become increasingly difficult to distinguish between capacity that is genuinely surplus and capacity that may be important for future resilience, security of supply, strategic planning objectives or future electricity generation requirements. This creates a risk that market-led arrangements may not always align with longer-term system requirements identified through strategic planning processes.

Issue 7: PARCA arrangements

6.18 The PARCA framework was developed to provide confidence to projects requiring future capacity and to facilitate investment where additional capacity may need to be created. However, over time, the PARCA process has become the subject of negative industry commentary, with parties seeking to avoid the process through political and regulatory petitioning. Our firm view is that the primary industry process should apply to all new projects seeking incremental capacity in the first instance. However, we do realise that some projects may be of strategic significance and that such arrangements may no longer be suited to projects requiring expedited or bespoke capacity arrangements.

6.19 Ofgem commissioned a review of PARCA arrangements by NGT in 2024, focusing on ensuring greater flexibility and the lowering or removal of barriers. This has since resulted in a number of industry-led reforms and UNC modifications.[35] While we welcome the progress made through that process, stakeholders continue to raise

[35] Review of the arrangements for reservation of NTS Capacity | Joint Office of Gas Transporters - Gas Governance
PARCA Security Amount | Joint Office of Gas Transporters - Gas Governance

concerns regarding projects that may have significance beyond their immediate commercial value.

7. Proposals to amend the existing arrangements

7.1 Ofgem recognises the difficult position that Gas Transporters may face where statutory duties, commercial considerations and emerging strategic planning objectives do not always point towards the same outcome. We also recognise the importance of maintaining transparent, predictable and investment-friendly arrangements for network users and network investors.

7.2 Our proposals, across both networks, are intended to improve visibility of connection activity and provide a mechanism to address exceptional circumstances where connection outcomes appear materially inconsistent with wider energy system objectives.

Proposal 1: Enhanced Monitoring.

7.3 We propose to enhance visibility of significant transmission and distribution connection and capacity allocation activity. Ensuring that both NESO and Ofgem have access to timely information regarding emerging connection trends, particularly where these may influence wider network development, future investment requirements, strategic planning objectives and the development of future regional planning outputs, including RESPs.

7.4 Improved monitoring and coordination may be sufficient in many cases. However, there may be exceptional circumstances where operational decisions appear materially inconsistent with wider system objectives and existing arrangements provide no effective mechanism for resolution.

Proposal 2: Regulatory Intervention Mechanism.

7.5 We are seeking views on the introduction of a regulatory backstop where connection and capacity outcomes appear materially inconsistent with strategic energy planning objectives or wider consumer interests.

7.6 For connection arrangements, potential changes include a power to direct, modify or review specified connection decisions following notification to Ofgem or in response to complaints.

7.7 For access arrangements, potential intervention powers could include the ability for Ofgem to direct or prevent the implementation of specified capacity arrangements where there is evidence of significant misalignment between commercial outcomes, transporter duties and whole energy system objectives.

7.8 Any future intervention mechanism would need to be closely integrated with existing industry arrangements, including capacity mechanisms such as PARCA and the substitution framework, and RIIO Price Control framework. This will remain key ensuring that future network development and reinforcement is delivered efficiently and in the interests of existing and future consumers.

7.9 Our view is that any such mechanism should be tightly defined and exercisable only in prescribed circumstances that align with Ofgem's statutory duties. Importantly, any future intervention mechanism would be intended to operate alongside, rather than replace, existing regulatory processes and statutory determination powers.

7.10 We recognise that any intervention mechanism would need to operate within a clear and predictable framework. We are therefore seeking evidence on the circumstances in which intervention may be justified, the strategic planning outputs that should be relevant, the safeguards that should apply, and whether existing arrangements already provide sufficient protections against material misalignment.

8. Consultation questions

For all questions, provision of supporting evidence alongside answers is encouraged.

1. To what extent are current gas planning and operational arrangements capable of supporting an increasingly strategic and integrated energy system?

2. How clear are the current roles and responsibilities of actors across the gas system in supporting strategic planning objectives? What changes, if any, would improve this?

3. To what extent are current gas connection arrangements fit for purpose and account for future uncertainty as patterns of gas demand and supply evolve?

4. How should strategic planning outputs influence connection decisions?

5. What challenges arise when strategic planning objectives differ from existing commercial or operational considerations?

6. What changes, if any, to current connection arrangements would support sufficient flexibility and efficiency for emerging categories of network users and gas network projects?

7. To what extent are current gas access arrangements fit for purpose and account for future uncertainty as patterns of gas demand and supply evolve?

8. What changes, if any, to current access arrangements would improve flexibility and efficiency for emerging categories of network users and gas network projects?

9. What future advantages and or disadvantages would you consider apply to the current distribution access arrangements (where capacity provision is embedded in transportation arrangements)? Do you consider any other arrangements more appropriate?

Call for input Gas System Connections and Access Arrangements

10. How well do existing access and connection arrangements provide visibility of wider system impacts and future networks? What changes, if any, would improve this?

11. To what extent are current governance, coordination and information-sharing arrangements sufficient to support effective alignment between strategic planning and operational decision-making?

12. Do you consider that there is need for enhanced monitoring and reporting of significant access and connection decisions, including a regulatory backstop? If so, what form should these arrangements take?

13. How should strategic planning outputs influence access decisions, including decisions relating to capacity release, allocation and network management?

14. What other operational processes create challenges regarding alignment with strategic planning objectives and what actions, if any, should Ofgem take?

9. Next Steps

9.1 We will review responses to assess whether any further policy development is justified. If appropriate, we may explore options through a future consultation. Alternatively, we may decide not to take forward any changes.

9.2 Please email responses to gas.systems@ofgem.gov.uk by the 22 October 2026. We invite stakeholders' views on any aspect of the issues raised in this paper. We ask that, as far as is possible, responses are supported with appropriate evidence in the form of information, documents, numerical data and analysis.

10. 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 call for input. 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.