Reference
Cadent response: Modifications to Special Condition 3.21 of the GT Licence

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

Cadent
Your Gas Network

Dear Donald,

I am writing in response to the Statutory Consultation on the Modifications to Special Condition 3.21 of the Gas Transporter Licence – Biomethane Distributed Entry Reinforcement (BDERt).

We agree with the intent to align the licence with the modified Biomethane Connections UIOLI Guidance Document as published on 10th August 2026, and agree that the proposed changes to Special Condition 3.21 meet the intent and objectives. We reiterate the strong support we gave previously (in our response on the UIOLI guidance document modifications) for the stated objectives of making better use of the funding available, enabling more viable biomethane entry connections to proceed, and ensuring that the funding follows demand rather than being fixed geographically. Allowances being available across all years of the price control will also support this.

Enabling intra-company funding flexibility and removing the prohibition on cross-company transfers via the Coordinated Adjustment Mechanism, will ensure that the mechanism better achieves the stated intent and objectives. So far in our live application window, we have seen that the demand for biomethane entry connections is very variable across the country and to deliver the maximum consumer benefit, by connecting as much biomethane as possible across GB regardless of location, flexibility within the mechanism is required.

We look forward to further Ofgem review as GDNs obtain more information, experience, and understanding of biomethane entry connection demand so that we can collectively review and assess whether further changes are required to better achieve the intent and objectives of the mechanism.

We welcome Ofgem's support and engagement to enable biomethane connections, and we look forward to continuing to work together as biomethane continues to grow.

Yours sincerely,

[by email]

Richard Court

Director of Regulatory Strategy