Response to the RIIO ET3 Load Reopener May 2026 Draft Determinations

Field	Details
Consultation	RIIO-ET3 Load Re-opener May 2026 Draft Determinations
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Submitted for	Midlands Supercluster
Schemes covered	NGET Berkswell and NGET Feckenham - Hams Hall OHL
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Status	Non-confidential response

Submitted to Ofgem at ReopenerConsultations@ofgem.gov.uk

Scope of this response

This consultation response has been prepared by the Midlands Supercluster, which is a grouping of five hyperscale data center sites currently being developed in the Midlands, totaling almost 3,000MW. We are responding to the consultation as a future large power user and believe our developments could materially impact the load schemes and that a primary concern for us, is due to the current grid connection freeze, our projects may not necessarily be factored into assessments by the National Energy System Operator and NGET, potentially causing inefficiencies and unnecessary reinforcement spend in the future.

This response addresses the NGET Berkswell and NGET Feckenham - Hams Hall OHL schemes. It responds to EAQ1, EAQ2 and EAQ8 in the Eligibility Assessment annex, MPQ1 in relation to Feckenham - Hams Hall, and MPQ3 in relation to Berkswell.

This is a non-confidential response. We would be willing to provide Ofgem with further engagement and insights via a meeting if required.

Consultation Response – Schemes Responded to

Scheme	Current scope	Submitted cost	Ofgem adjusted cost	Proposed PCF
Berkswell	Extend the existing 275 kV AIS mesh substation. Two SGTs are proposed in a remote compound within HS2 land and connected by cable.	£76.600m	£72.764m	£5.831m
Feckenham - Hams Hall OHL	Reconductor the existing 400 kV OHL, increasing winter post-fault capability from 2,010 MVA to 3,100 MVA and supporting B8 and B9 boundary capacity.	£54.300m	£51.581m	£3.985m

Response to EAQ1

EAQ1 Do you agree that these NGET projects are eligible for PCF funding under Part F of Special Condition 3.15?

Response

It is our view that the projects meet the threshold for further development through the Load Re-opener process. We support the PCF because important work remains before the efficient construction scope can be fixed. PCF approval should not be interpreted as approval of the current transformer configuration, OHL scope, delivery date or full construction cost.

For these schemes, PCF should support a joint evidence base across transmission and distribution and it is our view that the PCF spend should coincide with conclusion of CMP435 so a holistic assessment can be carried out with all Gate 2 projects known and reflected in load flow models. This should include agreed customer demand assumptions, connection phasing, network models, optioneering and cost allocation. This work is necessary to determine whether the proposed assets remain efficient in light of emerging data-centre connections.

Response to EAQ2

EAQ2 Do you agree with Ofgem's assessment of the needs case for these NGET Assessment Track 2 projects?

Response

We accept that there is an underlying need to facilitate customer connections at Berkswell and to address wider system and asset-health requirements on the Feckenham - Hams Hall circuit. We do not consider that the available assessment closes the question of the efficient scope, rating or timing of either scheme. Material transmission-connected and distribution-connected data-centre demand is being developed at both locations and should be included before Ofgem approves the full construction allowances.

Berkswell

The submitted Berkswell scheme is driven by the contracted HS2 demand connection. NGET now proposes two SGTs, rather than three, in a remote compound within the HS2 land boundary, connected by cable to an extension of the existing 275 kV AIS mesh substation. Ofgem has accepted the early needs case in principle but has noted that the project cost has increased since the RIIO-ET3 Final Determinations despite the reduction in SGT numbers. Ofgem expects detailed cost justification at Project Assessment.

NGET's optioneering also considered a distribution-network solution and a new off-site double-busbar substation with additional capacity. The emerging data-centre projects make those whole-system and future-capacity considerations more material with greater efficiency to be realized, and it could be that a third transformer is beneficial for load growth as we understand Berkswell is already heavily demand constrained.

Before Project Assessment, Ofgem should require the coordinated assessment to:

- establish a single, reconciled schedule of HS2 and data-centre demand, including staged energisation dates, ramp-up profiles and relevant diversity assumptions; **will HS2 loads remain exclusive to the two new SGTs? Or can these be shared**
- compare separate transmission and distribution solutions with a coordinated option using shared or jointly sized transformers, busbars, bays, cables, land and enabling works where technically and commercially feasible;
- assess whether the current remote-compound solution remains preferable to an option that provides additional strategic capacity and a clearer long-term site arrangement;

Feckenham Hams Hall

NGET proposes to increase winter post-fault capability from 2,010 MVA to 3,100 MVA, with stated uplifts of 1,050 MW on boundary B8 and 950 MW on boundary B9. The project is supported by CP2030 and tCSNP2 and also replaces or refurbishes ageing equipment.

Large additional demand at Hams Hall may change local and wider system flows, the frequency and duration of the conditions that overload the circuit, and the efficient delivery date. Depending on the connection configuration, coincidence with generation and interconnector exports, and credible outage conditions, the new demand could reduce some north-to-south transfers.

Before Project Assessment and ODI-F calibration, Ofgem should require NGET and NESO to:

- model the transmission-connected and distribution-connected Hams Hall data-centre demand using a common set of energisation, ramp-up and operating assumptions. We have a significant amount of power seeking to be built in this area, and have concerns on the treatment of the projects in studies due to connection freeze per the CMP435 process
- quantify how the demand changes overload magnitude, overload duration, constraint costs and the economic delivery date for reconductoring;
- separate the load-related justification from the asset-health and reliability works so that each cost driver is transparent;
- confirm that the selected conductor, capacity uplift and programme remain the lowest-cost whole-system solution.

Response to EAQ8

EAQ8 Do you agree with Ofgem's approach to setting PCF allowances for eligible projects?

Response

Overall we agree that a consistent percentage-based approach can provide a practical starting point for PCF. For Berkswell and Feckenham - Hams Hall, the value of PCF will depend on whether it funds the work needed to establish a coordinated scope before Project Assessment and we would urge a more holistic view of data center projects that are waiting to be accelerated / progressed; not having these factored in would appear wasteful, we would therefore support any PCF mechanism.

Ofgem should specify the following outputs for the PCF period:

1. A formal coordination plan identifying NGET, NGED, NESO and relevant customer responsibilities and agreed strategy on factoring in large demand loads accelerating in the queue
2. A reconciled demand register covering both transmission and distribution connection routes.
3. Agreed staged energisation, load factor, diversity, resilience and flexibility assumptions, with sensitivities where customer requirements remain uncertain.
4. Transmission and distribution studies prepared from consistent network and customer assumptions.
5. An updated cost-benefit analysis, risk register, delivery programme and explanation of cost allocation.
6. A clear record of how the evidence changes, or confirms, the preferred scope before the Project Assessment submission.

We therefore support the proposed £5.831 million PCF allowance for Berkswell and £3.985 million for Feckenham - Hams Hall, provided that demand queues are factored in to any pre construction assessments.

Response to MPQ1

MPQ1 For each project where Ofgem is minded to apply the Major Projects ODI-F, do you agree with the proposal?

Response

We recognise the strategic importance of Feckenham - Hams Hall to the B8 and B9 boundaries and the potential consumer cost of avoidable delay. An ODI-F may be appropriate once Ofgem has defined the efficient output and delivery baseline.

The incentive should not reward early delivery of a scope that has not been tested against material new demand at Hams Hall. Before setting the ODI-F target, Ofgem should require NGET to incorporate the latest Hams Hall connection information, complete the studies identified under EAQ2, and provide a P50 date for the resulting efficient scope. The incentive should be recalibrated if the coordinated assessment materially changes the required capacity, scope or optimum delivery date.

Response to MPQ3

MPQ3 Do you consider any projects that Ofgem has proposed not to apply the Major Projects ODI-F at this stage should be applicable?

Response

Ofgem's current position reflects a scheme presented principally as a HS2 connection re. Berkswell. Berkswell may now have wider strategic significance because of the combination of transport demand and emerging large-scale data-centre demand seeking transmission and distribution connections in the same area. This could increase the consumer and economic consequences of delay and strengthen the case for a coordinated, future-proofed solution.

We recommend that Ofgem keep Berkswell under active review for the ODI-F rather than applying an incentive immediately. Reassessment should use evidence of customer maturity, connection status, capacity, programme dates, economic impact and consumer detriment from delay. If the eligibility criteria are met, the output and target date should be based on the coordinated solution established through EAQ2, not solely on the existing HS2-led design.

Requested Project Assessment requirements

To give effect to the responses above, we ask Ofgem to state in its final determination that the following evidence is required before approving full construction allowances for either scheme:

- a joint whole-system report endorsed by NGET, NGED and NESO;
- a reconciled customer-demand and phasing schedule, with commercially sensitive data protected where necessary;
- transmission and distribution studies based on consistent assumptions;
- a comparison of separate, shared and phased infrastructure options;
- a clear account of transformer and substation sizing decisions at Berkswell and Hams Hall;
- an updated assessment of Feckenham - Hams Hall need, scope and timing;
- an explanation of interactions with HS2 and Drakelow - Hams Hall works;
- updated costs, benefits, risks, delivery dates and cost allocation; and
- evidence that the preferred solution avoids inefficient duplication and foreseeable asset stranding.

Closing statement

We believe that our projects, particularly those in the Hams Hall area, could deliver significant benefits to the electricity system by alleviating constraints and potentially enabling the deferral or avoidance of network expenditure.

However, there is a material risk that viable projects already in the connection queue are not adequately considered during the pre-construction funding (PCF) phase of strategic network investment. If a large-scale demand project subsequently accelerates, it could materially affect the required scope, design and sizing of the proposed network works, resulting in avoidable redesign, further studies and inefficient expenditure.

Closer coordination between the outcomes of demand connection reform, strategic network planning and the development of PCF-funded schemes is therefore essential. This should include more robust engagement with demand customers and a clearer understanding of which viable projects may be capable of accelerating.

The cumulative and wider system impacts of our portfolio should also be considered, particularly where coordinated development could reduce constraints, optimise asset sizing or defer wider system investment.

We remain committed to engaging further with Ofgem, NGET, NESO and the relevant DNOs to support greater coordination and ensure that both pre-construction and construction expenditure delivers maximum value for consumers.

Documents referenced

- Ofgem, RIIO-ET3 Load Re-opener May 2026 Draft Determinations Overview Document, August 2026.
- Ofgem, RIIO-ET3 Load Re-opener May 2026 Draft Determinations Eligibility Assessment annex, August 2026, including paragraphs 4.8 to 4.13, 4.24 to 4.29, 4.160 to 4.164 and Appendix 1.
- Ofgem, RIIO-ET3 Load Re-opener May 2026 Draft Determinations Major Projects ODI-F annex, August 2026, including paragraphs 2.24 to 2.26 and 2.48 to 2.50.
- National Grid Electricity Transmission, Berkswell Load Re-opener submission documents, May 2026.
- National Grid Electricity Transmission, Feckenham - Hams Hall OHL Load Re-opener submission documents, May 2026.