Connections reform – Frequently Asked Questions

Published: 24 January 2025

Introduction: What is connections reform?

The number of connection applications received at both transmission level and distribution level has grown at a rapid pace over the last 3 years which has resulted in over 700GW of contracted projects within the connections queue. This has caused strain on the processes and mechanisms which have not kept pace with the rapid acceleration of connections applications resulting in delays to connections dates that the network can offer. The current system needs reforming to manage this significant expansion efficiently and effectively for customers and end users. Over the last 24 months, the industry has come together to collaborate and address how the connections queue can support projects that are deemed to be progressing. As a result, several proposals and changes as listed below:

- Working with the National Energy System Operator (NESO), with the 5-Point Plan (February 2022)
- Working with the Electricity Networks Association (ENA) 3-Step Plan (April 2023) and the ENA 6-Step Plan (December 2023)
- Working with Ofgem and the Department for Energy Security and Net Zero (DESNZ) Connections Action Plan (November 2023)

We, as National Grid Electricity Distribution (NGED) are leading on implementing a number of projects to support these changes to accelerate connections to the network.

In addition, since October 2022, NESO has consulted with the industry on the Connections reform project to address the connections queue longer term. This has resulted in the proposed TMO4+ model being the finalised solution. In 2024, NESO raised two code modifications to enable implementation of connections reform. These are CMP 434 (more information can be found here) and CMP 435 (more information can be found here). If approved by Ofgem (a decision is expected in Q1 2025), these modifications will enable the connections reform project to be introduced in Connection and Use of System Code (CUSC) and delivery of reform implementation programme in 2025.

To support this model and the recently announced Government's CP2030 plans, NESO has recently published Connection Reform Methodologies which detail its proposals on how projects will be treated and how projects can accelerate transmission connection dates as they look to progress through Gate 2. These Methodologies sit alongside the code modifications, details of which can be found here connections reform National Energy System Operator



This document aims to provide customers and stakeholders with responses to frequently asked questions. Should you not find the information you require, please submit your enquiry to box.connectionsreformnged@nationalgrid.com

Contents

		Page
1.	G99	3
2.	Gate 2 / Gate 2 Evidence	3
3.	Transition / Grandfathering (now protections)	7
4.	CP30	9
5.	Non-Firm Arrangements / Technical Limits	11
6.	General	12

All information contained in this FAQ guide is accurate as of 06 January 2025. It is subject to the conclusion of final industry consultations and decisions, which are expected to be announced in early 2025. All content is sourced from the National Energy System Operator (NESO). We do not assume responsibility for the accuracy of this information, which is emerging and subject to revision and change. Consequently, it should not be relied upon for making general business, investment or legal decisions.

The content is sourced from information that is publicly available from NESO https://www.neso.energy/industry-information/connections/connections-reform .

G99

 Can clarity be provided on whether it is landowner-signed Heads of Terms or a draft that will be required for evidence?

As per the ENA guidance document, the requirement will be for Heads of Terms signed by the landowner(s). More information on the G99 changes can be found in the ENA guidance document: 241218new-distribution-queue-entry-requirements-v1.pdf

 Why are the DNOs proposing different requirements for gate applications than those required at Transmission level? e.g. having Heads of Terms signed; not options

The Gate 2 evidence requirement will be the same across both transmission and distribution. The G99 changes which will be effective from 01 January 2025, are seeking to raise the barriers to entry ahead of the implementation of connections reform, which is reflective of the need for customers to demonstrate readiness to progress through to Gate 2 upon application. Please note that customers do not need to provide Gate 2 evidence upon application however any projects going though the G99 process will now need to meet the updated G99 requirements.

Why are Heads of Terms required for DNO applications, when Transmission only requires Letter of Authority (LoAs) for Gate 1 applications?

The change to G99 requirements resulted of Ofgem's connections action plan (CAP), which included a key action to look at raising the barriers to entry for DNO applications. Following the ENA consultation on the proposed changes, there was a view that the G99 changes should not be the same as a Gate 2 criteria to allow customers to apply before meeting Gate 2 if required.

Gate 2 / Gate 2 Evidence Requirements

What offer will I receive at Gate 2?

When a customer is successful in meeting the Gate 2 evidence criteria, it will be offered a firm transmission connection date with a firm connection site and associated costs. This will be documented within the Offer between NESO and NGED, which will result in an updated DNO offer that will be sent to Customers and which will contain the updated transmission requirements.

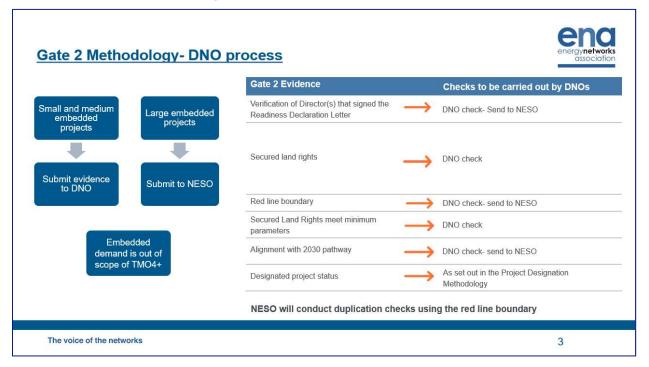
Will projects that have been accepted to progress to Gate 2 process hold their position in the DNO queue?

Any project that has signed their revised DNO Offer which includes the outcome of the Transmission impact assessment will go into the first (CMP435) window due to open in Q2 2025, pending code modifications approval by Ofgem. In order to be considered for a new agreement the project will need to meet the Gate 2 evidence criteria and the strategic alignment criteria. Currently NESO have communicated that there shall be two Windows in 2025:

- the first window in Q2 2025 (expected in May, exact date is to be confirmed) for those projects that have an accepted agreement that has already been through the Transmission Impact Assessment process.
- Any projects that have accepted but have not yet gone through this process will go through the first new application window (CMP434) which is currently scheduled to be towards the end of 2025.
- Will NGED be assessing Gate 2 evidence or is it for NESO to assess? If NGED, are you employing new staff with legal qualifications to assess land rights for example?

NGED, along with all other DNOs will be required to assess Gate 2 evidence prior to a final check by NESO. We are waiting for the final Methodologies to be signed off by Ofgem to confirm the process. There will be further communications in early 2025 highlighting the proposed process for assessing Gate 2 evidence. Please do not submit any evidence to your DNO until you have received communication from them.

Please find below an overview of how the Gate 2 Methodology shall be processed by DNOs, including which sections of the evidence will go to NESO for review



For those projects that meet Gate 2, will NGED carry out new network studies at the Point of Connection and scope of any associated Reinforcement Works, following the removal of projects which do not meet Gate 2; and how will the queue order be applied?

For those projects that have been deemed to meet the Gate 2 evidence criteria, there will be refreshed studies carried out by the Transmission Owner (TO) and NESO which could result in a revised Connection Date and Point of Connection. NGED will therefore review the Point of Connection and/or associated reinforcement works before and after it receives the updated NESO Offer, which will contain the latest TO assessment and connection solution.

The queue position will take the original NESO countersignature date as the base and then the process detailed within the CNDM will be applied to order the projects based on land access, planning status, project readiness and works required.

How can NGED give customers comfort that Gate 2 submissions will be processed in a timely manner, especially given the delays experienced in the current Statement of Works (SoW) process?

The windows for applications will be clearly defined and time bound by NESO. All projects that have met Gate 2 evidence will be included in the relevant window to allow for NESO and the Transmission Owner to carry out the Transmission Impact Assessment studies. We will engage with customers through the reform process to clearly signpost the windows and stages of reform. Details will be found on our website and also communicated at our customer reform webinars National Grid - Engagement.

Please note that DNOs do not have windows so once our evidence process is open customers can provide evidence to us at any point, however if it is after the closure of one NESO window the application will be put into the next NESO window.

We ask and thank customers for their patience in understanding that while we are working at pace, it will take time to implement these reforms to form the queue. The size of the queue is unprecedented, and we are working to streamline both the queue and our processes to better support customers, the network and the Government's CP2030 initiative. This is an extensive challenge.

How will we submit the information that is required for Gate 2?

We are developing an digital process for upload of information for the CMP435, 'gate 2 to whole queue' process where you will need to submit specific land evidence relating to project readiness to us. We are mindful that this process needs to be made simple and easy for our customers to submit their Gate 2 evidence, and this is why we are developing an online form, with document upload functionality, that will guide you through the submission process. We will continue to engage with our customers ahead of the start of connections reform to provide updates and will be sending you a link to upload your evidence submission when the form goes live. We would therefore kindly ask our customers to check all their contact details are correct to ensure all communication is received.

Ahead of the submission form going live, you can continue to submit documentation against the existing milestones for your project with your current planner or project support specialist. Valid milestones that are relevant to reform include M1, M2 and M7 for qualifying projects. Preparing and updating this documentation with NGED as early as possible will best prepare you for any project protections you expect to qualify for during the reform process.

If you do have any questions or feedback in the meantime, you can contact us either via our connections reform email account box.connectionsreformnged@nationalgrid.com

Is it only DCO applications that will serve as evidence of Gate 2 and not local level applications?

Yes, that is correct, it is land rights or a DCO application (as DCOs often contain compulsory purchase and therefore a customer may not have land rights). It is important to highlight, that although planning consent is not a requirement for Gate 2 evidence, this can demonstrate evidence of the project's progression against the queue management milestones and can provide protections from CP30 filtering as well as a more preferential position in the queue re-ordering process. If your project falls into a protected project category then you may be asked to provide evidence of planning consent in addition to the standard Gate 2 evidence, more information of project projects can be found in the Gate 2 methodology here

Is there a deadline yet for submitting our Gate 2 ready evidence to NGED?

We are still waiting for a final timeline from NESO for the 'Gate 2 to whole queue' process. We urge our customers to prepare their evidence from now to ensure that they are ready in time for the start of connections reform. Details can be found on our connections reform page National Grid - connections reform. NGED will be in touch once we are ready to receive your Gate 2 evidence.

Please can we have clarification that 'improved queue position' also means improved POC offered where possible?

For those projects that have been deemed to meet the Gate 2 evidence criteria, there will be refreshed studies carried out by NESO and the Transmission Owner (TO), which will result in a revised offer confirming both a revised Transmission Connection Date and Point of Connection. In some cases, this could mean that projects could receive earlier connection dates and a more desirable point of connection; however this is not guaranteed. NGED will consequently review the distribution Point of Connection and/or associated reinforcement works before and after the TO review and issue an updated distribution offer to our customers.

Does G99 apply to existing connections applications?

G99 requirements are only for new applications from 01 January 2025. More details on these requirements can be found on the ENA website. The Gate 2 criteria is required for all projects.

For 132kV schemes, there is a minimum of 2 years to be ready from ICP signing, therefore what certainty can be given to schemes due to be energised in 2027? Furthermore, we also seek clarity on the queue shuffling impact on the Active Network Management (ANM) schemes.

Projects energising in 2025/2026 will be retained in their original terms. Protected projects currently due to connect after 2026 will have their queue position retained but energisation dates for firm access will be revisited, with the potential for advancement if requested. System access for ANM/flexible connections will be defined on the post-CP30 queue order.

For projects that have an export capacity 1MW and above, what offer will I receive at first and how is this different to a Gate 2 offer?

Your offer will provide details of the works required at distribution and an indicative transmission connection date and location until such time a project can demonstrate that it has met the Gate 2 Criteria. Once a project demonstrates it can meet the Gate 2 criteria, it will then be submitted by NGED (DNO) into the next available Gate 2 window, which once concluded will result in a firm transmission connection date and connection site being confirmed via a Variation to your contract.

Transition to connections reform and protections (formally Grandfathering)

What will happen to customers experiencing delays in the project progression outcome, given that the embedded project queue position in the proposed Connection Network Design Methodology (CNDM) is determined by the date NESO countersigns the PP?

Only projects that have gone through the project progression process and are in a signed contractual position following that process will be able to go through the Gate 2 to whole queue process. CP30 quotas set at a DNO level and protection positions should mitigate any potential misalignment across Transmission and Distribution processes. We continue to work hard and engaging in parallel with NESO, to try to resolve all outstanding queries on projects that have already started this process – to ensure these projects can go through the Gate 2 to whole queue activity.

How will NGED and NESO progress the outstanding projects going via Project Progressions before the start of reform?

NGED is working with NESO to try and process any outstanding project progressions before the start of connections reform Implementation.

How is NGED preparing for Gate 2 to Whole Queue next year in terms of resourcing and trial runs?

NGED is collaborating with the relevant teams internally on the implementation plans, training roll out for all relevant teams and carry out updates to processes in order to deliver connections reform.

- What is the status of the ongoing Project Progression Step 2 outcomes for NGED GSPs such as Grendon? We have been waiting on a couple of outcomes since last May. Are they getting delayed due to the ongoing connections reform?
- NGED are working with NESO to process any outstanding project progressions before the start of connections reform implementation to ensure access to the opportunities offered through the queue reordering.
- What is the position on projects with 2027 and 2028 connection dates? These projects are making significant financial investment and mobilising for construction.

These will be subject to the new Connections process and a network re-study by NESO and Transmission Owner. Current timelines communicated by NESO to industry state that it's expected that Offers post reform implementation shall be issued by end of 2025. We expect that these projects should remain in their relative queue position and will not be considered for acceleration, unless requested. These projects may also meet the protection criteria so although that doesn't protect the date, it does protect from removal from the queue.

Will projects with an accepted connection that have not yet gone through Project Progression, be allowed to participate in 'Gate 2 to Whole Queue'? If not, what is the status of Transitional Arrangement Phase 2, which promised to provide a 'step 1-type offer' to embedded projects and would therefore provide a route to participating in Gate 2 to Whole Queue?

Only projects that have gone through the Project Progression process and are in a signed contractual position following that process will be able to go through the Gate 2 to whole queue process. We are working with NESO to get all projects into the process ahead of confirmation from NESO on the transitional arrangements for DNO processes.

How does NGED intend to deal with Hybrid schemes that decide to remove their contracted import capacity, so that they are not negatively affected by connections reform for having a battery? Will this be an allowable change?

Reducing import without affecting voltage is currently an allowable change. The latest published Methodologies confirm that with export only, only the capacity towards the second technology (non-storage) will count towards the CP30 allocations. The Methodologies can be found here: https://www.neso.energy/industry-information/connections/connections-reform.

It is reported that NESO will not allow connections with offers to proceed to Gate 2 unless evidence of planning application is shown by December 20 and permission granted by May 2025. This does not seem to align with NGED's view. Can clarity be provided?

NESO has now published the details of the protected projects in the Gate 2 Methodology (link above)—the objective of which is to protect projects that are significantly progressed. Whilst projects that have met Gate 2 from a land access perspective will be put forward for strategic alignment assessment, without planning permission, strategic alignment cannot be guaranteed. This is because there is a maximum cap to the capacity that can be given to projects that have not obtained planning permission. Therefore, for the best chance of securing a guaranteed position in the newly reformed queue, a customer should seek to achieve planning permission before May.

Regarding the contents of the 'protections slide presented at NGED's recent Connection Reform Webinar, is this now agreed, or awaiting approval?

Since our webinar in December 2024, NESO has published its final position on protections. https://www.neso.energy/document/349496/download along with the other Connection Reform Methodologies please see the link here for more information connections reform | National Energy System Operator

I would like more clarity on the protections that you presented at your recent Connection Reform Webinar. Could you further explain why projects won't be permitted to keep their current energisation dates, even if they obtain their planning consent by May 2025?

Projects will keep their current queue position if they can meet the 2026 protection requirements as detailed within NESO's final position (https://www.neso.energy/document/349496/download). However, as the whole queue is going to be re-studied to enable advancement there may still be a change to dates and works following this process.

• If a project meets the newly confirmed Strategic Alignment via Capacity Market Agreement, does it still need to go through the CP2030 Action Plan assessment for tech type/regions or will it automatically receive a Gate 2 Offer and be allowed to construct?

The latest publication of the Gate 2 methodology, section 6.2, lists out the conditions that a project could qualify for protections. If a project already has a Capacity Market / CfD contract and can demonstrate Gate 2 land readiness criteria by close of the 'Gate 2 to Whole Queue' evidence submission window (which is expected at the end of May 2025) then they will be assumed to meet the strategic alignment. NESO published its final Methodologies on 20 December 2024 which provide further details on how projects will be treated. connections reform | National Energy System Operator

CP30

- Is the Capacity Reallocation Methodology process/document available please?
 The document is available on the NESO website: connections reform | National Energy System Operator
- Who determines whether my project aligns with 2030 or 2035 pathway?

There is currently an Ofgem license consultation to determine which party (DNO or NESO) will determine how projects will be aligned. The latest version of the CNDM methodology states that this alignment will provisionally be undertaken by the DNO for small and medium projects that are regionally allocated, subject to NESO confirmation, and the alignment of remaining projects (large) will be completed by NESO. The Department for Energy and Net Zero (DESNZ) also published its plan on 13 December 2024. Details can be found here Government sets out plan for new era of clean electricity - GOV.UK.

Is there a better way than specific technology caps. Have NESO considered specifying the characteristics of the energy required?

NESO have looked at a number of options to ensure that connections reform has the biggest impact possible to allow those projects that are progressing to connect. If you have further questions on this please contact NESO directly. You can find the NESO report on CP30 recommendations here: Clean Power 2030 | National Energy System Operator.

How often will NESO update project design specifics as technology moves very fast and less land will be needed per MW?

The plan as communicated by NESO on their latest publications, is for the Methodologies to be updated once a year.

Does NGED have confidence that it can deliver all the MWs in different distribution zones that NESO CP30 allocates?

The CP30 capacities that have been assigned to the DNOs per region, serve as a cap as to the maximum and ideal capacity needed to deliver a Net Zero energy system, rather than any obligation for NGED to ensure compliance with those numbers.

NGED has a demonstrable track record of connecting large volumes of DER within its region. CP30 is an enormous challenge and will be a step change for the whole industry. We will continue to work with our customers who are ready and meeting their milestones, to connect the generation needed for Net Zero.

How will NGED work out the LIFO queue for ANM connections with the new Gate 2 to Whole Queue grid queue?

In moving from first come, first served, to first ready & first needed, first connected, the LIFO queues will be ordered in alignment to the joint T-D queue being established by NESO. This will not affect non-firm connections already operational or those expected to be delivered in 2025/6. As the LIFO stacks are reestablished, curtailment reports will need to be refreshed to reflect removed/reordered projects.

• For the energy mixes and requirements proposed in CP2030 do the 'bucket' targets include operational technology?

CP30 capacity targets per technology are a total target for 2030 and 2035 for the >1MW generation connections needed within our region. These include storage, onshore wind and solar which are built and delivered by our customers. When considering what capacity from the targets can be allocated to new generation connections, we will remove capacity already allocated to existing projects >1MW which are operational.

You said NESO is due to publish the capacity allocations by the end of the year, will these allocations be made public or just for DNOs? Will it be split by GSP?

NESO has published its advice to Government on 5th December. Government has now also published the Clean Power 2030 Action plan on the 13 December in the public domain Government sets out plan for new era of clean electricity - GOV.UK. Allocations are per DNO for the technologies that are split regionally. For the GB wide technologies, this is one UK allocation. Here is a link to the DESNZ webpage listing all the allocations per region: https://www.gov.uk/government/publications/clean-power-2030-action-plan/62b4c26c-3b79-4bbd-b2b7-062b0fcca01d

Do I need to apply to NESO and or the DNO if my project is a 'new technology' or 'highly innovative', as described in the NESO's Project Designation Methodology?

In the Designation Methodology published by NESO on 20 December 2024, (see <u>Clean Project Designation Methodology Post Con</u>) any User seeking a new technology or highly innovative designation must make a formal application to NESO. The DNO may also notify NESO where it considers a project may be an appropriate candidate.

Non-Firm Arrangements / Technical Limits

How will existing projects, with non-firm connections be affected by these reforms when waiting for a firm connection?

Projects will be entered into the reform process based on their existing firm connection date. Projects meeting Gate 2 *and* a) being subject to protections; or b) falling within the CP30 regional quotas will be entitled to request advancement. Advancement will look to accelerate projects both for firm energisation dates and non-firm energisation dates to seek the best advancement options for the connection.

There are projects in the queue with Technical Limits Offers. Has NGED received confirmation from NESO on whether these can still be connected as agreed, or will these fall into the queue gating process?

Updated guidance on Technical Limits has been included in the updated Methodologies publication by NESO on the 20th of December 2024. Protections will not filter out projects with planning before May 2025 (and submitted before 20/12/24), but the firm date (if after 2026) will be subject to Transmission Owner Network restudies and therefore the date could change.

Please provide an update on technical limits - has connections reform delayed tranche 2 (originally, all variations were due to be issued by November)?

Tranche 2 variations have been issued. If you have any queries in relation to your tranche 2 offer, please contact your connections engineer.

How will the proposed changes affect projects which have technical limits associated with them?

Projects that are in-flight with expected energisation dates in 2025 and 2026 will be retained as long as they meet the protections criteria and/or Gate 2 readiness criteria. All other projects with firm dates beyond 2026 will be issued updated connection offers in line with reform processes and timescales.

General

The current milestones don't give me enough time to submit planning, will these be reviewed as part of the reform process?

All queue management milestones are implemented in line with the ENA's queue management guidance. This is reviewed on a regular basis to ensure it is still fit for purpose. <a href="https://www.energynetworks.org/assets/images/Resource%20library/ON21-WS2-P2%20Updated%20Queue%20Management%20User%20Guide%20(30%20Jul%202021).pdf?1737570982

When NGED states "1MW", to categorise projects that are subject to the connections reform process, does this refer to export capacity or installed capacity (e.g. what happens if my plant is 1.2MW, but I export below 1MW to the network)?

For NGED embedded projects a project will be deemed relevant to the Transmission Impact Assessment process if it has a registered capacity of 1MW to 1decimal point "0.0499999MW". We use export capacity to determine this threshold as prescribed in the Grid Code (THE GRID CODE)