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1. Introduction

When customers apply to National Grid Electricity Distribution (NGED) for a connection, whether demand or generation, they are given a Connection Offer for the required capacity. There is a finite capacity on any given area of network. Once that capacity is fully utilised, network reinforcement may be required to create additional capacity. This reinforcement has both cost and time implications for new connecting customers.

In assessing any new connection request, NGED must take into account existing connected sites and customers that have accepted connection offers but have not yet connected ("accepted offers"). If there is limited capacity currently available, accepted offers can have an impact on the cost and design of any subsequent offers issued. This in essence forms the "connections queue".

Many of these Accepted Offers progress their connection to energisation in line with their contractual milestones. However where an Accepted Offer is not progressing, this can adversely impact upon other Connection Offers that are ready to progress but await completion of reinforcement works. This is not the most efficient way to allocate network capacity. Connections queue management is therefore achieved by ensuring accepted connections progress in line with their contractual milestones.

This guide sets out NGED's approach to Queue Management and is intended to be read in conjunction with the 2025 <u>ENA Queue Management User Guide</u>

This document also provides guidance on each milestone including examples of typical evidence.

2. What are Milestones?

Milestones are benchmarks used to measure the progression of a project. Defined milestones are included in our connection offers to measure the progress of a customer's connection towards its agreed completion date. They help our management of network capacity by ensuring slow moving and stalled connections do not block network capacity for other customers.

Each milestone:

- represents key stages in the delivery of projects that connect to NGED's network;
- applies to export (or generator) connections, to import (or demand) connections or a combination of the two;
- is intended to be transparent and realistic, with an expectation that customers will have undertaken relevant project development before accepting a connection offer;
- is defined by the required timescales; and
- is a contractual obligation.

Once a customer accepts a connection offer, they are responsible for providing suitable evidence to demonstrate that they have met the relevant milestones within the agreed timescales. Failure to provide this evidence will risk the <u>missed milestone process</u> being triggered and may result in termination of the connection offer, if satisfactory evidence isn't supplied.

3. Milestone Definitions

The composition of the milestones attributable to predominantly demand and predominantly generation connection offers will vary slightly to account for the specific characteristics of each connection type.

In demand schemes, not all milestones are attributable to smaller schemes with shorter progression timescales. Demand schemes with a total capacity above 276kVA will be subject to an increased number of milestones.

The connection offer for all distributed generation schemes will include milestones. Larger generation schemes with an installed capacity greater than 95kW will be subject to an increased number of milestones. A reduced number of milestones will apply to generation schemes where no physical works are to be undertaken either by NGED or an ICP/IDNO.

Outlined below, is guidance and information about the milestones that may need to be in place before we can install and energise your new supply.1

¹These milestones aren't applicable to every project. Please refer to your connection offer for the specific requirements of your scheme.

3.1. Milestones Descriptions and Evidence

Milestone	Description	Example Evidence
M1. Initiation of statutory consents including planning permission	The Customer must begin the process of seeking statutory consents. This includes making a formal application for Planning Permission for the project within the timescales detailed in the connection offer. Planning approval may take considerable time, and the Customer is expected to initiate early stages of the planning process prior to making its application to the DNO	Planning Authorities may place pre-planning requirements on the Customer (work that must be completed prior to submitting the planning application). Examples include: • An Environmental Impact Assessment (EIA) and/or non-EIA environmental or ecological studies. • Specialist reports, such as Landscape and Visual Impact Assessments, Ecological Phase 1 Studies, and Traffic Impact Assessments Customers are expected to evidence any pre-planning requirements as soon as possible, and certainly than the date the connection offer is accepted. The Customer should provide evidence of these requirements from the Planning Authority to NGED. NGED will make reasonable adjustments to the Milestone date to incorporate pre-planning requirements (normally 12 months, but longer if appropriate).
M2. Securing statutory consents including planning permission	The process of securing statutory consents, such as planning permission, for the project.	The customer must confirm that planning consent has been secured with relevant planning notice reference. Evidence includes the Approved Planning Notice viewable on LPA website or the written confirmation from the Local Authority.

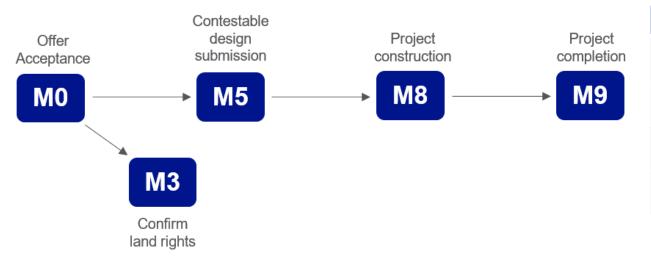
Milestone	Description	Example Evidence	
M3. Securing land rights	The process of securing necessary land rights to enable the project to proceed. If the customer is not the owner/occupier, they must have the necessary agreement from the owner/occupier to carry out the project.	Written confirmation that you;	
M4. NESO Interface	This milestone would only apply to projects where the connection requires a Transmission Impact Assessment (TIA) to be completed. Typically this is generation connections with an export capacity above 1MW or 5MW.	Agreement in writing to the outcome of the NESO TEA process such that the NESO GATE 2 Offer has been or can be accepted within its validity Agreement in writing to the outcome of the NESO TEA process. Customers that have met this milestone will also have met milestone 3	
M5. Submission of contestable design works	For projects where an Independent Connection Provider (ICP) has been appointed to complete contestable works for the connection, a design for these works will need to be completed and approved.	Submitted contestable design submission (full design submission unless otherwise agreed with NGED). Where the NGED agrees to accept partial or phased design submissions (e.g. first submitted design) binding dates for submission of an approved design must be agreed as part of M6	

Milestone	Description	Example Evidence	
M6. Provision and agreement of construction plan	Agreement of the customer's construction plan or Independent Connection Provider's programme of works with NGED, alongside explanation of how they will meet the agreed connection date.	Customer's programme of works (and/or ICP programme of works) that demonstrates when project construction will commence and complete. The programme may include interim construction milestones to demonstrate progress towards construction completion. (Including partial design submissions)	
		Additional evidence may be required to demonstrate sufficient project progression if the construction start date is more than 12 months after agreement of the construction plan. Where appropriate the plan should include: • Plant order placement dates. • ICP appointment. • Design submission dates (including protection and control schemes). • Construction commencement and completion dates (including critical path construction items). • Commissioning dates. • G99 compliance statement submission. • Details of any phased increases of capacity required	
M7. Project commitment	This milestone requires the customer to demonstrate that they have committed to the project.	 Order or contract for the plant Staged or full payment made to the network company A board paper from the customer evidencing final investment decision A subsidy award 	
M8.Project construction	Commence construction in line with date agreed in the Construction Plan (Milestone M6). Delivery and completion of the Customer works in accordance with the agreed Construction Plan including any interim construction milestones and the completion date.	Start of substantive works at the customer's project site. The customer must maintain clear progress as per the construction plan agreed with NGED, up to and including the completion of al customer works.	
M9. Construction completion	Completion of the milestone process	Requirements for all previous milestones have been met and sufficient evidence provided.	

4. Milestone Flow Charts

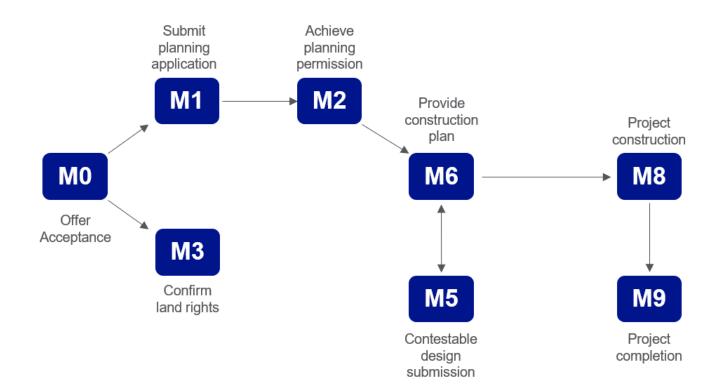
The flow charts below outline the different milestones connection projects are subject to based upon capacity. Included are the default timescales.

Milestones for Demand connections with a capacity up to 276kVA



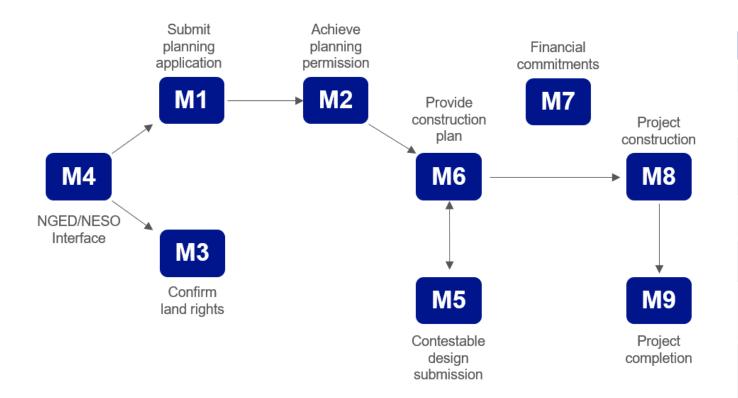
Milestone timeframes		
M3	2 months from offer acceptance	
M5	6 months from acceptance (CIC only)	
M8	12 months from acceptance for M8	
M9	12 months from completion of M8	

Milestones for Demand connections with a capacity over 276kVA



Milestone timeframes			
МЗ	2 months from offer acceptance		
M1	2 or 12 months from offer acceptance		
M2	12 months from completion of M1		
M6	6 months from completion of M2		
M5	6 months from completion of M2 or as agreed in M6		
M8 & M9	As agreed as part of M6		

Milestones for Generation connections requiring a Transmission impact assessment (TIA)



Milestone timeframes		
M4	24 months	
M3	2 months from completion of M4	
M1	2 or 12 months from completion of M4	
M2	12 months from completion of M1	
M6	6 months from completion of M2	
M5	6 months from completion of M2 or as agreed in M6	
M7, M8 & M9	As agreed as part of M6	

5. What happens if a milestone is missed?

The Milestones form the basis of queue management. If a customer is unable to evidence the reason for a missed milestone and/or the steps they are taking to meet it, to our reasonable satisfaction, their Connection Offer may be terminated. This would result in removal of the allocated capacity from any connections queue. Should a scheme be terminated customers are free to reapply for a new connection offer and queue position.

This approach ensures that capacity is fairly allocated and that early applicants cannot, post acceptance, delay connections in such a way that adversely affects other customers wishing to connect to the network.

If, as a result of missing their milestones, a customer has their connection offer terminated, they will need to make a new connection application if the connection is still required. Upon acceptance of the new Connection Offer, the connection queue position will be based upon the new application date, (i.e. once terminated a customer will not retain their original queue position). As a consequence, additional costs may apply if reinforcement work is subsequently required to provide the requested network capacity.

A connection customer may be able to move up within the queue because another project has had its offer agreement terminated. For example, it may be the case that this connection would cease to be dependent on reinforcement work as a result. In this case this customer's offer agreement would be varied to reflect this.

6. What if a delay is outside of the customer's control?

We accept that sometimes a development can be delayed due to reasons outside of a customer's control. Therefore, should a milestone be missed, we will provide the customer with fair opportunity to evidence that progression is being made towards continuing the development. Details of this process can be found in Section 6, Process for missed milestones below.

Examples of delays for which we may agree an extension of the milestones:

- Force Majeure: This is defined as an event or circumstance which is beyond the reasonable control of the customer and which results in or causes the failure of that customer to perform any of its obligations under the Agreement³;
- Planning appeals and third party challenges: Where a
 planning decision by the determining authority is challenged
 through a formal appeal process by the customer.
- Any delay which is caused by or is as a result of actions by NGED (e.g. the customer is awaiting a required input from NGED)

For an extension to timescales to be considered, the customer must comply with the following conditions:

- they discuss the specifics of the delay with NGED at the earliest opportunity; and
- they provide reasonable evidence to justify the specific delay

For the avoidance of doubt, a failure to comply with either of these conditions will be considered as a milestone failure and termination of the connection offer may follow.

If a customer can provide evidence of progression to our reasonable satisfaction we will amend the milestone target dates for the outstanding milestones within the Connection Offer. Please be aware that delays could have an impact on the connection charge.

³ Definitions are in the National Terms of Connection (http://www.connectionterms.org.uk)

7. Process for Missed Milestones

7.1. Missed Milestones: All Connection Types

Milestones form an integral part of the customer's Connection Offer and customers are expected to monitor their progress to ensure they are adhering to their contractual obligations. When a milestone is missed NGED will follow the process outlined below;

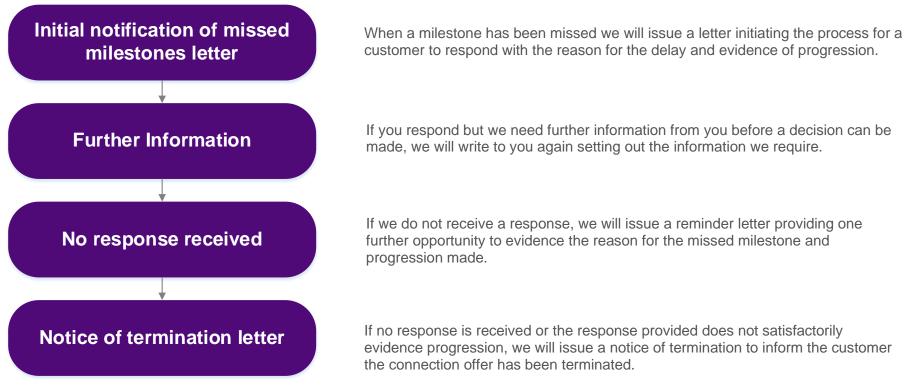


Figure 1: Process for missed milestones

If we receive satisfactory evidence at any stage throughout the missed milestones process, we will issue a variation to the Connection Offer, containing the details of any agreed revision to the milestones, connection charge and other associated changes necessary as a consequence of the delay. Failure to accept the variation will result in termination of the connection offer.

7.2. Missed Milestones Tolerance and Remedy

Until October 2025 the principle of Tolerance was applied to delays to connection offers. From 1st October connection offers will have the principle of remedy applied. This aligns with the approach taken to connections made to the transmission network.

For HV & EHV schemes, a higher number of milestones are applicable and the principle of tolerance is applied in parallel.

Tolerance is designed to allow customers to manage reasonable delays that are within their control and that often occur on these types of connections. It also provides an opportunity for customers to highlight any issues out of their control, provide reasonable evidence and discuss this with NGED.

For the earlier milestones the concept of 'Cumulative Delay' is applied. Any delays to each of these milestones (noted in the tables below) are summed and compared to the relevant total tolerance.

For the later milestones after a Construction Plan / Programme of Works has been agreed, the delay against the specific milestone is compared to the relevant tolerance period. Cumulative Delay is not applied to these later milestones.

Both approaches are outlined below. Please refer to the terms and conditions of your connection offer to confirm which approach will be taken for your scheme.

7.2.1. Remedy

Where a delay to a connection project due to the actions (or inaction) of the customer NGED will allow the customer time to rectify the issue. This is known as the Milestone Remedy Notice Period. Each milestone has a Remedy Notice Period of 60 calendar days.

When a milestone is missed NGED will classify the connection offer as 'Eligible for Termination' where:

- the Customer has not provided to the DNO the required evidence that a Milestone has been met; or
- the reason for delay has not been deemed outside of the customer's control; or
- the evidence provided is considered by the DNO to be insufficient.

If the above applies, then NGED will follow the process for missed milestones outlined above in section 7.1. Where the customer provides evidence that the milestone has been met during the Remedy Notice Period then the project status will revert to 'On Track'. The deadline for later milestones will run from the completion date.

7.2.2. Cumulative Delay Tolerances

Earlier Milestones

Project Voltage	Project status for milestones M1, M2, M3, M4 & M6 (Any delays against milestones are added to give a cumulative delay)		
	On Track	Within Tolerance	Termination
LV & HV	All milestones to date achieved without delay	Up to 65 working days cumulative delay (approx. 3 months)	More than 65 working days cumulative delay (approx. 3 months)
EHV & 132 kV	All milestones to date achieved without delay	Up to 130 working days cumulative delay (approx. 6 months)	More than 130 working days cumulative delay (approx. 6 months)
275 kV, 400 kV & offshore 132 kV	All milestones to date achieved without delay	Up to 260 working days cumulative delay (approx. 12 months)	More than 260 working days cumulative delay (approx. 12 months)

Individual Delay Tolerances: Later Milestones

Project Voltage	Project status for milestones M5, M7 & M8		
	On Track	Within Tolerance	Termination
LV & HV	All milestones to date achieved without delay	Up to 65 working days delay (approx. 3 months)	More than 65 working days delay (approx. 3 months)
EHV & 132 kV	All milestones to date achieved without delay	Up to 130 working days delay (approx. 6 months)	More than 130 working days delay (approx. 6 months)
275 kV, 400 kV & offshore 132 kV	All milestones to date achieved without delay	Up to 260 working days delay (approx. 12 months)	More than 260 working days delay (approx. 12 months)

Milestones form an integral part of the customer's Connection Offer and customers are expected to monitor their progress to ensure they are adhering to their contractual obligations. When a milestone is missed for the earlier Milestones cumulative delay will start to be accrued. For the later Milestones, cumulative delay does not apply.

Whether cumulative delay is applicable or not, there is a tolerance applicable which varies dependant on the voltage level, as illustrated in the above tables. When this tolerance is exceeded, NGED will initiate the missed milestones process, as outlined by figure 1.

Further Information

For any queries relating to the implementation of this document, please contact: nqed.connpolicysupport@nationalgrid.co.uk

