

Introduction

This document explains what Gate 2 outcomes mean for your project under the Connections Reform programme. It has been written in plain language and brings together information from NGED, NESO, and the approved reform methodologies. Gate 1 FAQs are in a separate dedicated document (link below)

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1.0 What is Connections Reform and why does it matter?

Connections Reform is the result of CMP435, which was approved by Ofgem on 10th June 2025. It requires project contracted at Transmission and Distribution to provide evidence showing readiness and strategic alignment to regional capacities. Only projects that are both ready and strategically aligned are given places in the queue (Gate 2). Other projects receive an indicative position only (Gate 1).

2.0 What is a Gate 2 Variation Offer?

A Gate 2 offer is a variation to your existing connection agreement. It updates your connection date, required works and costs to reflect NESO’s re-formed queue and transmission assessment.

Your original agreement is varied by the Gate 2 Variation, which constitutes your Gate 2 connection offer. It is not a brand-new contract, but a formal variation to your existing agreement which may update or confirm their contracted position.

If you do not sign and accept the Gate 2 offer (within 30 calendar days) or you reject the offer, the offer will be rescinded, and you will be issued a Gate 1 Notice. This period is to align with NESO specified timescales.

Please note that if a Gate 2 Variation Offer does not vary the existing contract you hold with NGED, you are still required to sign the Gate 2 Variation Offer within 30 days or you will be issued a Gate 1 Notice.

3.0 What is a Gate 1 Outcome?

If your project did not meet Gate 2 readiness and/or the strategic alignment criteria, it receives a Gate 1 outcome. Gate 1 provides indicative connection information only, with no confirmed connection date, capacity, works or costs and does not give you a place in the reformed queue. It is notable that if a Gate 2 Variation Offer is not timely accepted, a project will be relegated to a Gate 1 status. Gate 1 projects can reapply in future application windows (CMP 434) once they are ready and aligned. The future windows haven't yet been confirmed by NESO.

We have an additional set of FAQs specifically for Gate 1 – please see link <https://connections.nationalgrid.co.uk/asset/0/document/213040/nged-faqs-g1-on-queue-formation-march-2026-.pdf>

4.0 Understanding your Gate 2 Contract Variation Offer

4.1 What is the acceptance period for Gate 2 offers?

Gate 2 Variation Offers are issued with a 30-calendar day acceptance period at distribution level and cannot extend beyond this period as NGED must conform to NESO timelines.

4.2 Gate 2 offers and energisation

4.2.1: What if I receive a Gate 2 offer shortly before my site is energised?

A: We would recommend taking the following course of action:

- Review the Gate 2 variation offer carefully (connection works scope, programme, and costs) against your existing agreement.
- If you want to proceed to energisation, you will be required to sign and accept the Gate 2 offer within the acceptance period.

4.2.2: What if I am already energised (with a signed connection agreement) and then receive a Gate 2 offer?

A: If your project has already energised, your existing signed connection agreement remains in effect. If you have an energised project via technical limits, you will receive a Gate 2 variation offer, confirming the works, costs and dates associated with your firm connection.

4.3 What happens if I don't agree with the Gate 2 Variation Offer; what are my options?

Your Gate 2 Variation Offer reflects the outcome of the Gate 2 to Whole Queue assessment, where your project has met the required criteria and has been allocated a position in the reformed queue. The terms set out in the offer—including your connection date, scope of works, and costs—are based on this assessment and are not open to renegotiation.

You have 30 calendar days from dispatch of the offer to either accept it (by signing via DocuSign) or decline it. Not signing it timely shall be determined a declination.

If you accept, your project will secure its Gate 2 position in the reformed queue on the terms offered. If you do not accept within the 30-day period, the offer will automatically lapse, and your project will be relegated to Gate 1 status.

If your project moves to Gate 1, it will no longer hold a secured position in the Gate 2 queue. To progress again, you would need to submit a new application through a future application window, and your project will be reassessed in line with the prevailing queue criteria at that time.

If you have questions or require clarification on your offer, you should contact NGED as soon as possible—ideally within 5 days of receipt — at box.ConnectionsReformNGED@nationalgrid.com

While we will seek to clarify any points, your query does not serve to extend the acceptance deadline, and changes to the offered terms will only be considered where there is a clear and demonstrable error.

4.4 After I sign the Gate 2 Variation Offer, what options do I have (e.g., transferring the agreement or making a Modification Application)?

One option is novation (transferring your agreement to another entity). This must be discussed with NGED and would require NGED's agreement and signature to complete.

A second option is to request a change to your agreement in line with our '[allowable changes policy](#)'. Additional studies may be required and may be chargeable. Depending on the nature of the change, it may need to go through the Transmission Entry Assessment process at the next available CMP434 transmission window and assessed to determine if there is a transmission impact, before it can be confirmed. This may incur a mod app fee.

4.5 If I don't agree with the capacity MW as indicated in my Gate 2 Variation Offer what can I do?

As part of the Gate 2 evidence submission window in 2025, developers were required to confirm the capacity of the project they are seeking a Gate 2 Variation Offer for. Where NGED have had discrepancies through this process, we have worked with customers, NESO and NGET to fully align prior to the Gate 2 to Whole Queue process and the release of all Gate 2 Variation.

4.6 If Transmission or Distribution zone is say undersupplied i.e. solar by 80MW, can I get a Gate 2 Variation Offer instead of Gate 1 outcome?

If after the completion of the Connections Reform programme, a Transmission or Distribution Zone is undersupplied, this may mean that customers will be able to apply to fill the undersupplied capacity during the next CMP434 window. This is subject to confirmation of available capacities by NESO.

4.7 What changes are customers permitted to make after receiving a Gate 2 Variation Offer and prior to signing, specifically whether a customer can drop a technology at that stage?

Customers cannot remove a technology from their application after they have received a Gate 2 Variation Offer. If a customer wishes to remove a technology, they must submit a **non-gated Modification Application (Mod App)**, in line with the allowable changes policy. In the meantime, the customer will need to sign and return their Gate 2 Variation Offer first; once this has been accepted, they can submit the non-gated Mod App.

4.8 Are projects below 5MW included in the Gate 2 offers?

Projects below 5MW at Grid Supply Points that are not subject to fault level constraints are not included in Gate 2, this follows the approval of CMP 446 by Ofgem on 12th May 2025. For customers below 5MW at Grid Supply Points with no fault level constraints NGED are in the process of removing the need for a Transmission Entry Assessment and may set a revised connection date based on the Distribution reinforcements required and NGED delivery capability. However, if the project is located at a Grid Supply Point with an identified fault level constraint, then the Transmission Entry Assessment threshold is 1MW. These projects are required to go through the Connections Reform process. Projects holding a Bilateral Embedded Generation Agreement (BEGA) are assessed directly by NESO and will receive their Gate 2 Variation Offer from NESO.

4.9 Will Gate 1 and Gate 2 status be published on the Capacity Register or other public datasets?

NGED recognises the value of improved transparency for customers and developers. Industry parties are working to update the Electricity Capacity Register (ECR) to include fields reflecting Gate 2 outcomes. Please refer to the ClearView tool which gives a view of the queue which provides published anonymised post Connections Reform data. [National Grid - Clearview](#)

5.0 What are Protection Clauses?

Some projects qualified for protection under the reform rules (for example where they already hold planning consent or government contracts). These protections affected how projects were treated in queue formation but do not guarantee fixed costs. Transmission and Distribution works costs are subject to change.

Please see the NESO Connection Reform methodologies for further information on relevant protections: <https://www.neso.energy/industry-information/connections-reform>

5.1 Can protected projects request revised dates where delivery is no longer achievable?

Requests for revised dates will be considered where delays are directly aligned with those experienced because of Connections Reform. Where customers have requested revised connections dates, these have been assessed on a case-by-case basis, taking account of deliverability and the evidence provided. For 2026/2027 period, NGED has used the Request for Information undertaken in Q3 2025, applicable ENA guidance, and NGED delivery programmes to inform the connection dates listed in the Gate 2 Variation Offer, which where possible are aligned with customer delivery programmes.

5.2 Is our Point of Connection and Connection Date protected by the respective protection clauses allocated to customers?

Projects with protection clause 1 have both the Point of Connection and the Connection Date protected through the Gate 2 to Whole Queue exercise. Projects with protection clause 2a or those connecting under Technical Limits prior to the end of 2027 do not have their Point of Connection or the Connection Date protected.

6.0 Connection Dates, Milestones and Timeline-Phases

6.1 What information around the point of connection details will be provided to developers when in receipt of their full Gate 2 offer?

Your Gate 2 Offers will confirm the Point of Connection, other than where the Gate 2 Variation Offer is specifically for a Technical Limits scheme where the Point of Connection will be confirmed in the subsequent Gate 2 Variation Offer confirming the firm connection date and associated works and costs.

6.2 Why has my connection date changed or delayed since my original agreement?

Your connection date has changed in line with the newly formed queue as a result of the Gate 2 to Whole Queue Exercise as set out in the Connection Network Design Methodology. Connection dates may also have changed due to delivery timescales of the proposed Distribution or relevant Transmission works.

6.3 What are the timelines for when should I expect Gate 2 offers to be issued?

NESO's current programme indicates the following timelines:

- **All 2026/2027 protected offers** are expected to be issued by **end of May 2026**.
 - **All Phase 1 offers** are expected to be issued by mid-November **2026**.
 - **All Phase 2 offers** are expected to be issued by mid-March **2027**.
- Please note: These timelines align to the NESO Connections Reform Timeline and may change. NESO publishes the latest timeline on its website [here](#).

6.4 What if milestones have changed since my original agreement?

If you have received a new connection date in your Gate 2 Variation Offer, your milestones will be updated to align with that revised date and [NGED's published policy](#).

6.5 How are milestones determined and assessed?

Your Contracted Project Milestones will be updated to align with your revised connection date. Where delays are outside your control, NGED may treat these as exceptional issues where supported by evidence. If you do not meet milestones without justification, NGED may ultimately terminate the Agreement.

NGED will confirm whether each milestone has been met and whether sufficient progress has been made. You must provide supporting evidence as soon as practicable and no later than the milestone due date. You must also notify NGED promptly of any issue that may affect delivery and, where relevant, provide evidence that an exceptional issue applies. If evidence is missing or does not show the milestone has been met, NGED may classify the project as Eligible for Termination.

6.6 If I have met all milestones, why does my connection still have a 2035 Connection Date?

The project has been assessed through the Gate 2 to Whole Queue and has been placed into the reformed queue. This queue position drives the reinforcement works required to facilitate your connection.

7.0 Understanding the Costs in your Gate 2 Variation Offer.

7.1 What costs am I responsible for under Gate 2?

Under Gate 2, customers are responsible for costs associated with their connection, including:

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- their share of **Transmission Reinforcement Costs (NESO Total Works Charge and NESO Works Capital Contribution Amount)** and any relevant **Transmission One Off Works Costs** arising from the Gate 2 Variation Offer.
- Cost of **Non-Contestable Distribution Works** which is subject to cost apportionment (explained below)

7.2 What does “Cost Apportionment Factor” mean?

The **Cost Apportionment Factor** is calculated under NGED's Statement of Methodology and Charges for Connections. It determines the amount the customer must pay toward reinforcement of NGED's shared use distribution system.

7.3 Can the estimated costs change?

Yes. Transmission and distribution cost estimates are indicative and may change due to NESO updates (transmission only), inflation, market influences, changes in scope, or updated assumptions, in accordance with the agreement.

7.4 Could I become liable for the full cost of the transmission works?

Yes. If you are at a site where transmission works costs are shared, but no other Gate 2 projects remain, the remaining project may become responsible for the full cost of the transmission works required for its connection. However, if there are sufficient number of schemes that have fallen away which prompt consideration that works are no longer required, NGED and NESO can reassess the works required to facilitate the connection.

7.5 Can costs change after I accept the Gate 2 variation?

Both transmission and distribution costs are subject to change post Gate 2 variation based on detailed design, tenders and final project outturn costs. Neither are fixed costs.

7.6 What are transmission and distribution costs and can they increase?

Transmission pass through costs come from NGET and NESO for the transmission network. NGED costs are the Distribution costs associated with your connection.

- Both transmission and distribution costs may change after the Gate 2 variation, following detailed design, tendering and final outturn costs. These costs are not fixed.
- Under the “Pass-through of NESO requirements” clause in the Specific Conditions for Connection, you must pay your share of the application fees and works costs arising from the Gate 2 Offer, including the estimated NESO Total Works Charge.
- The amount shown in your Gate 2 offer is indicative only and may change.
- Final charges will be calculated based on your project circumstances and may reflect cost apportionment rules and other factors, in line with the connection charging methodology.

7.7 How are transmission reinforcements assessed?

Transmission reinforcement works are assessed by NESO based on the contracted connections that exist at the time of the assessment, using the modelling assumptions and information available at that point.

7.8 Can the scope of transmission works change after my assessment?

Yes. The scope of required transmission works may change if the background of contracted connections changes or if NESO updates its modelling assumptions.

7.9 Can the estimated total reinforcement works charge change?

Yes. Because the scope of works may change, the estimated total works charge may also increase or decrease over time. Detailed design, consents and competitive tenders can also impact this cost.

7.10 Why are costs invoiced in advance?

NGED invoices customers in advance to align with NESO’s invoicing schedule and ensure that transmission works can proceed without delay.

Without prejudice to any other rights and remedies which NGED may have, if the Customer fails to pay NGED any invoice when due, NGED may, at its absolute discretion, charge interest at a rate of 5% over the Bank of England base until it receives full payment of such invoice in cleared funds from the Customer.

8.0 Securities, Cancellation Charges and Fees.

8.1 What are securities and cancellation charges, and how are they calculated?

Securities and cancellation charges stem from CMP192 and are codified in CUSC Section 15. They are applicable for projects with attributable transmission reinforcement works required for the connection. Customers are required to place **securities** (for example, cash, a letter of credit, or a parent company guarantee) bi-annually to cover the relevant spend over that period of time for your connection. **Cancellation charges** come into play if projects terminate, reduce capacity, or materially change your project after spend has been incurred. Please see CMP192 for further information.

Please note that if you do not sign and accept your Gate 2 Variation Offer you will be issued a Gate 1 notification and cancellation fee will not apply in that instance however if you sign the Gate 2 Variation Offer and then terminate, cancellation fees will be applicable.

8.2 What happens if I do not provide the required security?

NESO pass through the security requirement for the next 6month period directly to NGED. Failure to place full securities prior to the next relevant period may result in termination and the relevant liabilities being invoiced.

8.3 Are cancellation charges incremental as projects progress through milestones?

Cancellation charges increase as projects progress and as committed system investment increases, in line with NESO's methodology. The securities however could decrease over time, due to the fact that the risk of project cancellation reduces as the project progresses. Further information on Transmission securities and Cancellation Charges are available [here](#).

9.0 Technical Limits.

9.1 When will customers with existing Agreements receive updated agreements?

Customers with existing Technical Limits agreements connecting prior to the end of 2027 will receive a Gate 2 Variation Offer specifically for the Technical Limits scheme prior to the end of May 2026. There will be a further Gate 2 Variation Offer following in line with the firm connection date phase. Projects with existing Technical Limits connection dates post 2027 will receive their updated Gate 2 Variation Offer in line with the firm connection date phase as notified in December 2025.

9.2 Will new Technical Limits applications be possible during the reform period?

New Technical Limits offers are paused during the reform programme. New Technical Limits offers can be issued once all Gate 2 offers have been issued and DNOs are able to review attrition levels, at which point new Technical Limits contracts may be offered.

9.3 When will the DSO Curtailment Tool be formally released and will its methodology be published?

The Curtailment Tool was released on 31st March 2026. You can access the tool here: <https://curtailment.nationalgrid.co.uk/sign-in>

9.4 Can I continue to connect under my existing 'Technical Limits' before receiving my firm Gate 2 offer?

Projects with a Technical Limits offer may continue to build and connect on a non-firm basis under their existing contract while they await an updated Gate 2 Variation Offer. Where construction is already underway, connection dates are anticipated to be honoured; for other projects, milestones may be adjusted to reflect engineering deliverability. Customers should review their business case and proceed at their own risk.

9.5 Will tech limits projects take capacity away from projects waiting to connect?

No. In this respect tech limits accelerated projects don't take capacity; they optimize capacity that is already allocated. Capacity is achieved through reinforcement that happens later.

10.0 Getting Help, Queries and Complaints

For questions about your NGED agreement or variation, contact: box.ConnectionsReformNGED@nationalgrid.com.

For NESO decisions, contact NESO via their portal or box.connectionsreform@neso.energy. Formal complaints must follow NGED and NESO processes before referral to Ofgem and this process can be started via our reform inbox above.