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30 April 2024

Peter Bingham  
Director, Strategic Planning, Engineering and Technology  
Ofgem  
10 South Colonnade  
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Dear Peter,

**Update on reform to the electricity connections process following proposals from the ESO**

We support the Electricity System Operator's (ESO's) proposals to introduce a new policy for allocating connections queue position – the subject of your 19 April open letter. Ofgem presents a reasonable summary of the proposal, its value to the overall objective and the justification for its deployment. In this response we are adding some DNO-specific perspectives as additive and complementary points to the Ofgem position.

A key strength of the proposals for changing the queue position allocation policy (known as TMO4+) are that they apply to parties connecting at both transmission and distribution. Consistency and alignment of approaches is an important principle to avoid the situation where customers are receiving different treatment or perceptions are created of winners and losers as a result of the point of connection.

We anticipate that most value will be achieved at the transmission level. The criteria being set to satisfy gate 2 allocation of a queue position should be inherently more straightforward for a smaller footprint distribution connection compared to a larger transmission connection that may involve more landowners. Given that DNOs have been asking for Letters of Authority (LOAs) for some time, our customer base will already be some way into agreeing the Land Rights if not already done. In its retrospective application, we anticipate that the customers with viable business cases for projects should have little difficulty in obtaining the required legal land rights so that they maintain their position in the connections queue rather than be moved to gate 1.

For future project applications the implementation of these requirements will introduce an important hurdle to avoid highly speculative projects from getting in the way of those ready to connect. It sends out all the right messages and complements the rest of the work being done by Northern Powergrid and

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others. It is essential for effective progress to reduce the queue length and that we continue to deliver these other initiatives and Connections Action Plan actions. Ofgem is right to reference it is the wider set of actions that will deliver the required outcomes as opposed to TMO4+ (or any other action) on its own.

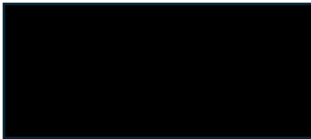
In line with CAP action 3.5 we will continue to develop new data and processes to support connections reform. In addition to our own initiatives, developed in association with our customers, we will continue to engage fully with the collaborative work being undertaken by the ESO and all networks to accelerate connections lead times for those customer projects that are ready to connect.

In annex B of your letter, Ofgem sets out its numbered expectations for how the proposal is developed and decided upon. As a DNO delivering our customers we expect to be most engaged with:

- 4 – consultation with all parties – networks and customers;
- 6 – developing and implementing the plan – including code change processes; and
- 8 – prepare for and manage the reforms – ensuring appropriate processes and communicating effectively with our customers.

Please make contact if there is anything in this letter for which you would appreciate a deeper insight.

Yours sincerely,



**Director of Energy Systems**