Consultation: TMO4+ Connections Reform Proposals – Code Modifications, Methodologies & Impact Assessment

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We[1] are consulting on proposed changes to the regulatory framework to implement connections reform, specifically the National Energy System Operator's ('**NESO**') Target Model Option 4 ('**TMO4+**') reforms of the electricity connection process.

Altogether, the reform package comprises of:

- electricity Standard Licence Condition changes
- industry code modifications
- Connections Methodologies, established under the NESO licence
- Impact Assessment

This document:

This document is intended to provide an overview of the TMO4+ reform package.[2] It invites responses to our Minded-to Decisions on the industry code modifications and Connections Methodologies, and on the findings of our Impact Assessment. The Minded-to Decisions and Impact Assessment are presented in separate documents, which should be read alongside this document.

[1]References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work.

[2] "TMO4+" and "TMO4+ reform package" are used interchangeably throughout this document and refers to the entire package, including the code modifications CMP434, CMP435, CM095, and the three Connections Methodologies: Gate 2 Methodology, Connections Network Design Methodology, and Project Designation Methodology.

We particularly welcome responses from parties affected by these proposals, including regulated parties (i.e. licensees) such as network companies and the NESO, as well as connecting customers at all voltage levels. We would also welcome responses from other stakeholders, including civil society and members of the public.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive, alongside the final decisions on the TMO4+ reform package, on our website at ofgem.gov.uk/consultations. If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

Separate consultation on licence changes:

Concurrently, we are also consulting on modifications to the Transmission, Distribution and Electricity System Operator licences that we consider necessary to embed obligations on licensees to perform their duties in a way that supports the connections reform process. Details of this can be found in a separate document entitled "Statutory Consultation on TMO4+ Reform related Modifications to Standard Licence Conditions".

Summary:

The complete package of documents we are publishing today is comprised of:

- this overarching document, which includes consultations on our Minded-to Decisions on the code modifications and Connections Methodologies
- our statutory consultation on licence changes
- our Minded-to Decisions on the code modifications and Connections Methodologies
- our Impact Assessment

Any enquiries related to the text of this publication should be sent to Ofgem at:

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Contents

1. Executive Summary

1.1. Waiting times in the electricity connections queue are too long, the connections rate is too slow, and the mix of generation/storage projects in the queue is misaligned with system need and is far in excess of what is needed under future demand scenarios. This is leading to inefficient network planning and risking the confidence of existing investors. New connection offer dates for generation and demand are now extending into the 2040s, reducing new investors' confidence in the connections process.

1.2. Through publication of the Clean Power 2030 Action Plan ('**CP2030 Action Plan'**),[3] the Government has outlined its intention to accelerate decarbonisation of electricity generation to achieve 95% carbon-free electricity by 2030, which the Government sees as key to accelerating to a net zero UK economy by 2050. The Government has set out a clear view of the future energy mix to 2030 and 2035, and made clear that "fundamental reform of the connections process is critical and urgent" and that without it, the projects needed to achieve Clean Power by 2030 will not connect on time.[4]

1.3. Ofgem's principal objective is to protect the interests of both current and future consumers, which includes their interests in the Secretary of State's compliance with the duties in sections 1 and 4(1)(b) of the Climate Change Act 2008 (net zero target for 2050 and five-year carbon budgets). It is our assessment that the NESO[5]-led connections reform programme (**TMO4+**) is consistent with that principal objective by, amongst other things, enabling work to rapidly decarbonise the energy system efficiently - in a manner that avoids an unnecessary overbuilding of the network at additional cost to consumers. We also recognise that decarbonisation increasingly insulates GB electricity

[3] Clean Power 2030: Action Plan: A new era of clean electricity
[4] See p. 65 of the Clean Power 2030 Action Plan, link above

[5] On 1 October 2024, National Grid Electricity System Operator (NGESO) was transitioned to the publicly owned National Energy System Operator (NESO). We refer to NESO in these documents for consistency but references to actions taken before 1 October 2024 should be read as NGESO.

consumers from the future risk of further fossil fuel driven price spikes and enhances security of supply and contributes towards sustainable development.

1.4. Furthermore, Ofgem must carry out its regulatory functions in the manner it considers best calculated to further the delivery of government policy outcomes set out in the Strategic Policy Statement ('**SPS'**).[6,7] One such policy outcome is the "significant and urgent reform of the electricity connections process so that new generation and demand projects critical to net zero can connect to electricity networks in a cost-effective and timely manner, meeting the needs of connection customers and the energy system as a whole."

1.5. We are minded-to consider that the approval of the package of reforms would be proportionate generally and consistent with our obligations under section 6 of the Human Rights Act 1998, particularly with regard to the right to peaceful enjoyment of possessions. Our current view is that the proposals are a necessary and proportionate means of seeking to address the issues outlined in this document. That is so, having regard to the seriousness of those problems, the strong public interest in addressing them and the advantages of those the proposals over other available options as an effective means of doing so. We are minded to consider that a fair balance would be struck between the relevant interests involved.

1.6. While action has been taken over the last 18 months to address the oversubscription of the connections queue, the influx of very large numbers of new projects seeking connections, combined with Government's newly confirmed position, mean that fundamental reform of the connections process is urgently needed to accelerate the rate of connections, and to support delivery of the CP2030 Action Plan.

1.7. The TMO4+ reform package would enable a new connections process that reforms the existing queue to prioritise those projects that are 1) 'ready' and 2) 'needed' under the CP2030 Action Plan,[8] and would deprioritise those that do not meet those criteria. Those deprioritised projects can then reapply in future

[6] Strategy and Policy Statement for Energy Policy in Great Britain. See p. 15.
[7] See s132 Energy Act 2013
[8] In addition to alignment with the CP2030 Action Plan capacities, NESO's proposed Gate 2 Methodology sets out Strategic Alignment Criteria that includes designation and 'protections' for certain projects.

once they consider they do meet the criteria. New projects applying to join the connection queue would also need to meet Readiness Criteria and Strategic Alignment Criteria to be eligible for a Gate 2 offer and join the Gate 2 connections queue.

1.8. If approved, the reforms would lead to the creation of a rationalised connections queue, aligned with the CP2030 Action Plan. There are three key features of this:

- **Viability** – by prioritising 'ready' projects, the confirmed queue is made up of projects that are demonstrably viable and well progressed (having land rights and sufficiently progressed their planning status).
- **Needed** – projects that meet the CP2030 Action Plan, and any future strategic alignment criteria set by the Government, can more confidently retain or obtain confirmed terms and a queue position.
- **Efficiency** – the right mix of projects in the confirmed queue is preserved, with projects that drop out being replaced by projects with the same technology.

1.9. We consider this would lead to two key benefits (further benefits are highlighted throughout this package of documents):

- **More efficient network planning** – Network companies[9] would have clarity on the projects that are 'ready' and 'needed' for the 2030 and 2035 pathways as defined in the CP2030 Action Plan.[10] This would lead to more efficient network planning and build, with an estimated saving of £5 billion of notional investment costs for network build which may no longer be required. More focused, efficient network build mitigates network costs ultimately payable by consumers, and should better enable timely delivery.
- **Increased investor confidence** – New entrants would have a clear signal about what to invest in and where to locate. This should support economic growth; investors would better focus their resources on the projects that are needed by the system and allow these projects to be realised sooner.

[9] By "network companies" we mean, together, the Distribution Network Operators (DNOs) and the Transmission Owners (TOs)

[10] We intend to further complement this through our ongoing end to end review of connections incentives and obligations (Connections end-to-end review of the regulatory framework | Ofgem), and through appropriate design of the RIIO-T3 price controls, to ensure the necessary network is built to deliver the rationalised queue on time.

Existing projects with firm "Gate 2" offers should have increased confidence that the required network will be built and their project will be able to connect on time.

1.10. We expect this in turn to lead to a key outcome of the reforms; the timely delivery of **connections for projects aligned with the CP30 Action Plan**. Efficiently prioritised connections means that viable projects are able to connect sooner (than would otherwise have been the case), where the system needs them, without unnecessary cost to consumers. This should better enable the efficient realisation of the CP2030 Action Plan capacities for 2030 and 2035, thereby accelerating the reduction of our reliance on fossil fuels, improving security of supply and protecting consumers from exposure to any future gas price spikes.

1.11. The process would also enable the **timely connection of demand** projects (which are all automatically deemed as 'needed') in the queue. The ability to access the power system is a fundamental interest of electricity consumers, and this coupled with the faster connection of electricity generation investment, has the potential to support economic growth.

1.12. Finally, these proposals would also deliver wider benefits. These include lowering consumer bills through cheaper generation, and reduced system costs both through avoided network build and reduced constraint costs.

Next Steps

1.13. This consultation will remain open for four weeks, until 5pm on 14 March 2025. All feedback received will be analysed and will inform Ofgem's final decisions on the TMO4+ proposals. Final decisions by the Authority are expected to be taken by the end of Q1 2025 (or as soon as possible thereafter) and will be published on Ofgem's website.

2. Introduction

Current Electricity Connections Process

2.1. The current connections process operates on a first come first served basis, where users that apply to connect to the electricity system (either the high-voltage transmission system or the distribution system), are prioritised based the date their offer is accepted.

2.2. In November 2023, Ofgem and DESNZ published our joint Connections Action Plan (**CAP**)11. This set out a framework of actions and further ambitions needed to tackle the growing delays customers are experiencing when seeking network connections.

2.3. The current connections process is presenting the following four problems:

- **Unrealistic connections queue**: The connections queue has grown at pace. Across transmission and distribution, 233GW of new connection applications were made in the 2019/20 financial year, compared to 445GW of new connection applications made in the 2023/24 financial year. The queue now contains far more generation capacity than required to achieve Clean Power by 2030 and net zero, and contains projects that are not progressing to connection. The size of the queue and the current process means that non-progressing projects are preventing viable, needed projects from being able to progress, and new ready projects cannot connect in a timely manner.
- **Queue misaligned with Clean Power and Net Zero**: If, albeit unlikely, the full queue met readiness criteria, all technologies would have more capacity in the queue than is required by 2035 in the CP2030 Action Plan (although low-carbon dispatchable power would be under-supplied for the 2030 period). If the readiness criteria was only satisfied by those projects identified as such in the NESO'S Request For Information (**RFI**), there would be an undersupply of onshore wind, offshore wind, and low carbon dispatchable generation.

[11] Connections Action Plan: Speeding up connections to the electricity network across Great Britain

- Easier to develop technologies, such as batteries and solar, are significantly oversupplied and exceeding the capacities in the CP2030 Action Plan and these projects hold network capacity and queue positions. The consequence is that the current process appears to block under-supplied technologies from connecting in time and does not allow the acceleration of key technologies if specific gaps emerge (for example, because a specific project drops out or a specific security need is identified). There is, moreover, a broader risk that the connections needed for 2030 and beyond cannot be delivered at the desired rate, due to the impact of the current queue on network build, putting secure Clean Power by 2030 at risk.
- **Unclear network build signal**: The long connections queue is driving the need for significant new network to be planned (and consequently receiving connection dates in the late 2030s and early 2040s). Under the current process network companies must plan for these connection works, even if misaligned with what they are planning for the wider network. If this rate of build were achieved, the costs would be material and have a high risk of being materially inefficient. In practice, networks recognise this risk, but as a consequence, both the queue size and misalignment with decarbonisation targets is creating considerable uncertainty for networks over what to build. This is resulting in a growing disconnect between contracted capacity and wider network build plans. The current rate of connections to the network is far lower than the rate of growth of the queue, and there is considerable investor uncertainty over whether their connections dates would be delivered by network companies. In our view, it is likely unrealistic that networks could connect all the projects currently contracted to connect by their connection date.
- **Reduced investor confidence**: New generation and storage are receiving offers well into the late 2030s and 2040, pushing any possible investment years into the future. Most existing connection contracts are closer in time, however there is a risk that these contracts are based on unrealistic network plans and would require a rate of network delivery far above the current connections rate. Furthermore, NESO and network companies have the contractual abilities to change connections dates. All of these issues undermine confidence in connection agreements and ultimately investment.

Directly connected transmission demand, representing key energy consumers and in some cases key contributions to economic growth, face similar delays and risks in gaining access to the network, which in some cases deters investment in expansion of existing or brand-new industrial sites.

2.4. The overall result of this status quo connections approach is long connection dates for all new projects including necessary generation/storage technologies or important demand, and an insufficient number of projects connected annually due to unclear signals on what network is genuinely required to accelerate connections. The current connection rate is 3-4 times slower than the rate needed to connect the capacities in the CP2030 Action Plan. The current process is not one that will credibly achieve efficient and secure Clean Power by 2030, and materially risks acting as a handbrake on economic growth.

Actions Taken[12]

2.5. In response to these issues, DESNZ and Ofgem published a joint Connections Action Plan ('**CAP**')[13] in November 2023. The CAP contains short-term actions as well as longer-term goals.

2.6. The short-term objectives especially relevant to the connections process were:

- raise entry requirements to ensure projects applying have begun progressing their projects at point of application;
- remove stalled projects ("zombie" projects); and
- better allocate available network capacity for new and existing capacity by moving to a first-ready, first-connected process.

2.7. The CAP also laid out actions to better utilise existing capacity and improved data and processes.

2.8. In the longer-term, the CAP sought to ensure that the connections process is aligned with strategic plans and market reforms, notably the Strategic Spatial

[12] Please refer to appendix 2: Connections process timeline for more details of actions taken to date to address the connections problem
[13] Connections Action Plan: Speeding up connections to the electricity network across Great Britain

Energy Plan ('**SSEP**'), which will lay out, at a high level, where generation assets should optimally be located to meet demand and the 2050 forecasts.

2.9. The CAP was also accompanied by the introduction of a new Ofgem-chaired Connections Delivery Board ('**CDB**'), an industry and government wide taskforce to provide strategic direction and accountability, track progress against targets, and mandate further actions as required.

2.10. Some of the key achievements of the CAP at transmission level include:

- a new requirement for connection applicants to submit a Letter of Authority with any new onshore transmission connection application, thereby raising entry requirements;14 and
- the introduction of Queue Management Milestones and the ability for NESO to terminate connection agreements where milestones are missed by customers, via CMP376, targeted at speculative and slow progressing projects.[15]

2.11. While these measures are having, and will continue to have, a positive impact, more comprehensive improvement is needed to achieve a fit-for-purpose connections process in time to deliver the CP2030 Action Plan and net zero.

Developing a New Connections Process

2.12. Despite the actions outlined above, and other measures outlined and progressed through NESO's 5-point plan[16] and ENA's 3-point plan[17] to speed up connections, it was identified that further measures were required. In our open letter of May 2023,[18] we set out the policy objective to develop a new connections process that would result in connection offers, at both transmission and distribution, with shorter average connection dates, which better meet customers' needs, and enable a timely transition to net zero.

2.13. In June 2023, NESO consulted on multiple designs for a new connections process to meet this objective.[19] The options considered, but not taken forward

[14] CMP427: update to the transmission connection application process for onshore applicants | Ofgem
[15] CMP376: Inclusion of Queue Management process within the CUSC | Ofgem
[16] Our five-point plan | National Energy System Operator
[17] Energy networks launch action plan to accelerate grid connections – Energy Networks Association (ENA)
[18] Open letter on future reform to the electricity connections process | Ofgem
[19] ESO - Connections Reform - Consultation - June 2023

as it was determined that they did not best enable quicker and more efficient connections dates and support Government ambitions to meet net zero by 2050, were:

- TMO1: '*Status Quo Plus'*, an updated version of the current process with a single stage gate process with application entry requirements.
- TMO2: '*Gated Process without application windows'*, the introduction of a second gate to the current process.
- TMO3: '*Gated Process with a mid window'*, a gated process with an application window leading up to a second gate for providing firm connection offers, but for projects that submitted planning consents and other priority projects.

2.14. In December 2023, NESO published their Final Recommendation Report[20] which recommended that Target Model Option 4 ('**TMO4**') be pursued as the new model for the connections process. TMO4 was based on a 'First Ready, First Connected' principle. It proposed two formal gates known as "Gate 1" and "Gate 2" that new applicants could apply to enter:

- "**Gate 1**" - would provide connection offers with indicative terms, conditional on a project demonstrating 'readiness', and would be based on a co-ordinated network design connection date.
- "**Gate 2**" – would provide connection offers with confirmed terms for projects that had demonstrated 'readiness'.

2.15. NESO further developed these proposals and provided an update in April 2024.[21] In line with the CAP ambition to go further and address the *existing* queue, if necessary, to maximise effectiveness, NESO's updated proposals recommended that the Gate 2 Readiness Criteria also be applied to the existing queue, meaning existing projects in the queue would be required to demonstrate readiness to retain a confirmed or Gate 2 contract. NESO's main justification was that, given the queue was continuing to grow so fast, applying the reforms to new applications only would not accelerate connection dates in the manner

[20] Connections Reform - Final Recommendation Report - December 2023
[21] ESO - GB Connections Reform - Update on implementation of reformed connections processes - April 2024

needed to deliver on NESO's objectives or the objectives of the CAP, and NESO's view was therefore that significant action was required across the whole of the current queue to enable viable, net zero aligned projects to be connected more quickly. This new proposal became known as Target Model Option 4+ ('**TMO4+**').

2.16. We published an open letter in April indicating our support for the development of these proposals.[22] NESO then raised code modifications in April 2024 to begin the formal process of development of TMO4+.

2.17. In May 2024, NESO issued a Request For Information ('**RFI**') to developers to better understand the readiness status of projects in the queue to inform their TMO4+ proposals. The results showed that, while the TMO4+ proposals would likely reduce the size of the queue significantly, potentially leaving a queue of approximately 409GW across transmission and distribution, the anticipated reduction would not be sufficient, with a queue size far in excess of projected system need, and would be unlikely to deliver a technology mix that aligns with what GB is forecast to need to deliver a secure, clean energy system in 2030 or even 2050 based on NESO's Future Energy Scenarios (FES).[23]

2.18. Therefore, at the CDB in July 2024, it was agreed that NESO would undertake further assessment and development of the TMO4+ proposals to determine whether filtering the queue by readiness alone was enough to meet the objectives set out in the CAP.

Clean Power 2030 Action Plan

2.19. In August 2024, DESNZ commissioned NESO to advise the Government on credible pathways to achieving Clean Power by 2030, including consideration of further criteria that could support connections reform.

2.20. On 13 December 2024, after analysing the advice from NESO, the Government published their CP2030 Action Plan to achieve at least 95% of GB's electricity generation from Clean Power by 2030.[24] The CP2030 Action Plan set out

[22] Open letter - Update on reform to the electricity connections process following proposals from the ESO
[23] Future Energy Scenarios (FES) | National Energy System Operator
[24] Clean Power 2030 Action Plan - GOV.UK

required connected capacities of generation and storage (some at the regional level) to 2030, and indicative technology capacity ranges to 2035.

Proposed Electricity Connections Model - 'Ready' and 'Needed'

2.21. Development work undertaken as part of the TMO4+ proposal process, as well as the RFI analysis, identified that the outcome of focusing on 'ready' projects alone would result in a queue that was misaligned with future energy needs. The new Clean Power by 2030 Government ambition and the associated Action Plan provided granular clarity on the technology mix that the connections regime should deliver. This enabled the design of the proposals to be adapted to bring forward the long-term objective within the CAP of aligning the connections process with strategic planning (the CP2030 Action Plan in the first instance and later, the SSEP), in order to create a streamlined queue aligned with GB's energy system needs.

2.22. Recognising this changed context, in our open letter of September 2024, we stated that it was critical that the opportunity was taken now to ensure the alignment between connections and the strategic planning of the GB energy system, and that this alignment should be incorporated into the TMO4+ proposals that NESO was developing.[25] The aim was to achieve a connections process that focused on projects that are sufficiently ready and that are needed by the energy system, in effect bringing forward the longer-term goal of aligning with strategic planning.

2.23. The letter also signalled our intention to propose changes to the regulatory framework to accommodate an updated connections process comprising licence modifications which, amongst other things, would require Ofgem approval of methodologies (which were specifically intended to set out the more granular aspects of an updated connections process).

2.24. NESO then further consulted on the detailed design of TMO4+ in November 2024, including draft versions of the Connections Methodologies.[26] Following this consultation NESO then submitted their final TMO4+ proposals on 20 December

[25] Open letter on the reformed regulatory framework on connections
[26] Connections Reform | National Energy System Operator - see "Phase 3: Consultation documents"

2024 to Ofgem for approval, contingent also on Ofgem deciding to make the relevant licence modifications.[27]

2.25. Concurrently, on 27 November 2024, Ofgem consulted on potential licence modifications that would be needed to facilitate implementation of the TMO4+ proposals.[28] The consultation closed on 6 January 2025. Our response to that consultation can be found in a separate document entitled "Statutory Consultation on the Modifications to Standard Licence Conditions".

2.26. Altogether, the TMO4+ reform package comprises of the following. More detail on the design is included in Section 3 below:

- electricity Standard Licence Condition text changes;
- industry code modifications; and
- the introduction of the Connections Methodologies established under the NESO licence.

Ofgem's Statutory Duties

2.27. Ofgem is required to act in accordance with its principal objective and other statutory duties when exercising its regulatory functions in relation to the connections reform package. In reaching this minded to set of decisions Ofgem has had regard to each of its various statutory duties. A non-exhaustive summary of the relevant provisions is included below.

The principal objective

2.28. The Electricity Act 1989 ('**EA89**'), section 3A, outlines the principal objective of the Authority, which is to protect the interests of both current and future consumers in relation to electricity conveyed by distribution and transmission systems. Section 3A provides that those interests are their interests as a whole and include, but are not limited to, their interests in the Secretary of State's compliance with the duties under sections 1 and 4(1)(b) of the Climate Change Act 2008 (net zero target for 2050 and five-year carbon budgets);[29] and their interests in the security of the supply of the electricity to them. Another

[27] Connections Reform | National Energy System Operator – see "Connections Reform Methodologies"
[28] Proposed licence changes to enable TMO4+ Connections Reform | Ofgem
[29] The Clean Power 2030 Action Plan states it "paves the way to decarbonising the wider economy by 2050" and "will help us meet Carbon Budget 6."

significant aspect of consumer interests would be the costs faced by consumers, for example, in respect of the funding (through network charges) of relevant network expenditure to facilitate connections.

2.29. Section 3A also provides that the Authority will carry out its functions in the manner it considers is best calculated to further the principal objective, wherever appropriate by promoting effective competition[30] and in so doing will have regard to the need to secure that all reasonable demands for electricity are met, the need to secure that licence holders are able to finance their licensed activities, and the need to contribute to the achievement of sustainable development.[31]

2.30. The Authority will (subject to certain matters, including its duty under section 132 of the Energy Act 2013 – see below) carry out its functions in the manner best calculated to promote efficiency and economy on the part of persons authorised by licences or exemptions to distribute or participate in the transmission of electricity and to coordinate and direct the flow of electricity over transmission systems. It will also carry out its functions in the manner best calculated to secure a diverse and long-term energy supply. In doing so it will have regard to the effect on the environment of activities connected with the generation, transmission, distribution of supply of electricity.[32]

2.31. The Authority will also have regard to the principles under which its regulatory activities should be transparent, accountable, proportionate and targeted only at cases where action is needed.[33]

Ofgem's duties in relation to the SPS

2.32. Section 131 of the Energy Act 2013 ('**EA13**') allows the Government to designate a Strategic Policy Statement ('**SPS**') setting out the "strategic priorities" (and other main considerations) of the government in formulating its energy policy for GB, and the particular outcomes to be achieved as a result of implementation of that policy (the "policy outcomes"). Under section 132 EA13, Ofgem must have regard to the strategic priorities set out in the SPS when

[30] Section 3A(1B) of the EA89
[31] Section 3A(2)
[32] Section 3A(5)
[33] Section 3A(5A)(a)

carrying out its regulatory functions and further, must carry out those functions in the manner which it considers is best calculated to further the delivery of the policy outcomes in the SPS (subject to the application of Ofgem's principal objective).

2.33. In My 2024, the Secretary of State designated the SPS.[34] The SPS includes (amongst others) the following policy outcomes:

"*Network regulation, including the appropriate use of competition, that enables the accelerated delivery, ahead of need, of electricity network and storage infrastructure to accommodate rapidly expanding and variable renewable generation capacity and demand from low carbon technologies*.'

"*Significant and urgent reform of the electricity connections regime so that new generation and demand projects critical to net zero can connect to electricity networks in a cost-effective and timely manner, and in a way that meets the needs of connection customers and the energy system as a whole*."[35]

2.34. The SPS also provides that:

"*Ofgem should work with ESO/NESO, industry partners and government to urgently address barriers to the efficient and timely connection of new low carbon generation and demand projects critical for net zero to the electricity network. This includes accelerating and significantly reforming the connections process and acting to address current delays, ensuring that connection costs are proportionate, and all network companies deliver strong and consistent customer service.*"

Ofgem's Growth Duty

2.35. Section 108 of the Deregulation Act 2015 requires Ofgem to have regard to the desirability of promoting economic growth. In particular, Ofgem must consider the importance for the promotion of economic growth of exercising its regulatory functions in a way that ensures that regulatory action is taken only when it is needed and that any action taken is proportionate.

[34] Strategy and policy statement for energy policy in Great Britain - GOV.UK

[35] Ofgem has also recognised connections reform as an objective in our Forward Work Programme 2024/2025 and Multi Year Strategy (See Objective 9 Forward Work Programme 2024/25 and Ofgem's multi year strategy).

Public Sector Equality Duty

2.36. Under section 149 of the Equality Act 2010, public authorities, including Ofgem, are required, in carrying out their functions, to have due regard to the statutory equality objectives set out in that section.

Interference with property rights

2.37. The Authority also has an obligation under section 6 of the Human Rights Act 1998 to act in a way that is compatible with Convention rights, including the right to peaceful enjoyment of possessions.

Other relevant considerations

2.38. In addition to Ofgem's statutory duties, we also consider it appropriate to have regard to relevant statutory obligations placed on the NESO, TOs and DNOs as summarised below.

2.39. **NESO**: the Energy Act 2023 outlines the functions and objectives of the NESO.[36] In particular section 163 provides that NESO must carry out its functions in the way it considers is best calculated to: (a) enable the Secretary of State to meet the net zero 2050 target and five-yearly carbon budgets ("the net zero objective"); ensure the security of supply, to existing and future consumers, of electricity conveyed by distribution and transmission systems (the "security of supply objective"); and (c) promote efficient, co-ordinated and economical systems for the distribution and transmission of electricity and efficiency (including the efficient use of energy) and economy on the part of persons carrying out certain relevant activities, including electricity generation, transmission and distribution (the "efficiency and economy objective").

2.40. **TOs and DNOs**: section 9 EA89 details the general duties of licence holders, including TOs and DNOs. It provides they are under a duty to develop and maintain efficient, coordinated, and economical systems of electricity transmission or distribution, as applicable. Sections 16 to 23 EA89 also specifically deal with the duties of DNOs, including their duty to connect and exceptions to that duty.

[36] The legislation refers to the Independent System Operator (ISOP). NESO was designated as the ISOP on 1 October 2024.

2.41. We consider that the existing statutory and regulatory framework would enable the reforms to be adopted and implemented lawfully and effectively. However, we cannot exclude the risk of legal challenge. If we ultimately proceed with the reforms and such a challenge arises we will consider any specific points it raises carefully. However, we welcome DESNZ's public commitment to the reforms, including an intention to legislate to support them if and as required, which helps to provide further certainty.

3. Target Model Option 4+ (TMO4+)

Outline

3.1. TMO4+ seeks to introduce criteria for projects to be 'ready' and 'needed' in order to receive a firm connection date and/or retain a queue position. Under the proposals, these criteria would be applied not only to future applications but also to projects in the existing queue, albeit protections are available for specific categories of projects to ensure proportionality, and that investor confidence is not undermined.

3.2. While the reformed process focusses on projects connecting at transmission; generation and storage projects connecting at distribution that qualify for Transmission Impact Assessment (**TIA**) are also within scope. Smaller generation and storage projects and all demand projects connecting at distribution are out of scope. In summary:

- **'Ready'**: Projects must meet Readiness Criteria, for most projects this will mean obtaining and evidencing exclusive land rights and be required to sufficiently progress their planning status within a defined period of time.
- **'Needed'**: Projects must meet Strategic Alignment Criteria, for most this will mean being aligned with the capacities outlined in the CP2030 Action Plan. The Action Plan articulates the capacities needed by the system out to 2035 and, for those technologies where regional capacities are provided in the CP2030 Action Plan, NESO can rebalance zonal capacities and adjust the capacity allocated to the same technologies in adjacent or overlaying zones (including across Distribution and Transmission) as appropriate, to balance over- and under-supply of projects.

3.3. In addition, certain projects in the existing queue would be protected. Projects due to commission in 2026 as well as other 'significantly progressed' projects (those that have secured planning, been awarded a Contract for Difference, Capacity Market contract or interconnector cap and floor by the end of the first application period) are guaranteed to receive a Gate 2 offer. These are automatically deemed as 'needed', providing clarity to these projects sooner.

3.4. Similar to the original TMO4 proposal, TMO4+ proposes that NESO will make connection offers through a gated process following periodic application windows, named "Gate 1" or "Gate 2":

- **Gate 1 offers (indicative) (transmission connections only)** – for new applicants and existing customers. Projects that are either not 'ready' or not 'needed' would have their contract varied and be provided with a conditional offer, with only an indicative connection date and location. They would need to reapply in future application period when they can show they are 'ready' and 'needed' to be granted a confirmed Gate 2 offer.
- **Gate 2 offers (with confirmed details, i.e. connection date and location) (transmission and distribution)** – for new applicants and existing customers. Projects that meet the Readiness and Strategic Alignment criteria (including all those that are protected), and all 'ready' demand projects at transmission, will be offered a Gate 2 contract or, in the case of existing customers, will maintain a position in the queue or advance to fill new gaps from the removal of non-ready projects from the queue.[37]

Design

3.5. To implement the proposed changes, modification of the conditions in the Electricity System Operator Licence, and standard licence conditions across Transmission and Distribution would be required. These are set out in our separate statutory consultation.

3.6. Modifications are also proposed to relevant industry codes. The code modification proposals raised to the Connection and Use of System Code ('**CUSC**') to enable TMO4+ are CUSC modification proposal ('**CMP**') CMP434: *Implementing Connections Reform* and CMP435: *Application of Gate 2 Criteria to existing contracted background*. A proposal to modify the System Operator - Transmission Owner Code ('**STC**') was also raised by NESO at the same time: CM095: *Implementing Connections Reform*.[38]

[37] NESO have indicated there is a chance that a small number of projects may see dates moved back under specific circumstances

[38] A further modification, CM096, was already raised at the time and subsequently withdrawn by NESO as deemed unnecessary.

3.7. For a detailed appraisal and assessment please see 'CMP434 & CMP435 Minded-to Decisions' and 'CM095 Minded-to Decision'.

3.8. If approved, these proposed modifications to the licence conditions and industry codes will establish and embed Connections Methodologies, which set out the operational aspects of the new connections process.

3.9. The Connections Methodologies would enable NESO to determine connection eligibility, the ordering of the queue, and thus, the making of offers that align with strategic energy plans produced by the Government which, in the first instance, is the CP2030 Action Plan. There are three proposed Connections Methodologies:

- **Gate 2 Criteria**: contains the criteria that relevant applicants and existing customers seeking to connect to (either using or impacting on) the transmission system (including relevant distribution connections) meet in order to receive and/or maintain a connection offer with a confirmed connection location and date, and confirmed place in the connections queue.
- **Connections Network Design**: contains the process that NESO and network companies will follow to determine the make-up and order of the connections Gate 2 queue, assess the enabling infrastructure required to make connections, design a coordinated network and prepare connection offers.
- **Project Designation**: provides the basis for enabling projects that can deliver significant net zero, system or consumer benefits to connect. In particular, the Project Designation Methodology would enable the connection of projects that: are critical to security of supply; are critical to system operation; materially reduce system/network constraints; are highly innovative or have particularly long lead times.

3.10. The Connections Methodologies would enable NESO to propose expedited changes to improve the connections process in TMO4+, for example to reflect developments in strategic plans (such as the introduction of the SSEP) or to ensure that the connections regime enables sufficient competition. Furthermore, they would be reviewed on an annual basis to adapt to changing circumstances in the GB energy system, including further alignment with additional critical

government pathways to a fully decarbonised energy system. Any proposed changes would be subject to consultation and approval by Ofgem.

3.11. To confirm, the TMO4+ reform package, subject to approval by Ofgem, would apply to:

- generation and demand customers seeking connections at transmission; and
- embedded generation projects seeking connections at distribution above the threshold for TIA.[39]

Benefits

3.12. Moving to a first 'ready' and 'needed' connections process, with higher barriers to entry, would deliver a rationalised CP2030 Action Plan aligned connections queue, with three key features:

- **Viability** – By prioritising 'ready' projects, the confirmed queue is made up of projects that are demonstrably viable and well progressed (having land rights and under obligations to sufficiently progress their planning status).
- **Needed** – projects that meet Strategic Alignment criteria based on strategic energy system plans, starting with the CP2030 Action Plan, can more confidently retain or obtain confirmed terms and a queue position.
- **Efficiency** – the right mix of projects in the confirmed queue is preserved, with projects that drop out being replaced by projects with the same technology.

3.13. TMO4+ would focus on the existing queue as well as the new queue, which would significantly increase the below two key benefits (although further benefits are highlighted throughout this package of documents):

- **More efficient network planning** – To achieve the Government's energy mix for Clean Power 2030, the rate of connections to the network needs to increase significantly to approximately 20GW on average between 2025-2030, up from 8GW average between 2019-2024. Under TMO4+ Network companies would have clarity on the projects that are 'ready' and 'needed' for the 2030 and 2035 pathways as defined in the CP2030 Action Plan. This

[39] As noted above, demand projects at distribution are not within scope of the reforms

would lead to more efficient network planning and build, which should enable faster progress and bring an estimated saving of £5 billion of non-attributable notional investment costs which may no longer be required. More focused, efficient build mitigates network costs ultimately payable by consumers, and should better enable timely delivery of connections.

- **Investor Confidence**: New generation and storage entrants would have a clearer signal about what to invest in and where to locate, and needed entrants including demand should be better able to access a faster connection compared to the status quo. This should support economic growth; the impact on demand is further explained below, while generation and storage investors should better focus their resources on the projects that are needed by the system and allow these projects to be realised sooner. Investors with existing projects with firm (Gate 2) offers should have increased confidence that the required network will be built and their project will be able to connect on time. We have carefully considered the impact on investor confidence for existing customers that receive Gate 1 terms, but balance this against the benefits.

3.14. We expect this in turn to lead to a key outcome of the reforms; **timely delivery of connections for projects aligned with the CP2030 Action Plan**. These reforms should mean that viable projects are able to connect sooner (than they otherwise would), where the system needs them, better enabling realisation of the CP2030 Action Plan capacities for 2030 and 2035, which would also facilitate reaching net zero by 2050. However, connection dates would still depend on the enabling network infrastructure required for connections being delivered on time.

3.15. This is in turn expected to **accelerate the reduction of our reliance on fossil fuels**, protecting consumers from exposure to any future gas price spikes. Compared to the current system where gas price spikes can significantly increase costs to consumers (as evidenced recently), delivering the most efficient possible Clean Power system could lower consumer bills through cheaper generation, and enable reduced system costs both through avoided network build and reduced constraint cost.

3.16. By aligning with the CP2030 Action Plan, this should **better enable security of supply**. The new connections process would allow specific system security needs to be reacted to at pace.

3.17. The new process would also enable the **acceleration of large demand projects in the queue**, which can be blocked by generation projects or subject to unnecessary transmission reinforcement. This process would allow these projects to accelerate into capacity gaps created by these reforms. In exceptional circumstances, demand projects may also be prioritised through the proposed Project Designation Methodology (and subject to NESO issuing a notice) if it aids system operability or reduces constraints. Such projects cannot be prioritised at this time solely on the basis of growth, although we may look to explore this further with the Government and NESO. Accelerating demand projects should better support economic growth and enable the decarbonisation of the wider UK economy, for example industrial decarbonisation, electric vehicle production, as well as wider goals such as increased housing.

3.18. It should also enable a more efficient process for distribution-connected projects. A significant proportion of distribution-connected projects are reliant upon transmission reinforcement and hence the connections process at transmission level. A reformed, streamlined queue may mean such projects receive improved connection timescales, as network build would be more focused.

3.19. To fully realise the above benefits and to increase the annual rate of projects connected, the TMO4+ reform package will need to be complemented with action in two areas, both of which we are acting on:

- Improved regulatory frameworks through Ofgem's end-to-end review of connections, to ensure connection dates are adhered to
- Ensuring the network is delivered to connect these assets in a timely fashion to enable the CP30 Action Plan through the RIIO-3 T3 framework.

Impacts on the Connections Queue

3.20. Understanding the impact that the reforms would have on the queue provides insight as to whether the reforms would deliver the intended outcomes and benefits highlighted above.

3.21. The projected Gate 2 queue size and its composition following application of the reforms is based on the best available data that NESO, TOs and DNOs have. However, we recognise that it contains inherent uncertainties as the "readiness" status of all projects cannot be confirmed until after implementation.

3.22. As noted above, the connections queue has been growing at pace and has now reached over 750GW across transmission and distribution.

3.23. Based on data currently available, we estimate that 367GW of projects may have their contracts amended to Gate 1 terms on the basis that they do not meet the Readiness Criteria. A further 140GW of projects that do meet the Readiness Criteria are also forecast to be amended to Gate 1 terms because they do not meet Strategic Alignment Criteria (and therefore not assessed as needed). The affected parties that are sufficiently ready, but not needed, are likely to be predominantly battery storage projects and some solar projects in specific geographical locations.

3.24. The result is anticipated to be a confirmed connections queue that is broadly aligned with the CP2030 Action Plan capacities out to 2035, but with some potential gaps. The exact assessment of whether the queue meets the requirements of Clean Power depends on the readiness of projects, which depends on the actions taken by those projects. If we take a credible middle view of 'readiness' in the reordering of the queue then some technologies - notably wind and low carbon dispatchable power - are estimated to be undersupplied in the confirmed queue out to 2035, whereas we have a significant over-supply of other technologies, particular battery storage. These figures reinforce our view that a key benefit of the new process is that it allows existing ready projects to be accelerated to achieve Clean Power by 2030, and introduces a credible route for projects to move rapidly forward out of the Gate 1 holding queue when they become ready and/or for new projects to enter the queue, to fill the under-supply at the speed required. New generation and storage entrants would have a clearer signal about what to invest in and where to locate, making investment feasible.

3.25. The reformed connections queue would be better aligned with delivering the projects required to meet the CP2030 Action Plan and beyond, and would

provide an opportunity for projects that are needed but have not yet applied to be able to connect sooner.

3.26. There is 41GW of demand in the queue, including projects such as large industrial demand, data centres etc. All demand is deemed as needed so projects would only have to demonstrate readiness to receive a Gate 2 offer. A slimmed down queue of faster connecting projects would provide more opportunity for existing demand connections to accelerate and for new necessary demand to join the queue, helping to support economic growth.

"Gate 1" Projects

3.27. As set out above, these reforms are likely to improve investment certainty as they give new generation and storage entrants clearer signals about what to invest in and where to locate, and needed entrants including demand should be better able to get a timely connection they can rely on. However, we have also carefully considered the impact on investor confidence that comes with existing customers receiving Gate 1 terms.

3.28. We estimate that the overall cost spent by investors developing projects that would receive a Gate 1 offer could be in a range of below £1 billion to below £3 billion. Of this, we expect approximately 35% to have been spent on the projects which have submitted planning consent, which make up 9% of the projects that would move to a Gate 1 contract.

3.29. However, those projects that would be moved to Gate 1 would no longer incur enabling network build costs. Whilst not quantified in the Impact Assessment, this is expected to be billions, if not tens of billions, of unnecessary/avoided network costs associated with the current queue. In addition, as noted previously, £5 billion of these investment costs are costs that would otherwise have been paid partially by end-consumers. Elsewhere in these documents we set out the hard to quantify but material risks to Clean Power by 2030 and net zero, and risks to business consumers of not being able to connect due to delays

or the benefits to business users of connections being sped up due to these changes.[40]

3.30. Some of those projects may obtain a Gate 2 offer if and when TMO4+ is implemented, depending on the outcome of the application of Strategic Alignment Criterion B, including following rebalancing or substitution of capacities across adjacent or overlying zones.

3.31. In future, the extent to which such projects will be able to secure a Gate 2 contract would depend upon a number of factors including additional capacity made available through future strategic planning, and the level of subsequent terminations from Gate 2 projects. TMO4+ is explicitly designed to allow the acceleration of projects within Gate 2, and it enables ready and needed projects to be brought into Gate 2 and gain timely connections.

3.32. **We do note the low probability that most of the projects in the connections queue would be built under the status quo**, based on NESO data on connection queue attrition, industry assessment of project progression, and data on the specific projects in the queue**.** In particular we see two key hurdles that apply in the status quo, which translate onto TMO4+:

3.33. **Project readiness**: A significant number of projects (367GW) do not have land rights, meaning they are not at all progressed. In the status quo, these projects would have had to obtain land and planning rights - and do so in time to meet all the Queue Management Milestones - to avoid project termination. A high proportion of projects never achieve planning, for example whether through dropping out or through not achieving consent from the relevant authority. TMO4+ would require most projects to achieve land rights (often a step taken prior to planning submission) as an achievable readiness threshold that demonstrates sufficient progress and commitment. Accordingly, TMO4+ would deprioritise projects that do not have land rights or meet Readiness Criteria through alternative means.

[40] EUK recently wrote to the PM and said: 'uncertainty and delays in both businesses and clean generation connecting to the energy grid are holding back growth. Regulators have a vital role in helping to rationalise and accelerate these connections.'

3.34. **Project route to market**: To invest, projects will need a viable route to market to receive revenues. While each project will face individual decisions along its path to final investment decision and energisation. The status quo demonstrates that many projects are not taking these individual decisions (or not sufficiently early enough), meaning network is being unnecessarily planned and projects are blocking other needed projects.

3.35. That said, there is a sub-set of projects (140GW), mainly batteries and some solar projects in specific locations and voltage levels, that are sufficiently ready and progressed (for example, they have land rights and/or submitted planning consent) but are not needed as per the Strategic Alignment Criteria at this stage, and ultimately may not have a viable route to market. These projects are further progressed, having met potentially one or two of the Queue Management Milestones. These projects may have invested reasonable sums to date.

3.36. We also particularly recognise the issue that for solar capacities, there is at present a projected significant over-supply of ready projects at transmission level and an under-supply of ready projects at distribution level. We expect NESO to further consider how rebalancing regional capacities or substitution between adjacent or overlying zones[41] could result in these further progressed projects at transmission level receiving Gate 2 offers where national capacities are undersubscribed and where it would better enable the delivery of the CP2030 Action Plan. We expect NESO to share principles and process to balance this trade-off in time for the Gate 2 to Whole Queue process.

3.37. In any case and as noted above, in the event that these projects can demonstrate they are 'ready' and 'needed' in future, TMO4+ is explicitly designed to allow these projects to be brought into Gate 2 and gain timely connections.

3.38. In summary, a significant volume of the capacity of projects that would receive Gate 1 terms are expected to have made little progress on project delivery. Some projects that are materially progressed would remain in Gate 1 due to not meeting Strategic Alignment criteria, which reflects the current mismatch between the connection queue and likely energy system/market needs. The

[41] The Connections Network Desing Methodology contains the detail of these processes

protections introduced by NESO, including the substitutions that NESO can undertake, and the processes for advancing from Gate 1 to Gate 2 should provide key mitigants to ensuring that needed, well-progressed projects obtain a Gate 2 offer.

Costs

3.39. We recognise that there are costs to consider for the implementation of these reforms. While the initial cost of implementation of TMO4+ and applying the connections criteria to the whole queue are low (<£50million), there would likely be some more significant costs associated with abortive network works as a result of applying TMO4+ to the whole existing queue. These costs derive from works that have commenced but are deemed no longer necessary, as the projects they were conceived for no longer have firm connection dates as they do not satisfy the connections criteria. NESO estimate these abortive costs to be in the range of £220-£960million; if recovered from consumers within one financial year this could result in a one-off £3-£12 approx. charge to consumers, likely around FY27/28. We will work closely with network companies and NESO to minimise these costs.

Summary

3.40. In summary, the TMO4+ reform package is expected to help tackle and solve the problems that beset the current connections process, as outlined in this document. They would enable 'ready' and 'needed' projects, ie projects that are likely to be most viable, to be prioritised. In so doing TMO4+ would facilitate the delivery of the CP2030 Action Plan and net zero, remove obstacles to connecting needed projects, and help unlock economic growth by providing improved investor certainty, including for demand.

3.41. Going forward, we believe that it would provide a more effective connections regime, ensuring connection dates provided are better aligned with connection dates requested by customers.

3.42. By accelerating deployment of necessary generation/storage and of demand to enable delivery of the CP2030 Action Plan and beyond, the TMO4+ reform package provides clearer signals to enable the increase in the rate and efficiency

of network build, which should result in a greater number of connections and avoid unnecessary build costs.

3.43. Although we expect these reforms to provide a significant overall benefit and improve the certainty and speed of connection for all in the long run, we recognise there would be a reduction in some developers' prospects of being connected at the place and time they currently anticipate – and that ultimately some developers with existing projects who apply for a Gate 2 confirmed offer would receive only a Gate 1 offer with an indicative connections date. Investments always carry risk, including the risk that the law and regulation around them changes; in the context of the TMO4+ reforms, we are seeking to help investors manage that risk by being as clear and transparent in our decision-making process as possible. That is one of the reasons these reforms have been through an extensive process of open development over two years. Through this consultation, we continue to seek to provide as much transparency and opportunity for comment as possible.

3.44. We also want to be transparent about the inevitable limitations in the projections and data currently available. For the reasons set out in these consultation documents, based on the information available we are presently minded to consider that approving this package of reforms is the course which best serves the objectives of the connections reform process and which best aligns with relevant statutory objectives and duties. If, following this consultation, we approve the reforms, we will continue to monitor the emerging information and impacts closely. We are particularly mindful of the uncertainties about attrition rates in Gate 2 and the opportunities that will provide for those in Gate 1; as well as the outturn impacts on solar projects. This package contains various mechanisms by which adjustments can be made, including the opportunity for at least annual changes to the Methodologies (subject to consultation and approval).

3.45. Given the existence of those mechanisms, we are confident that there is sufficient flexibility to course-correct if and as required in order to maximise the impact of the reforms in achieving their objectives and minimise any adverse or unexpected consequences. However, we would be grateful to receive any

feedback on this, including further steps which may help balance overall certainty with targeted flexibility.

3.46. Finally, we note the ongoing CUSC modification CMP448: Introducing a Progression Commitment Fee to the Gate 2 Connections Queue, proposed by NESO on 6 February 2025. Whilst not part of TMO4+ we note its interactivity with the proposed reforms. We will continue to monitor the CMP448 change process closely.

4. What are we consulting on?

Minded-to Decisions – Code Modifications

4.1. A short summary of the decisions that the Authority is minded to approve can be found below.

4.2. Detailed appraisal and assessment can be found in the documents entitled 'CMP434 & CMP435 Minded-to Decisions' and 'CM095 Minded-to Decision'.

CUSC Modification Proposal 434

4.3. This proposal would introduce a new CUSC process and definitions to enable projects that are most ready to connect more efficiently.

4.4. The introduction of a 'Gated' process for new connection applications would introduce two formal gates, known as "Gate 1" and "Gate 2". Users meeting Gate 2 Criteria would receive a confirmed connection date and location.

4.5. In-scope project developers would no longer be able to submit new applications, or applications to modify existing contracts, at any time. Instead, they would only be able to do so in specific application periods that would take place at set intervals each year.

4.6. **Workgroup Alternative CUSC Modifications ('WACMs')**: During the workgroup stage, several alternative solutions were raised on CMP434 (**WACM1 – WACM7**). **WACM7** proposes the introduction of a pause for market self-regulation before NESO and TOs undertake the network assessment. The pause would obligate NESO to compile and publish a public register containing the following information of projects which have met Gate 2: connection point, completion date, installed capacity and technology type of each project. This would have to be done by NESO at least 10 business days prior to the start of the Gated Design Process

4.7. **Provisional Conclusion**: We are minded-to approve the modification proposals outlined in WACM7 as it provides improved transparency, better ensuring the most viable projects are progressed and should ensure offers are as accurate as possible.

CUSC Modification Proposal 435

4.8. This proposal outlines how the approach outlined above via CMP434 would apply to those with existing connection agreements. It would mean that existing customers would be held to the same standard as new customers

4.9. **Workgroup Alternative CUSC Modification ('WACM')**: During the workshop stage, WACM 1 was raised. **WACM1** proposes a pause to be implemented for "Gate 2" applicants to assess the viability of their projects. Applicants would be able to decide whether to progress their projects i.e. by applying for capacity advancement. After the pause, NESO and TOs would then undertake the network assessment.

4.10. **Provisional Conclusion**: We are minded-to approve the modification proposals outlined in WACM1, as it provides improved transparency, better ensuring the most viable projects are progressed and should ensure offers are as accurate as possible. We see greater benefit for the pause for the existing connection agreements, due to the number of projects affected.

STC Modification Proposal 095

4.11. The introduction of CM095 is a consequential modification which would establish new processes to facilitate the changes needed in the System Operator Transmission Owner Code, enabling the implementation of CMP434.

4.12. **Provisional Conclusion:** We are minded to approve the Original Proposal for the reasons set out in the minded-to decision.

Minded-to Decisions – Connections Methodologies

4.13. A short summary of the decisions that the Authority is minded to approve can be found below.

4.14. These methodologies have been subject to consultation and improvements have been made to take account of responses. In our Minded-to Decisions we explicitly outline some areas that we expect to be kept under review to ensure that the Methodologies are effective.

4.15. Detailed appraisal and assessment can be found in the documents entitled 'Minded-to Decision: Gate 2 Methodology', 'Minded-to Decision: Connections

Network Design Methodology' and 'Minded-to Decision: Project Designation Methodology'.

Gate 2 Methodology

4.16. The Gate 2 Methodology contains the proposed criteria that relevant applicants and existing customers connecting to (either using or impacting on) the transmission system (including relevant distribution connections) need to meet to receive and maintain a connection offer with a confirmed connection location and date and confirmed place in the connections queue.

4.17. For more information on how the proposed 'Gated' process works, please see documents entitled 'CMP434 & CMP435 Minded-to Decisions'.

4.18. The key aspects that this Methodology covers are the Readiness Criteria and Strategic Alignment Criteria which determine eligibility for Gate 2 connections contracts.

4.19. **Provisional Conclusion:** The development and coming into force of this Methodology would be an important step for delivering the mix of generation and storage needed firstly for the CP2030 Action Plan and a net zero energy system.

4.20. Our current view is that the criteria contained in the Methodology would facilitate the delivery of faster connections for needed projects as well as appropriate protections for well advanced projects.

4.21. Overall, it is our current view that NESO has established a well-defined and objective Methodology that works in conjunction with the Connections Network Design Methodology ('**CNDM**') to provide a clear basis to determine which projects are eligible for a Gate 2 offer and how eligible projects would be prioritised. It is also our current view that the Gate 2 Methodology meets the policy objectives for this Methodology as set out in the draft NESO licence conditions and accords with our principal objective.

4.22. For the reasons set out in the separate minded-to decision, we are minded to approve the Gate 2 methodology.

Connections Network Design Methodology

4.23. This Methodology contains the proposed process that NESO and network companies would follow to determine connection offers and order the Gate 2 connections queue, assess the enabling infrastructure required to make connections, design a coordinated network and prepare connection offers. Significantly, it includes the approach to applying Strategic Alignment Criterion B in the Gate 2 Methodology to relevant projects informed by the capacities in the CP30 Action Plan.

4.24. The key themes of this Methodology are:

- It defines the process by which NESO and the network companies will order the queue – including determining which projects align with the capacity pathways in the CP30 Action Plan – and undertake a technical assessment of connection applicants to prepare offers.
- It contains the process for determining the indicative connection date and indicative connection location included in a Gate 1 offer.
- It describes the approach being taken to applying the Strategic Alignment Criterion B to the existing queue and future applications.
- It describes how the connection design processes will interact with the Government's and NESO's strategic energy plans.

4.25. **Provisional Conclusion:** Our current view is that the CNDM is a necessary component of delivering the mix of generation and storage needed for the CP2030 Action Plan followed by a net zero energy system.

4.26. It is our current view that it contains well-defined and necessary processes, including queue ordering that reflects the readiness of projects eligible for Gate 2 offers and mechanisms to advance projects capable of achieving earlier connection dates. Our Minded-to Decision on the CNDM includes our provisional view on the importance of flexibilities NESO has included to address both undersupply and oversupply against the CP30 Action Plan pathways.[42]

4.27. Overall, it is our current view that the CNDM provides a clear basis to determine which projects are eligible for a Gate 2 offer and how eligible projects will be prioritised. It is also our current view the CNDM meets the policy objectives for

[42] For example, 'rebalancing' and 'substitution' of capacities and projects.

this Methodology as set out in the draft NESO licence conditions and accords with our principal objective.

4.28. For the reasons set out in the separate minded-to decision, we are minded to approve the CNDM.

Project Designation Methodology

4.29. This Methodology provides the proposed basis for connecting projects that can deliver significant net zero, system or consumer benefits. In particular, the Project Designation Methodology enables connection of projects that: are critical to security of supply; are critical to system operation; materially reduce system/network constraints; are highly innovative or have particularly long lead times.

4.30. The key themes of this Methodology are:

- It outlines the reasons why projects could be designated.
- It sets out the categories of projects that can be designated, the designation assessment criteria, and the processes that NESO will follow to assess and designate projects.

4.31. **Provisional Conclusion:** Our current view is that the Project Designation Methodology is necessary and should only be used in exceptional circumstances. It is our current view that this meets our policy intent and expectation that designation will be highly selective and based on specific and well-defined system needs so as to operate in a way that is proportionate to the needs pursued.

4.32. Security of supply and safe, reliable system operation is a central consumer interest; this Methodology provides an additional route to ensure that projects critical to maintaining supply and operating the system can be appropriately prioritised.

4.33. Overall, it is our current view that NESO has established a clear, transparent and objective process for project designation. It is also our current view that the Project Designation Methodology meets the objectives for this Methodology as set out in the draft NESO licence conditions and accords with our principal objective.

4.34. For the reasons set out in the separate minded-to decision, we are minded to approve the Project Designation Methodology.

Licence changes

4.35. We are consulting on licence changes to the following licences. Further details can be found in our separate document "Statutory Consultation on TMO4+ Reform related Modifications to Electricity Licence Conditions":

- Electricity System Operator Licence (the 'NESO licence');
- Transmission Standard Licence; and
- Distribution Standard Licence.

4.36. We consider that the licence changes we are proposing are required in order to enact the TMO4+ reforms, the details of which are set out in the code and methodology framework.

4.37. These proposed licence changes have already been subject to policy consultation between November 2024 and January 2025.[43] The statutory consultation document sets out details of the responses received to that consultation and how we have reflected those views in our final proposals.

Impact Assessment

4.38. Ofgem is under a statutory duty to conduct an Impact Assessment when an important change is proposed[44]. This includes, but is not limited to, changes that have a significant impact on persons engaged in the generation, transmission, distribution or supply of electricity, or have a significant impact on the NESO carrying out its functions. We consider that our accompanying Impact Assessment, which we have carried out in line with our Impact Assessment Guidance, complies with these obligations.[45]

[43] Proposed licence changes to enable TMO4+ Connections Reform | Ofgem
[44] Section 5A of the Utilities Act 2000
[45] Impact assessment guidance | Ofgem

4.39. The assessment of the impacts is part of the policy-making process and is central in informing Ofgem, as the independent energy regulator, when making Minded-to (and final) Decisions.

4.40. The 'TMO4+ Impact Assessment' provides an assessment of the impacts of the proposed changes to the connections process across different areas.

4.41. **Scope:** As highlighted, the TMO4+ proposals would require changes to industry codes (CMP434, CMP435, CM095), licences (NESO, Transmission, Distribution) and the introduction of new Methodology documents (Gate 2 Methodology, Connections Network Design Methodology, Project Designation Methodology). The Impact Assessment assesses all of these regulatory changes together as a single package of reforms.

4.42. The Impact Assessment looks at the benefits, risks, and costs of implementing TMO4+ and compares these against remaining with the status quo. As part of this, we have reflected upon assessments carried out by the NESO and the Transmission Owners, and responses from industry to the NESO consultations.

4.43. The Impact Assessment explains and considers the uncertainty as to which projects would meet Gate 2 Criteria, which whilst mitigated by relevant RFI requests, will not be fully known until projects submit relevant evidence.

4.44. **Data and Consultation:** We have relied on data provided by NESO and published on 20 December 2024 alongside their submission of the Connections Methodologies and code modifications FMRs to Ofgem for decision.[46]

4.45. NESO data has been supplemented by data and information provided for the purposes of informing this decision from the TOs and DNOs, to better understand the impacts of the TMO4+ reform package. We have also taken into consideration responses to consultations carried out by NESO on the Connections Methodologies and the code modifications.

4.46. **General Themes:** The themes of the Impact Assessment include:

- Appraisal of impact areas

[46] Connections Reform | National Energy System Operator – see "Connections Reform Methodologies"

- Commentary on aligning with strategic planning (such as the CP30 Action Plan and the SSEP)
- Network build (such as enabling works at transmission level) and connection dates
- Downstream consequences on the consumer
- Security of supply and competition
- Risk assessment and mitigations
- Ongoing monitoring of the risk profile and expectations for the future

5. Consultation Questions

5.1. We are welcoming views on the detailed proposed package of reforms and will consider information and stakeholder feedback further before making a final decision. As a result, the current specific proposals and/or minded-to decisions may change between now and our final decisions. We would therefore be grateful for responses that consider both the policy objectives and assessments outlined in the documents as well as the specific drafting put forward to give them effect.

Package of reforms

Q1: Do you consider that the TMO4+ reforms as a whole advance the objectives that we identify? Do you support the TMO4+ package of reforms as a whole? If not, please explain why not. Please feel free to cross-refer to answers provided in response to questions on individual elements of the reforms, as set out below.

Minded-to Decisions – Code Modifications

CMP434

Q2: Do you agree with our minded-to position to approve WACM7 of CMP434?

Q3: Do you expect the Pause for market self-regulation and information published in the Gate 2 Register would lead to a different approach taken by projects?

Q4: Do you have any further remarks, comments or concerns with our minded-to position that you would like us to take into account?

CMP 435

Q5: Do you agree with our minded-to position to approve WACM1 of CMP435?

Q6: Do you expect the Pause for market self-regulation and information published in the EA Register would lead to a different approach taken by projects?

Q7: Do you have any further remarks, comments or concerns with our minded-to position that you would like us to take into account

CM 095

Q8: Do you agree with our minded-to position to approve the Original Proposal?

Q9: Do you have any further remarks, comments or concerns with our minded-to position?

Minded-to Decisions – Connections Methodologies

Q10: Do you agree with our assessment, conclusions, and Minded-to Decision to approve the three Connections Methodologies?

Please consider in your response our assessment against the proposed objectives for each Methodology as consulted on as part of the licence changes.

If you do not agree, please share your views on (a) the objectives you think the Methodology does not meet and (b) the changes you think are needed to better facilitate the proposed objectives.

Impact Assessment

Q11: Do you agree that we have, to a reasonable extent, identified and understood the potential impacts of TMO4+, including in particular the impacts on size and makeup of the queue and network build and connection dates?

Q12: Do you agree that we have, to a reasonable extent, captured and understood the potential impacts of TMO4+ on different user types, including generation, storage and demand customers across transmission and distribution, as well as consumers, NESO and network companies?

Q13: If you are a developer who has one or more connection agreements that may be affected by TMO4+, do you have feedback on how your contract may be affected and what impact this would have on your business? Please provide as much detail as possible (including confidentially if desired), including as to the likelihood of being affected (positively or adversely); the reasons for this (e.g. opportunities for acceleration, failure to meet Gate 2 Criteria); and the extent of any likely or potential financial or other impact.

Q14: Do you agree that we have, to a reasonable extent, identified and understood all the potential costs of implementing TMO4+?

Q15: Have we, as accurately as possible, identified and understood all the potential benefits of implementing TMO4+?

Q16: Are there any unintended consequences of TMO4+ that we have not identified?

6. Your response, data and confidentiality

Consultation stages

Stage 1

Consultation opens 14 February 2025.

Stage 2

Consultation closes (deadline for responses) 5pm 14 March 2025.

Stage 3

Responses reviewed in March 2025.

Stage 4

Consultation decision/policy statement in early Spring 2025.

How to respond

11.1. We want to hear from anyone interested in this consultation. Please send your response to connections@ofgem.gov.uk.

11.2. We've asked for your feedback in each of the change areas throughout. Please respond to each one as fully as you can.

11.3. We will publish non-confidential responses on our website at www.ofgem.gov.uk/consultations.

Your response, your data and confidentiality

11.4. You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

11.5. If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.

11.6. If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 1.

11.7. If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

General feedback

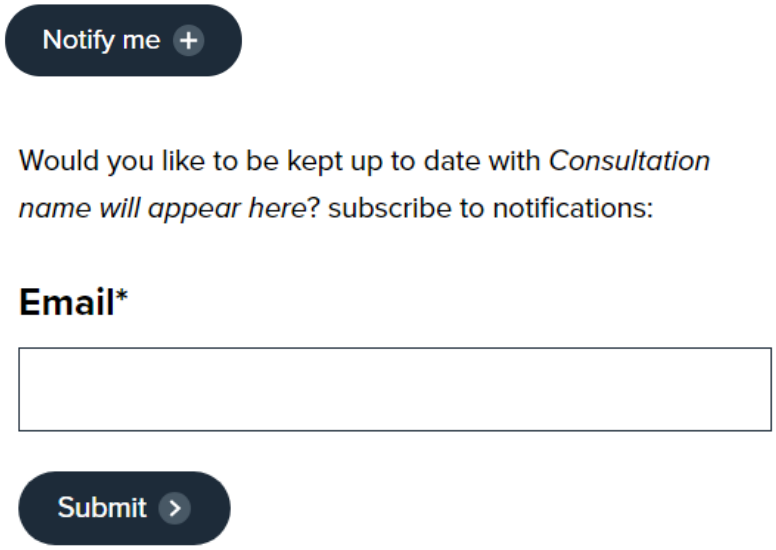
11.8. We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:

1. Do you have any comments about the overall process of this consultation?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Were its conclusions balanced?
5. Did it make reasoned recommendations for improvement?
6. Any further comments?

Please send any general feedback comments to stakeholders@ofgem.gov.uk

How to track the progress of the consultation

You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website. Choose the notify me button and enter your email address into the pop-up window and submit. ofgem.gov.uk/consultations



Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:

Upcoming > **Open** > **Closed** (awaiting decision) > **Closed** (with decision)

Privacy notice on consultations

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. With whom we will be sharing your personal data

(Include here all organisations outside Ofgem who will be given all or some of the data. There is no need to include organisations that will only receive anonymised data. If different organisations see different set of data, then make this clear. Be a specific as possible.)

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for (be as clear as possible but allow room for changes to programmes or policy. It is acceptable to give a relative time e.g. 'six months after the project is closed')

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data.
- access your personal data.
- have personal data corrected if it is inaccurate or incomplete?
- ask us to delete personal data when we no longer need it.
- ask us to restrict how we process your data.
- get your data from us and re-use it across other services.
- object to certain ways we use your data.
- be safeguarded against risks where decisions based on your data are taken entirely automatically.
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at https://ico.org.uk/, or telephone 0303 123 1113.

7. **Your personal data will not be sent overseas** (Note that this cannot be claimed if using Survey Monkey for the consultation as their servers are in the US. In that case use "the Data you provide directly will be stored by Survey Monkey on their servers in the United States. We have taken all necessary precautions to ensure that your rights in term of data protection will not be compromised by this".

8. **Your personal data will not be used for any automated decision making**.

9. **Your personal data will be stored in a secure government IT system**. (If using a third party system such as Survey Monkey to gather the data, you will need to state clearly at which point the data will be moved from there to our internal systems.)

10. For more information on how Ofgem processes your data, click on the link to our "".

Appendix 1 Connections Process Timeline

The below table sets out the main events relating to connections reform since October 2022, in chronological order.

Date	Event / Document	Description
Oct 2022	Connection Amnesty	Pending the finalisation of CMP376 (see below), the ESO launched a connection amnesty, under which developers could give up their place in the connection queue without having to pay a fee.
Dec 2022	ESO Case for Change	A high-level case for change for connections reform produced by ESO, with approximate programme timeline.
Mar 2023	Ofgem support for Two-Step Process	Letter of support from Ofgem to NGET regarding their proposals for a two-step offer process. The process involved an initial offer (with no security payment required or detailed works specification) being made to the customers, followed by a follow-up offer within nine months of the initial offer being accepted. For the NGET region only.
Mar 2023	ESO Calls for Expressions of Interest	ESO began seeking expressions of interest from customers who want to bring forward their connection dates or might be interested in non-firm (restricted access) connection offers, particularly for storage projects, as part of its efforts to manage the transmission connection queue.
May 2023	Government's May 2023 Strategy and Policy Statement for Energy Policy in Great Britain	Noted that significant and urgent reform of the connections regime is needed, so that new generation and demand projects critical to net zero can connect to electricity networks in a cost-effective and timely manner, and in a way that meets the needs of connection customers and the electricity system as a whole.

Date	Event / Document	Description
May 2023	Open letter on future reform to the electricity connections process | Ofgem	Ofgem set out its objective to see electricity connection offers with shorter average connection dates that better meet customers' needs and enable a timely transition to net zero. Ofgem were then to examine whether substantial changes to the current connections queue methodology are required and how changes are applied to both new applicants and those parties already in the queue with a connection agreement.
June 2023	ESO Connections Reform Consultation	Formal consultation on Connections Reform in June 2023 by the ESO, following a period of activity to develop proposals in the first half of 2023. This set out the recommendations and four unique 'target model options' (TMO) (on a minimum viable product basis).

Date	Event / Document	Description
Nov 2023	Electricity networks: connections action plan - GOV.UK	Ofgem and DESNZ published their vision for a two-phased reform of the connections process. The initial phase was intended to focus on applying a readiness threshold to the connections queue, to deliver a smaller queue made up of projects ready to progress, followed by a second phase which would more closely align the connections process with strategic planning and the first Strategic Spatial Energy Plan ('SSEP'). The 6 action areas from the CAP were: 1. Raise entry requirements to increase the quality of projects applying for transmission connections and deter speculative connection applications. 2. Remove stalled projects to release capacity for more viable projects. 3. Better utilise existing network capacity to reduce connection timelines. 4. Better allocate available network capacity moving away from the first come, first served approach to one that connects projects that are readier to progress and are able to quickly make use of capacity. 5. Improve data and processes and sharpen obligations and incentives on the ESO and network companies to: a) Give connection customers a better understanding of the condition of networks, to improve the quality of their connection applications and reduce speculative applications. b) Ensure network companies deliver timely connections and high-quality customer service, as well as acting consistently. 6. Develop longer term connections process models aligned with strategic planning and market reform to ensure they are integrated to deliver strategic outcomes for a timely and efficient transition to a net zero energy system

Date	Event / Document	Description
Nov 2023	CUSC modification CMP376	Ofgem approved CUSC modification CMP376, which introduced a queue management process to manage projects connecting to the transmission system (or to the distribution system with a transmission impact) from 27 November 2023. This includes a right for the ESO to terminate contracted projects which are not progressing against project milestones and applies to new applicants for connection, those with a connection offer or connection contract with a completion date after 26 November 2025, and other existing connection agreements where there is reason to believe the project is not progressing
Dec 2023	NESO Summary of Final Recommendations	NESO's 5-point plan to speed up connections (based on the TEC amnesty, new modelling assumptions for battery energy storage systems (BESS) based on Construction Planning Assumptions (CPAs), a review of CPAs with the TOs, the implementation of CMP376 (queue management) and offering non-firm connection options to BESS). In addition, NESO proposed a new connections application process (known as "TMO4+"), to begin on 1 January 2025 (although this date has subsequently been postponed), involving an early application period and two formal "gates" for all transmission connection applications.
Jan 2024	Responses to the Open Letter on future reform to the electricity connections process	Summary of the stakeholder responses Ofgem received to its Open Letter on connections reform (the 'Open Letter'), published in May 2023 (see above). Summary also covered how this consultation had informed actions taken to date or to be taken in future, in line with the Connections Action Plan (the 'CAP'), published in November 2023 (see above).

Date	Event / Document	Description
March 2024	Ofgem approved CUSC modification CMP427	CUSC modification that introduced the requirement for a letter of authority from any relevant landowner as part of the transmission connection process during 2024 for applicants for onshore transmission connections. The letter must provide confirmation that the developer is either the landowner, or has formally engaged in discussions with the landowner in respect of the rights needed to enable construction on the land.
April 2024	ESO update on implementation of reformed connections processes	Due to concerns about the ongoing rapid growth of the connections queue, the increasingly high concentration of short-duration batteries and solar, and the lengthy period for queue management milestones to take effect, the ESO proposed a variation to TMO4 where the existing queue would also be reformed based on project readiness. All in effort to "provide a positive, timely impact on connections timelines". This is known as TMO4+.
April 2024	TMO4+ Modifications Raised	NESO raised code modification proposals (CMP434, CMP435 and CM095, collectively 'TMO4+') intended to apply a readiness threshold ('Gate 2 Criteria') to new applications and the existing connections queue.
April 2024	Ofgem letter of support for the ESO's connection reform proposals	Letter of support for ESO's connection reform proposals, including the application of the reforms to existing contracted parties, such that they would have to reach project milestones before they are provided with confirmed connection dates and locations. The letter invited stakeholder views, which were published in May 2024 (see below).

Date	Event / Document	Description
May 2024	Open letter: update on reform to the electricity connections process following proposals from ESO | Ofgem	Set out that Ofgem's next steps on connections reform were: 1. Licence Changes: Update conditions to include strategic factors and allow NESO to implement reforms quickly. 2. Connections Methodologies Consultation: Consult on ESO's Connections Methodologies, including gate 2 criteria, network design, and project designation. 3. Framework Review: Establish and review Connections Methodologies annually with a 28-day consultation period. 4. Decision Timeline: Decide on code and licence changes by Q1 2025, effective Q2 2025. 5. Stakeholder Engagement: Work with the Energy Networks Association and DNOs on distribution needs. 6. Regulatory Improvements: Consult on broader regulatory improvements for connections, including data, service quality, and delivery timeframes.

Date	Event / Document	Description
Aug 2024	Decision on Joint Direction and Letter of Comfort requests on Transitional Arrangements for new connection applications | Ofgem	Letter from Ofgem setting out support in implementing transitional arrangements to the connection process for new connection applications.
Sept 2024	Open letter on the reformed regulatory framework on connections | Ofgem	Set out Ofgem's vision (with support of Government and ESO) and next steps for the reformed regulatory framework on connections, including the roles and interactions between the TMO4+ code modifications, Connections Methodologies, and licences. Set out the need to align the connections process with strategic network build and spatial energy planning, and the opportunities that the upcoming CP30 Action Plan and Strategic Spatial Energy Plan provide to achieve this. Ofgem noted intent to consult on potential licence changes, in order to realise connections reform and enable the transition to Clean Power by 2030.
Oct 2024	NESO Advice to Government on CP30 Action Plan	NESO confirmed the criticality of the creation of a direct link between the technology and capacity needs, by location, in the government's plan for clean power by 2030 and connections offers.

Date	Event / Document	Description
Oct 2024	Update to decision on urgency timetables for CMP434, CMP435, CM095 and CM096	Ofgem consented to an extension to the urgency timetable for CMP434, CMP435, CM095 and CM096 (see above), with final implementation of the changes not expected until Q2 2025.
Nov 2024	Connections Reform | National Energy System Operator	NESO consultation on the draft Connections Methodologies
Nov 2024	Open letter from DESNZ and Ofgem: Aligning grid connections with strategic plans (5 November 2024) - GOV.UK	Open Letter setting out plans for reform, including government's intention to introduce legislation to support connections reform.
Nov 2024	Connections end-to-end review of the regulatory framework	Part consultation and part call for input by Ofgem on proposed changes to the regulatory framework around electricity grid connections as part of its 'connections end-to-end review'.

Date	Event / Document	Description
Nov 2024	Proposed licence changes to enable TMO4+ Connections Reform | Ofgem	Initial Ofgem consultation on proposed licence conditions to align with the new gated connections process set out in the proposed TMO4+ code modifications and Connections Methodologies. Also proposed to introduce new licence conditions that place a responsibility on NESO to develop and maintain the three new Connections Methodologies.
Dec 2024	NESO Open Letter - Update	NESO published an open letter giving an update on aspects of the TMO4+ proposals. Subject to approval by Ofgem, the TMO4+ reform package would require NESO to establish and maintain Connections Methodologies to ensure that only projects which are ready to progress and which are aligned with the strategic energy plans to be published by government will meet the new Gate 2 criteria under TMO4+. The open letter noted that it would be important to provide comfort for well progressed projects that they would meet the readiness element of the Gate 2 criteria provided they can demonstrate that: - They have been awarded a Contract for Difference (CFD), a Capacity Market contract or appropriate regulatory approval for interconnector and Offshore Hybrid Asset projects. - They satisfy the planning consent requirements at the appropriate dates.

Date	Event / Document	Description
Dec 2024	Clean Power 2030 Action Plan	Included regional breakdowns of expected capacity ranges for onshore wind, solar, and batteries and explains how connections reform will be mapped to the SSEP. These will be used by NESO to identify projects which are strategically aligned with the Clean Power 2030 Action Plan for the purposes of Gate 2. The Clean Power 2030 Action Plan also confirmed that the government intends to introduce legislation, when parliamentary time allows, to ensure connection reform aligns with strategic energy and network plans and supports delivery of clean power by 2030.
Jan 2025	NESO Consultation Responses Published	NESO published non-confidential responses to its Connection Reform Methodology Consultation.