Consultation response

Transforming the Connections Experience

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About Regen

Regen provides independent, evidence-led insight and advice in support of our mission to transform the UK's energy system for a net zero future. We focus on analysing the systemic challenges of decarbonising power, heat and transport. We know that a transformation of this scale will require engaging the whole of society in a just transition.

Regen is a membership organisation with over 200 members who share our mission, including clean energy developers, businesses, local authorities, community energy groups and research organisations across the energy sector. We manage the Electricity Storage Network (ESN) – the industry group and voice of the grid-scale electricity storage industry in GB.

Summary and recommendations

Regen strongly emphasises the importance of these reforms in rebuilding industry confidence in the connections process. We recognise the substantial work undertaken to reform connections. However, systemic delays, significant cost increases and quality issues have affected developer and investor confidence. **The obligations introduced through this review must deliver meaningful improvements, with clear accountability and effective enforcement.**

Transparency must be at the heart of these reforms. Industry needs a clear, consistent and reliable evidence base, including greater visibility of the assumptions underpinning connection dates (CPAs) and costs, network reinforcement dependencies and the outcomes of connections reform. This transparency is essential to restoring confidence that revised connection dates are realistic and deliverable.

Transparency must be accompanied by enforceable **accountability** for delivery. Alongside improvements to offer quality and acceptance processes, NESO, TOs and DNOs must be held accountable for delivering connections to agreed dates and costs, with changes clearly

explained and justified. Clear delivery milestones, regulatory incentives, strengthened GSoPs and liquidated damages should provide meaningful consequences for failures within networks' control and encourage timely delivery. This is essential to rebalance the risks currently borne by customers and rebuild confidence in connection commitments.

Finally, given the urgency of the challenges facing industry, **speed of implementation** is critical. Customers facing delays, rising costs and unresolved errors need effective protections now. Ofgem must publish an accelerated implementation plan with dated milestones for licence drafting, guidance and commencement, introducing protections as soon as practicable

Responses to questions

2.1 Minimum Requirements Across the Connections Journey

Q 2.1. Do you agree with the decisions we have set out for Minimum Requirements Across the Connections Journey (decisions 2.1.1–2.1.7)?

Regen strongly supports the direction of these decisions. We recommend consistent, publicly available reporting on these minimum service standards to ensure compliance.

2.1.1 Pre-Application

Support with qualifications

Responses should provide useful technical information not simply acknowledgement of enquiries.

2.1.2 Application

Support

2.1.3 Offer Creation and Provision

Support with qualifications

Minimum offer requirements must ensure accurate and transparent information on assumptions used for dates and itemisation of costs. (See further detail in response to question 2.2).

2.1.4 Post offer

Support with qualifications

Must ensure substantive resolution of queries and correction of errors rather than just being timebound.

2.1.5 Offer Acceptance

Support with qualifications

Clarification is needed for procedure and timeline changes where material errors remain unresolved during acceptance windows.

2.1.6 Post Acceptance

Support with qualifications

Proactive communication and transparent change-control processes are essential. Customers must receive timely updates on material changes to costs and connection dates including clear explanations of the reasons. (See further detail in response to question 2.1.2).

2.1.7 Delivery Stage

Support with qualifications

These requirements must be accompanied by clear accountability for delivery and early communication of potential delays.

Q 2.1.2. Are there any additional considerations relevant to this area (decisions 2.1.1–2.1.7) that you consider we should take into account?

While Regen supports the proposed minimum requirements, we believe there are several areas where further obligations are needed, detailed below:

1. **Offer acceptance and countersignature** – Clear timeframes for countersigning accepted offers, including extensions to acceptance periods where necessary.
2. **Cost transparency –** Mandatory itemised cost breakdowns and regular updates, with clear explanations of material changes arising from inflation, scope, design or cost assumptions.
3. **Offer accuracy and quality assurance** – Stronger requirements for the accuracy of connection offers before they are issued, with a clear accountable and timely correction processes where errors are identified. Where errors are acknowledged by networks, these should be corrected within a defined period at no detrimental impact to the customers queue position or gated status.
4. **Acceptance of offers containing errors** – Customers should not be required to accept offers containing known errors on the assurance that these will be corrected later. Where customers have already accepted offers on this basis, those assurances must be honoured.
5. **Query management** – Transparent tracking of queries, including their status, ownership and expected resolution date. A designated Customer Contract Manager (CCM) to coordinate responses and ensure queries are resolved. Where multiple licensed parties are involved, we recommend:

a. Introducing a shared, ‘noticeboard’-style query log, enabling customers, NESO and relevant network operators to track progress, share information and contribute to resolving queries simultaneously.

b. Ensure response times should be measured from the customers initial query to a substantive resolution, ensuring delays between licensed parties do not go unaccounted for.

6. **Transparency of network performance** – Require consistent, publicly available reporting on compliance with minimum service standards, including offer accuracy, query resolution times, outstanding queries and countersignature delays. This is essential for holding licensed parties accountable, identifying systemic issues and rebuilding industry confidence.

These requirements are particularly important given the recurring issues identified through connections reform. Transparency must be at the heart of the new regulatory framework, ensuring customers have access to accurate, timely and sufficiently detailed information to regain confidence in the NESO and the networks.

2.2 Ambitious Options for Customers

Q 2.2.1. Do you agree with the decisions we have set out for Ambitious Options for Customers (decisions 2.2.1–2.2.3)?

While Regen supports these decisions, greater transparency around the assumptions and dependencies underpinning connection dates is essential to restoring industry confidence.

2.2.1 Ambitious yet achievable connection offers definition

Support

Network companies should be required to offer the earliest realistically achievable connection date, evidenced by clear data on deliverability.

2.2.2 Energisation window

Support

We agree with the decision not to introduce formal energisation windows. Developers and investors would realistically treat the backstop date as the only reliable date, undermining the value of the earlier ambitious target.

2.2.3 Opt-in mechanism

Support, with safeguards

We welcome greater opportunities for customers to connect earlier. However, eligibility and allocation criteria must be transparent, and guidance must be provided for customers to fully understand any implications for connection firmness, curtailment, capacity, costs and queue position before accepting an alternative offer.

Q 2.2.2. Are there any additional considerations relevant to this area (decisions 2.2.1–2.2.3) that we should take into account?

Regen supports the proposed approach but believes the following additional considerations are important:

1. **Evidence connection date** – NESO and network companies should be required to provide information on the how Construction Planning Assumptions (CPAs) have informed the connection date offered. Where an earlier connection is not possible, the specific constraints and/or reinforcement works must be listed.
2. **Transparency and clarity for the opt-in mechanism** – The opt-in mechanism must have transparent eligibility and allocation criteria, including how opportunities are identified, prioritised and communicated to eligible projects. The implications for existing queue positions and contractual rights must also be clearly established.
3. **Incentivising alternative connection arrangements –** Obligations and incentives should be introduced for NESO and network companies to proactively identify and offer earlier connection opportunities through technical limits, non-firm access, flexible and phased connections. Alternative arrangements should be actively considered as part of the connections process, with clear explanations provided where earlier access is not feasible. These connection offers should specify the nature, duration, depth (MW) and circumstances of any restriction. This greater level of detail enables customers to determine whether the connection is financeable and what the usable access will be.

Given the systemic delays currently effecting grid reform, it is essential that NESO and the networks actively pursue opportunities to accelerate connections wherever technically feasible. The framework should therefore encourage practical solutions that bring forward actual energisation, as well as offer earlier connection dates. **Accelerating viable projects and maintaining confidence in connection dates must be priorities.**

3. Timely and Reliable Connections

Q 3.1. Do you agree with the decisions we have set out for Timely and Reliable Connections (Decision 3.1 – Strengthened GSoPs, Decision 3.2 – Liquidated Damages for transmission, Decision 3.3 – Reporting and performance visibility)?

Regen strongly supports the proposed decisions to strengthen accountability for timely connection delivery. Given the systemic delays currently effecting connections reform, greater oversight and meaningful consequences are urgently needed.

3.1 Strengthened GSoPs

Support

We support increasing payment values to reflect current market conditions, with greater emphasis on delivery-related milestones and payments that increase with the duration of delays.

3.2 Liquidated Damages for transmission

Support

Liquidated damages must provide meaningful financial consequences for avoidable transmission connection delays. We support introducing minimum payment values above zero, with clear and consistent arrangements for determining liability and administering payments.

3.3 Reporting and performance visibility

Support

Greater transparency of network delivery performance is essential. We support consistent, publicly available reporting on connection delays, including their frequency, duration, causes and the parties responsible. This should enable industry to identify systemic issues, monitor progress and hold NESO and the networks accountable for delivery commitments.

Q 3.2. Are there any additional considerations relevant to these areas (Decision 3.1 – Strengthened GSoPs, Decision 3.2 – Liquidated Damages for transmission, Decision 3.3 – Reporting and performance visibility) that we should take into account?

Regen believes the following additional considerations are essential to ensure the proposed reforms deliver meaningful improvements in connection delivery:

- **Urgency of implementation** – We do not support delaying implementation of these obligations until the start of ED3 in April 2028. The pace of reform must reflect the urgency of the problems facing connection customers. Ofgem should prioritise introducing the new requirements as soon as practicable; and publish a clear, accelerated timetable for licence drafting, supporting guidance and the changes needed to implement strengthened GSoPs and Liquidated damages. Further policy development must lead promptly to enforceable requirements, rather than extending uncertainty.
- **Application to existing agreements** – Ofgem should explicitly address how the new requirements and protections will apply to existing connection agreements, including Gate 2 Phase 1 and Phase 2 agreements signed before implementation. Customers with projects already contracted for delivery over the coming decade must benefit from these reforms. This should include existing, documented and unresolved queries and concerns.

- **NESO accountability** – Financial accountability must extend to delays attributable to NESO, as well as TOs and DNOs. As the contractual counterparty for transmission connections, NESO must be subject to appropriate obligations and consequences for delays within its control.
- **Network delivery milestones** – We support Ofgem requiring clearly defined, dated delivery milestones for each connection project, with responsibility assigned to the relevant network company and meaningful consequences for delays within its control. These milestones could cover:
    - design development;
    - procurement;
    - submission of planning applications;
    - land acquisition;
    - commencement of construction;
    - completion of key construction stages;
    - outage delivery; and
    - energisation.

  Failure to meet milestones for reasons within the network company's control should trigger early notification, a documented mitigation plan and proportionate consequences.
- **Incentivising mitigation** – Networks should be incentivised to identify and pursue mitigation measures for delayed connection dates (non-firm, tech limit offer), rather than allowing compensation payments to become a substitute for delivery.
- **Exemption evidence** – Where delays are attributed to third parties or circumstances outside a network company's control, clear supporting evidence should be required.
- **Transparent performance reporting** – There should be standardised reporting to identify missed milestones, the duration and causes of delays, responsibility for those delays and the financial consequences applied. Reporting should include NESO, TOs and DNOs.
- **Contigency allowances** – There is concern that enhanced Liquidated damages and GSoPs could lead to additional contingency being incorporated into delivery programmes. We recommend that Ofgem require network companies to justify these allowances to prevent unnecessary extensions to delivery timescales.

Evidence gathered through Regen's Grid Connections Working Group demonstrates the financial and delivery consequences of connection delays. One member reported an 11-month connection delay and a cost increase exceeding 300% shortly after reaching final investment decision, resulting in significant demobilisation costs. Examples like this highlight the disproportionate financial risk currently borne by developers, even where delays and cost increases are outside their control. Regen believes there is a clear need to rebalance this risk, with network companies bearing their share of financial responsibility for delays, errors and cost increases attributable to their actions. This would strengthen incentives for accurate forecasting and timely delivery, while helping restore developer and investor confidence in the connections process.

4. Standardisation of Network Dispute Processes and Guidance for Determinations

Q 4.1. Do you agree with the decisions we have set out for the Standardisation of Network Dispute Processes and Guidance for Determinations (Decisions 4.1 – Provision of guidance for determinations and Decision 4.2 – Enhancement and standardisation of network dispute processes)?

Regen supports both decisions to improve the consistency, transparency and accessibility of dispute resolution processes. Given the ongoing challenges with connections reform, customers need confidence that disputes can be resolved fairly and promptly, with clear accountability across all parties.

4.1 Provision of guidance for determinations

Support

Regen welcomes the review of Ofgem's determination guidance. The updated guidance must clearly establish the routes available for disputes involving NESO. **Given the issues already being experienced by customers, we encourage Ofgem to prioritise this work rather than delay meaningful improvements until 2027.**

4.2 Enhancement and standardisation of network dispute processes

Support

Greater consistency across transmission and distribution networks should reduce uncertainty and unnecessary delays. The resulting framework must establish clear responsibilities, transparent processes and effective routes for escalating unresolved disputes.

Q 4.2. Are there any other additional considerations relevant to this area (Decisions 4.1 – Provision of guidance for determinations and Decision 4.2 – Enhancement and standardisation of network dispute processes) that we should take into account?

While Regen supports the proposed improvements to dispute resolution, we believe these should be implemented as soon as possible and have the following additional points:

- **Accelerated implementation** – Customers need effective dispute resolution arrangements now, particularly given the ongoing challenges with connections reform. We encourage Ofgem to introduce interim improvements to existing guidance ahead of the full review planned for 2027.

- **Transparency of decisions** – Customers must have access to the information and reasoning necessary to understand and challenge connection decisions. This is particularly important for decisions arising from the Connections Network Design Methodology (CNDM), including queue ordering, capacity allocation and changes to connection points, costs and dates.
- **NESO accountability and independent oversight** – Ofgem should clarify the responsibilities of Ofgem and DESNZ in holding NESO accountable, including the routes available for independent escalation and redress. NESO's publicly owned status must not result in weaker accountability or customer protections than those applying to network companies.
- **Determination timelines and expedited process** – Ofgem should set clear determination timelines and introduce an expedited route for commercially urgent disputes. Determinations can take more than two years and require approximately £100,000 in legal and advisory expenditure, creating significant barriers to effective redress. A right to challenge decisions only provides meaningful protection if customers can secure an outcome within their project's decision timetable.
- **Existing unresolved issues** – The new framework must cover existing, documented and unresolved issues across the connections journey, including acknowledged offer errors, outstanding formal complaints and unfulfilled assurances of correction. Ofgem should establish transitional arrangements allowing customers to bring these cases into the framework from commencement, with a clearly publicised and reasonable submission window.