



5<sup>th</sup> November 2024

To interested parties,

This government's mission is to make Great Britain a clean energy superpower, including delivering clean power by 2030 and accelerating to net zero. To achieve that mission, we need to connect new clean power projects and low-carbon flexibility such as electricity storage in a timely way. And the new demand projects needed to drive the government's growth mission, from data centres to housing, will also need accelerated connection to the grid. This open letter sets out the government's and Ofgem's plans to enable these missions by reforming the outdated grid connections process.

Alongside reform of the connections process, it is also essential to deliver major new network infrastructure build to transmit clean power to new and growing sources of demand. We are focused on driving this network build, including through strategic planning of the energy system needed for 2030 and other measures, such as accelerating the consenting process and unlocking supply chains. Given the certainty these reforms will provide, and the actions taken by the government and Ofgem to enable faster delivery, it is of prime importance that network companies meet their responsibilities and accelerate network infrastructure build.

### **Aligning with strategic plans for Clean Power by 2030**

The queue for connection to the grid now contains an equivalent capacity of 722GW<sup>1</sup> across the transmission and distribution networks, and we are seeing long connection timescales that continue to delay investment in energy infrastructure and timely electrification of the wider economy.

Very significant reform is needed to ensure connection to the grid is not a blocker to our clean power goals or wider economic growth. Building on earlier reforms<sup>2</sup> which have so far freed up 22GW,<sup>3</sup> the National Energy System Operator<sup>4</sup> (NESO) has developed proposals to raise the requirements that customers must meet to obtain, and retain, a confirmed connection agreement. This would move from the current 'first come first served' process towards a 'first ready, first connected' approach.<sup>5</sup>

However, evidence shows that reforming connections through project readiness alone is unlikely to reduce the queue sufficiently to resolve connection delays, or deliver the balanced energy

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<sup>1</sup> Including Demand. Correct at end-September 2024. Connections data is published monthly by the [Connections Delivery Board](#)

<sup>2</sup> <https://assets.publishing.service.gov.uk/media/6581730523b70a000d234bb0/connections-action-plan-desnz-ofgem.pdf>

<sup>3</sup> <https://www.energynetworks.org/assets/images/Publications/2024/241018v1-20240926-september-connections-delivery-board-meeting-minutes.pdf?1730714642>

<sup>4</sup> <https://www.neso.energy/what-we-do>

<sup>5</sup> <https://www.neso.energy/industry-information/connections/connections-reform>

mix we need to achieve clean power efficiently and by 2030.<sup>6</sup> Accordingly, government and Ofgem have been working at pace with NESO and the network companies to strengthen these proposals by adding technological and locational criteria that would allow NESO to further prioritise grid connections, and considering additional financial commitments to deter speculative projects. We encourage stakeholders to respond to the current NESO connections reform consultation which closes on 2 December 2024.<sup>7</sup>

This evolution brings connections reform in line with the Clean Power 2030 ambition. In August, the Secretary of State for Energy Security and Net Zero and Chris Stark, head of Mission Control for Clean Power 2030, jointly commissioned NESO to advise government on credible pathways to achieving clean power by 2030, including consideration of criteria that could support connections reform.<sup>8</sup> Government is now considering that advice,<sup>9</sup> published today, and will set out the path to decarbonise the electricity grid in its Clean Power 2030 Action Plan later this year.<sup>10</sup> This creates both a need and an opportunity to significantly accelerate alignment of strategic planning and connections, as we transition towards an enduring set of strategic spatial energy and network plans.

## **Balancing certainty with flexibility**

Issuing connection offers in line with strategic plans is necessary to ensure that finite network capacity is allocated to the right projects, in the right places, at the right time. This will require decisions, in strategic plans, about the different energy technologies that should be connected in different geographical areas, and what scale of deployment is needed. Without this clarity, the projects we need for 2030 will not all be able to connect on time. But it is also important that the new process is flexible enough to enable competition among developers and accommodate future needs or changes, such as undersupply of suitable capacity, project attrition, emergence of new or improved technologies, unforeseen changes in system needs, and risks to system stability or security of supply.

## **Electricity demand projects**

Accelerating towards clean power is vital to ensure that demand users of all types can connect to the network in good time, and it is demand, ultimately, that drives the need for generation. Investments in data centres or gigafactories, the electrification of industrial centres, road transport and ports, or the building of new housing, prisons or hospitals, are all needed to drive economic growth, create social value, and accelerate to net zero. NESO must therefore ensure that the reformed connection process provides clarity and supports timely connections for all types of demand customers as well as enabling the right generation mix.

## **Distribution connections**

While these reforms are focused on those connecting to and using the transmission network, consideration should be given to ensuring that they allow fair treatment for distribution connections, where relevant. Initiatives already underway to improve the transmission-distribution interface must not fall by the wayside as we focus on broader reform, and the new connections process must be implemented consistently across Britain, by all network companies. Ofgem's forthcoming end-to-end review of obligations and incentives on network

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<sup>6</sup> <https://www.ofgem.gov.uk/blog/connections-reform-going-further>

<sup>7</sup> <https://www.neso.energy/industry-information/connections/connections-reform>

<sup>8</sup> <https://assets.publishing.service.gov.uk/media/66cda5c1e39a8536eac0532e/sos-chris-stark-letter-clean-power-2030.pdf>

<sup>9</sup> <https://www.neso.energy/publications/clean-power-2030>

<sup>10</sup> <https://www.gov.uk/government/news/energy-experts-appointed-to-deliver-clean-power-2030-mission>

companies will play an important role here, by ensuring connections regulation keeps pace with reforms.

### **Implementing the reforms**

As set out in its September open letter, Ofgem intends to consult on new and modified licence conditions that are likely to be needed to align the connections process with strategic energy and network planning.<sup>11</sup> The government strongly supports this approach and plans 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. This should provide certainty to all parties on the direction of travel for connections.

### **Securing a swift conclusion**

Achieving an efficient and strategically aligned connections process is critical to provide investors and developers with certainty, by supporting delivery of a credible pathway to Clean Power 2030, and by bringing to a timely conclusion a reform process which, in itself, has inevitably created uncertainty. All parties involved must work at pace to secure swift and positive resolution of the reform process and explore all opportunities for faster implementation so that customers can receive updated connection offers as soon as possible in 2025.

Best wishes,



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**MICHAEL SHANKS MP**  
Minister for Energy

<sup>11</sup> <https://www.ofgem.gov.uk/publications/open-letter-reformed-regulatory-framework-connections>