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Date: 13 November 2025

**Re: NESO's amendments to the Connections Network Design Methodology to improve the connections process ahead of TMO4+ Gate 2 to Whole Queue formation**

Dear Matthew,

Thank you for your letter dated 31 October 2025, together with the attached document (the 'Connections Methodology Update' document), outlining the amendments to the Connections Network Design Methodology (CNDM) NESO intends to publish.

**Background**

As part of the detailed design and delivery of the TMO4+ reform package<sup>1</sup>, NESO has worked with their delivery partners, including Transmission Owners (TOs) and Distribution Network Operators (DNOs), to identify a number of amendments to the CNDM to improve the delivery of the Gate 2 to Whole Queue (G2tWQ) exercise. These amendments are contained in NESO's Connections Methodology Update document.<sup>2</sup>

In identifying these amendments, NESO also identified points of interpretation that it deems to be beneficial to address for clarification and confirming project type participation. We've had parallel discussions with NESO regarding these clarifications and agree no changes are required to the CNDM as a result.

Following approval of TMO4+ earlier this year, condition E16.9 of the System Operator Standard Licence Conditions provides that the NESO must consult on changes it proposes, unless otherwise agreed with the Authority.<sup>3</sup> This may be appropriate in

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<sup>1</sup> See [Decision on Connections Reform Package \(TMO4+\) | Ofgem](#) for methodology related decisions by the Authority.

<sup>2</sup> Published on NESO website on 13 November 2025.

<sup>3</sup> See also para 2.46 of the Authority's licence related decision [Decision-on-TMO4-Reform-related-Modifications-to-Electricity-Licence-Conditions.pdf](#).

circumstances where the proposed amendments are administrative, clarificatory or if it is impracticable, thereby making the consultation requirement unnecessary and/or disproportionate.

In pursuit of this requirement, NESO has submitted details of its intended amendments to the CNDM to Ofgem (as stipulated in the Connections Methodology Update), with the intention of publishing this on NESO's website. We are satisfied that publication of these intended changes by NESO in the Connections Methodology Update, together with a subsequent marked-up updated version of the CNDM to follow by the end of December 2025, will provide sufficient notification to stakeholders on the approach to implementing G2tWQ, ahead of this exercise taking place.

### **Our Assessment**

We have reviewed the Connections Methodology Update. We consider a number of these amendments would result in a change to the meaning of the CNDM, with the remainder being changes which are only clarificatory in nature.

In summary, we deem the following to be changes to the meaning of the CNDM:

- **Advancement checks:** moving step 5 to the beginning of queue formation (para 2.6 of the Connections Methodology Update) and the removal of the requirement for DNO to provide maximum advancement dates (para 2.8).
- **Import/export only storage systems:** states that energy systems that both import and export are counted against permitted capacities (para 2.26).
- **Reactive Compensation:** reclassification of this type of technology as not within scope of the Clean Power 2030 Action Plan for the purpose of the strategic alignment criteria, to enable this technology to be selected during queue formation (paras 2.10 to 2.15 inclusive).
- **0MW Onshore wind transmission zones in Phase 1:** the zones with 0 Megawatt of onshore wind permitted capacity will be set equal to the built capacity (paras 2.24 and 2.25).

When assessing these changes, we have given due consideration to the level of impact they will have on stakeholders and customers:

- For **advancement checks**, we do not believe these changes will adversely impact the outcomes of any reformed connections queue. Moving step 5 to the beginning of queue formation only permits there to be more time for this step to be completed, and the removal of the maximum advancement date provision causes no detriment.
- On **import/export only storage systems**, it is considered reasonable to amend the CNDM to clarify how import-only energy systems will be treated within the CP2030 permitted capacities, as the CNDM is currently silent on this.

- Reclassifying **reactive compensation** so that it falls under criterion (d) ('not within scope of CP30') for strategic alignment purposes causes no detriment as it does not ultimately result in reducing the holistic permitted capacities, because this technology is always classed as OMW.
- Finally, the **OMW onshore wind transmission zones in Phase 1** amendments are justified as they mitigate against the risk of capacity being subtracted from a different zone to accommodate for any oversupply within an original assigned OMW capacity area.

Although the above items are viewed by the Authority as changes to the CNDM rather than purely clarificatory, we consider that it is reasonable not to consult on these changes because of the (i) low impact of these changes (as explained above), and (ii) impracticability of undertaking a formal engagement exercise with industry this close to the queue formation element of G2tWQ. However, we would like to underline, in line with our messaging on previous methodology changes in May 2025, that while we appreciate the pace of TMO4+ and the need for the Connections Methodologies to be flexible, Ofgem will not customarily agree that no consultation is required. Future desired changes to the CNDM, or any other Connections Methodologies, should generally be made following the annual review process set out in the licence, following the consultation requirement.

In terms of all other clarifications identified in discussions with NESO, whilst we agree these do not require CNDM changes, we do see value in NESO publishing these, including those not contained within the Connections Methodology Update, in due course.

## **Transparency**

For the purposes of instilling confidence in the implementation of the Authority's reform decisions and for transparency reasons, we recommend that when publishing this Connections Methodology Update, this letter is referenced. This should occur as soon as possible, and in any case before the start of the upcoming queue formation process.

Further, we reiterate that transparency in the updating and operation of the Connections Methodologies is critical, particularly when amendments can affect the outcome for specific projects. This is an enduring requirement. Therefore, we require these amendments to be made to the CNDM through a formal methodology document update (with tracked changes against the current version), submitted to the Authority and then published on NESO's website. We expect, if this is not able to occur earlier, that these amendments will be incorporated into the CNDM by the end of December 2025.

## **Conclusion**

We find that some of the amendments outlined by NESO in the Connections Methodology Update constitute changes to the CNDM. However, we agree with NESO that no consultation is required in this instance as we believe this is reasonable given the minor nature of the changes and that undertaking a formal consultation this close to the

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announcement of the result of queue formation would be impractical. Therefore, we approve the changes outlined above and further detailed in the Connections Methodology Update. Operationally, these changes to the CNDM will take effect immediately as a result.

As set out above, we expect NESO to publish a formal update to the CNDM document containing these tracked changes in due course, and in any case by the end of December 2025.

For avoidance of doubt, our approval of these amendments to the CNDM is solely limited to those detailed in the Connections Methodology Update. We expect NESO, when subsequently updating the CNDM, to make amendments only insofar as is needed to facilitate this. To the extent any changes to the CNDM go beyond our approval contained in this letter, this could constitute a breach of the Electricity System Operator standard licence conditions. To avoid this, we would encourage NESO to re-engage with us in due course to confirm whether the subsequent CNDM amendments remain within scope of what has been approved in this letter.

We recognise NESO's continued engagement and commitment to delivering a fair and effective connections reform regime that is clear and transparent for industry and consumers. We reiterate the importance of this, so that industry continues to maintain its confidence in the reformed process and project developers continue to invest accordingly.

Yours sincerely,

Jack Presley Abbott

**Deputy Director – Strategic Planning and Connections**

Signed on behalf of the Authority and duly authorised for that purpose