Public

Connections Reform update

Webinar

11 December 2025

NESO
National Energy System Operator

Agenda

1. Welcome and housekeeping
2. Delivery pipeline results (macro picture)
3. Detailed outcomes
4. Common queries
5. Progression Commitment Fee (PCF) update
6. Q&A

Q&A

Today’s Q&A is open

We are moderating questions to ensure they are:

- not project specific
- not repeats of questions asked by others
- respectful and pertinent

Delivery pipeline results

James Norman

Getting to today

NESO and the networks worked hand-in-hand with Government, Ofgem, industry, investors, and customers to design Connections Reform.

60+

Industry workgroups

3000+

Transmission and Distribution applications reviewed in 5 months

172

Consultation responses, showing the scale of collaboration

The new pipeline

Energy projects which are most developed and aligned to national targets will now progress

283 GW of generation and storage and 99 GW of demand unlocked

Clean Power 2030 needs can be met

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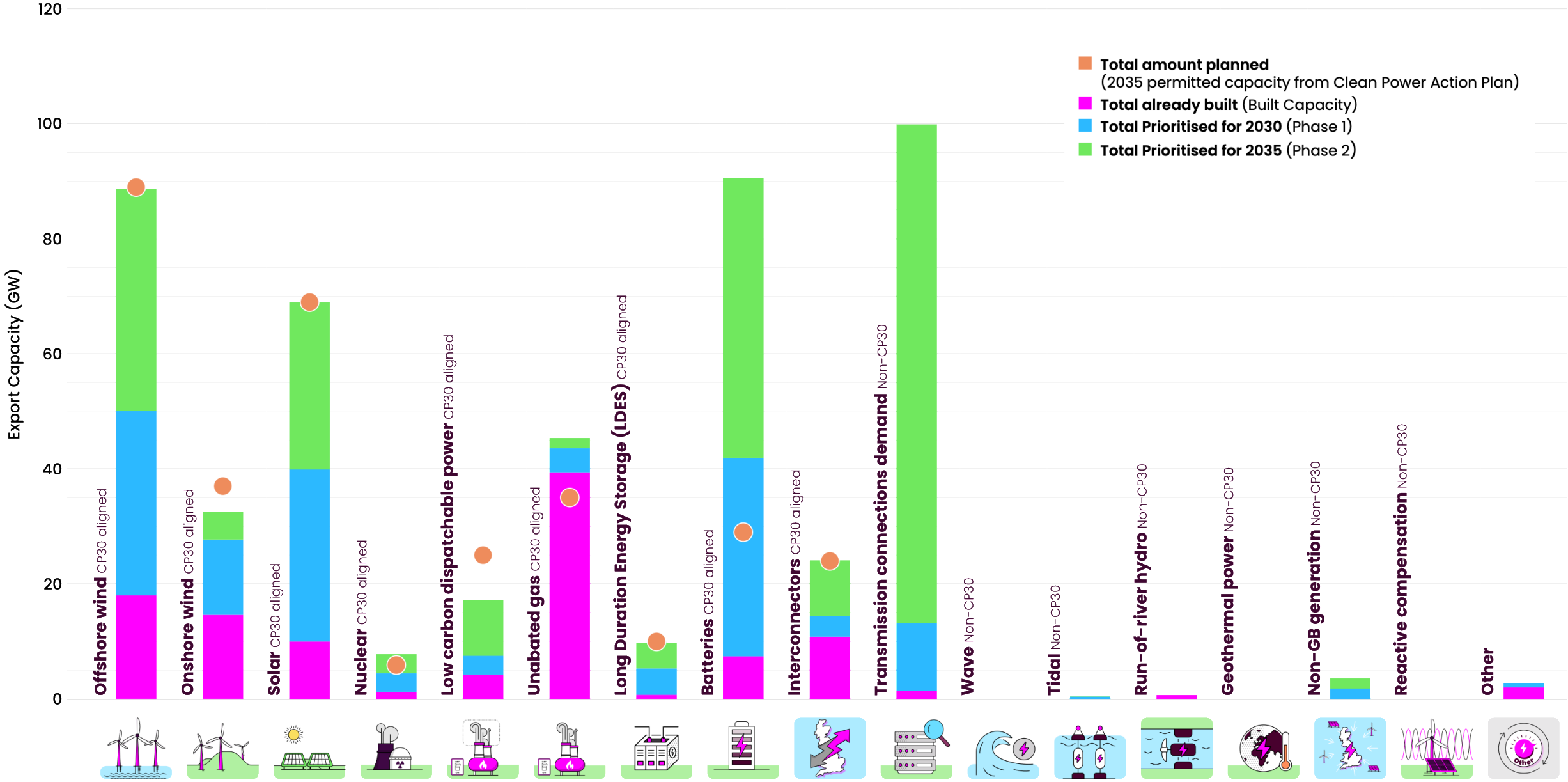
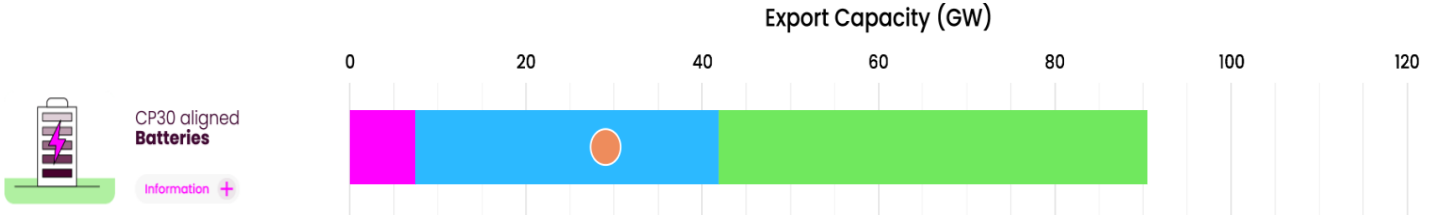
Great Britain's new connections delivery pipeline



Batteries

Only protected batteries were prioritised – 83 GW. The oversupply of batteries by 2035 is 62 GW. Due to the large number of protected batteries, some projects phases will have been changed during queue formation



Signature date of last prioritised project – all Distribution and all Transmission Zones were filled by protected projects. Some projects will also have been moved to Phase 2

- **Total amount planned** (2035 permitted capacity from Clean Power Action Plan)
- **Total already built** (Built Capacity)
- **Total Prioritised for 2030** (Phase 1)
- **Total Prioritised for 2035** (Phase 2)

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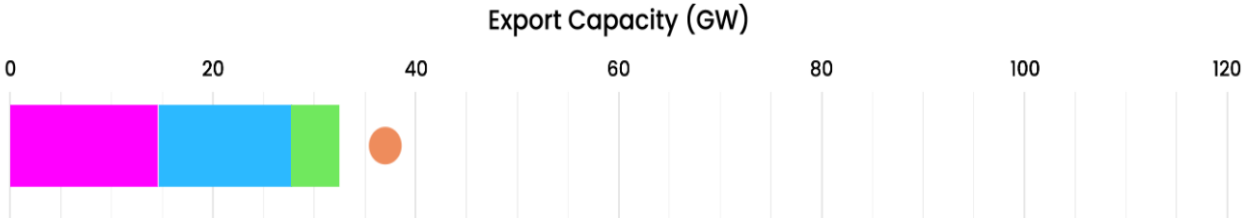
Onshore Wind

Protected projects have been prioritised in Scotland.
England and Wales' zones are undersupplied

CP30 aligned
Onshore wind

Information +



Signature date of last prioritised project – England and Wales was undersupplied, Scotland was filled by protected projects

- **Total amount planned** (2035 permitted capacity from Clean Power Action Plan)
- **Total already built** (Built Capacity)
- **Total Prioritised for 2030** (Phase 1)
- **Total Prioritised for 2035** (Phase 2)

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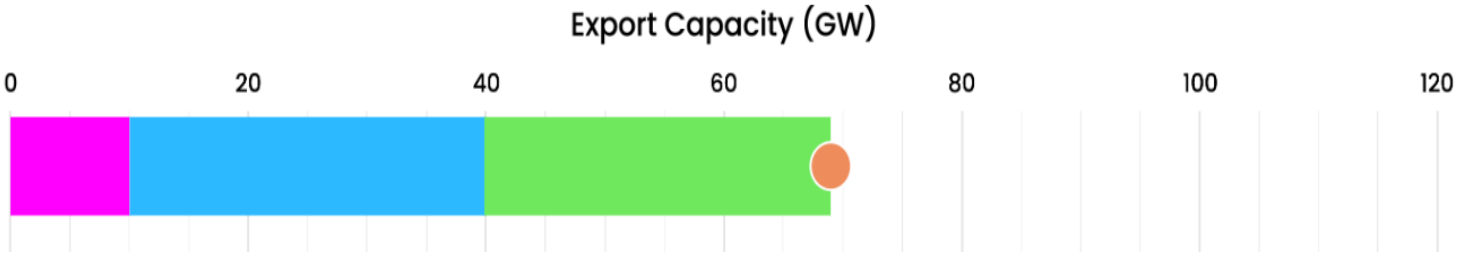
Solar

Most Zones undersupplied in Phase 1.

Most zones oversupplied in Phase 2. T3, T8, T9 have remaining capacity

CP30 aligned
Solar

Information +



Signature date of last prioritised project

Zone	Date	Zone	Date
T1	27/06/24	T6	19/12/22
T2	28/04/22	T7	30/06/23
T4	11/01/23	T10	05/06/25
T5	08/09/21	T11	07/12/23

- **Total amount planned** (2035 permitted capacity from Clean Power Action Plan)
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- **Total Prioritised for 2035** (Phase 2)

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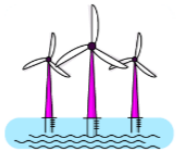
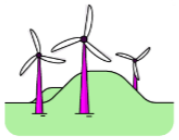
Further Technologies 1 of 4



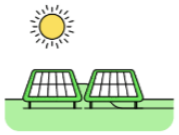
CP30 aligned
Offshore wind

Information +



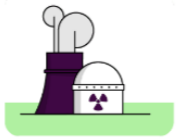
CP30 aligned
Onshore wind

Information +



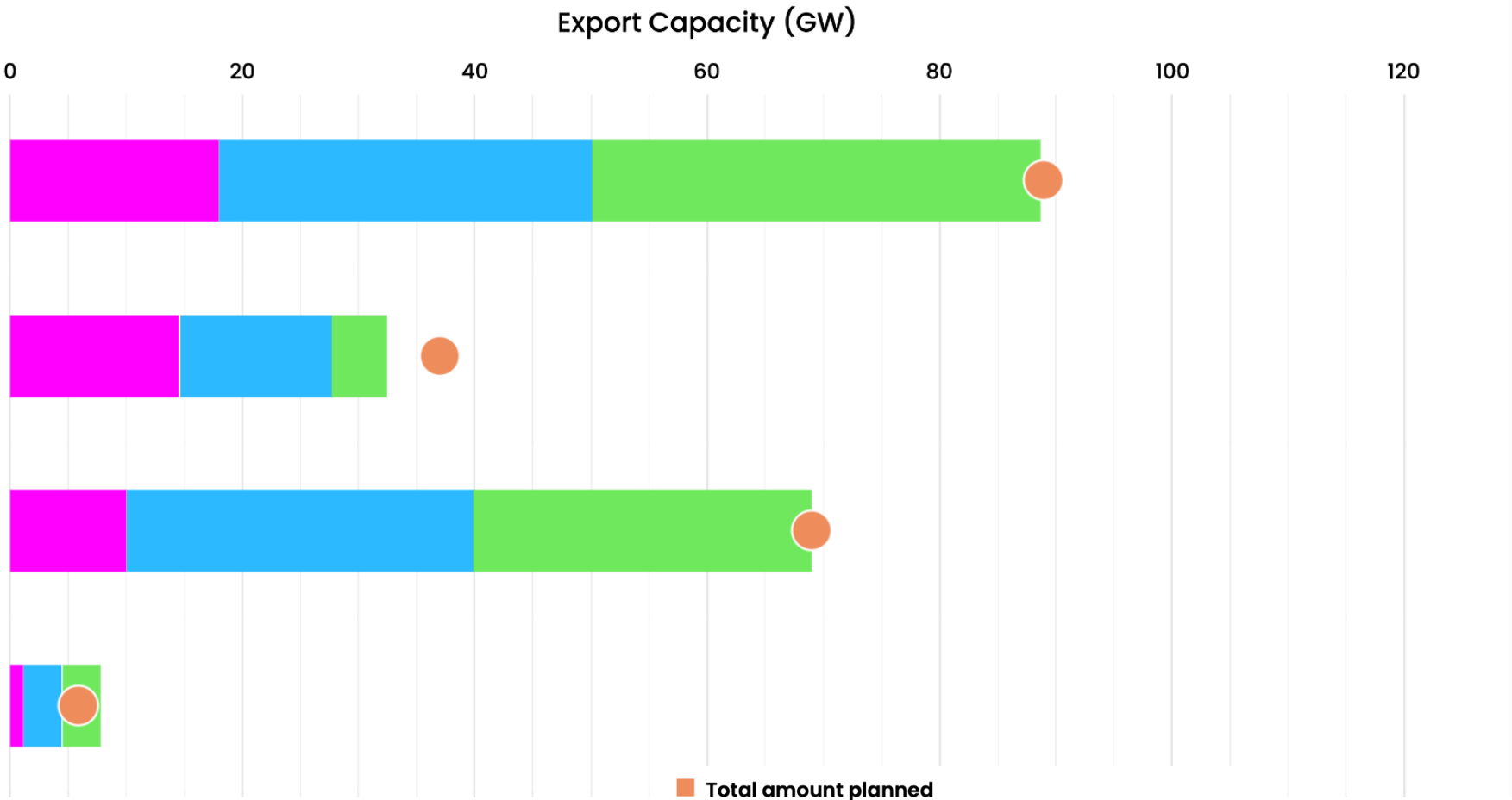
CP30 aligned
Solar

Information +



CP30 aligned
Nuclear

Information +



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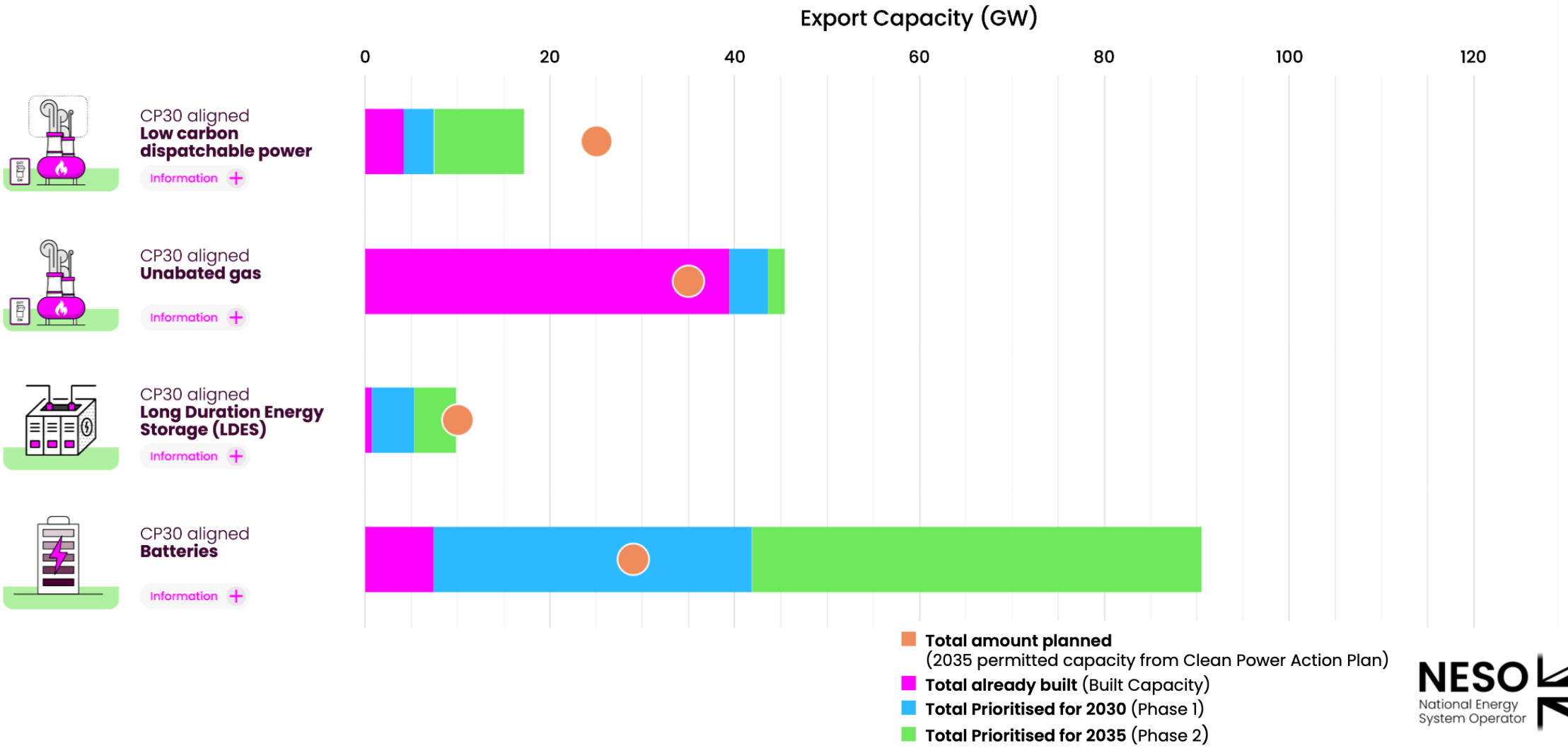
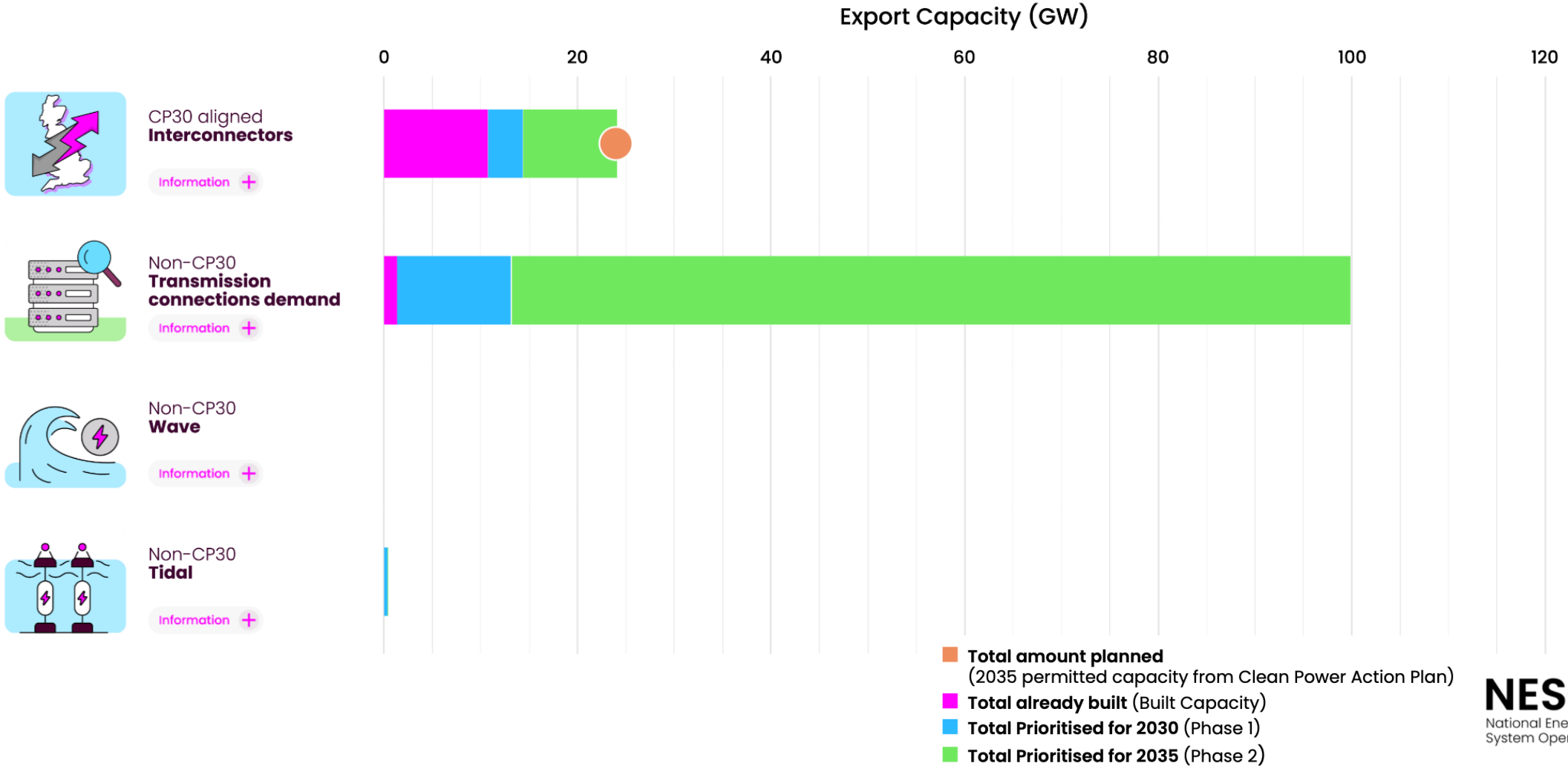
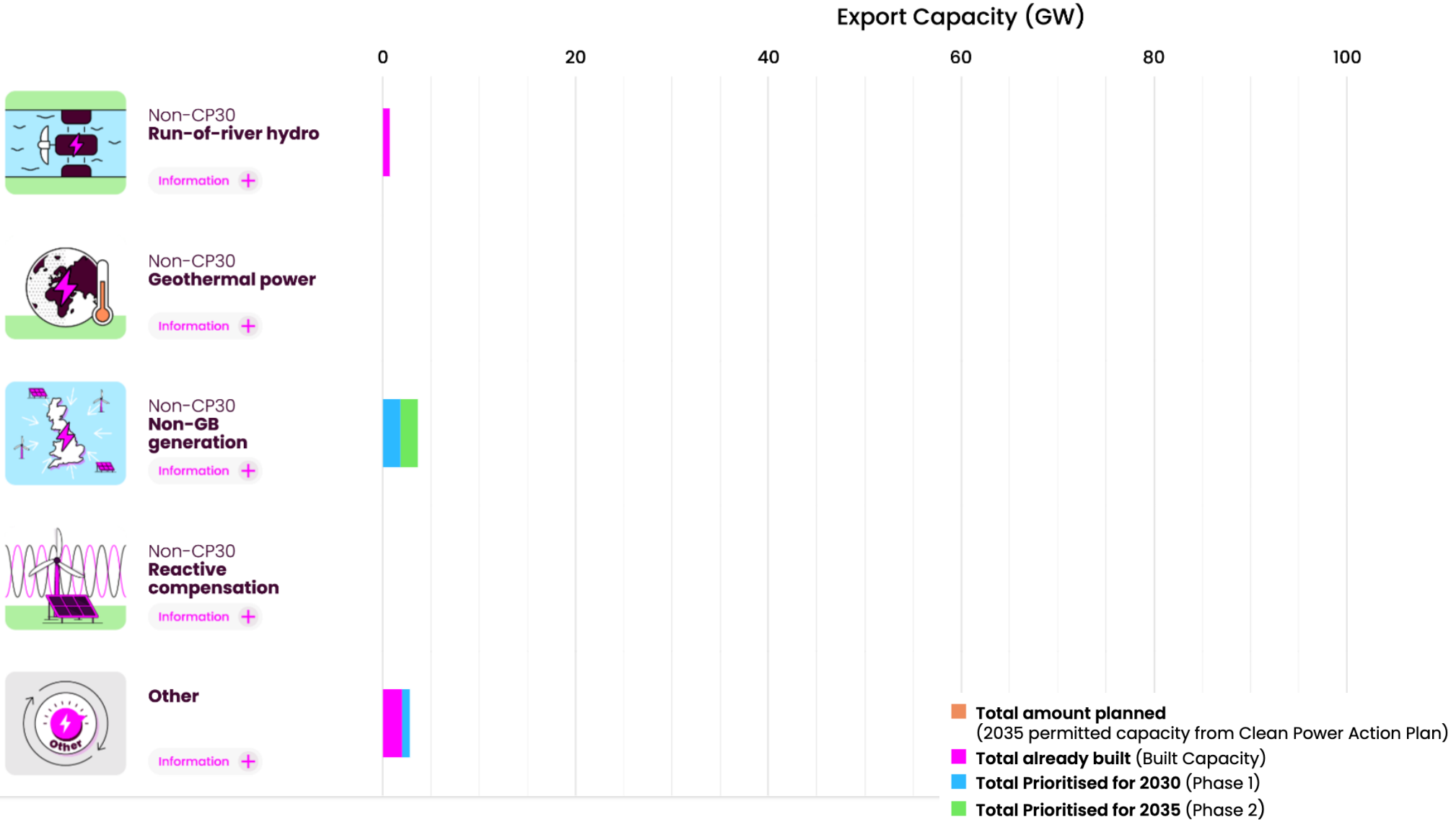
Further Technologies 2 of 4



Further Technologies 3 of 4



Further Technologies 4 of 4



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Projects not prioritised

In total 217 GW of projects which were ready were not prioritised as they were not strategically aligned

Technology	Capacity	Reason for remaining projects not being prioritised
Battery	153 GW	Protected projects took priority
Interconnector	1.2 GW	Projects with Cap and Floor took priority
LDES	5.6 GW	Projects which applied earlier took priority
Offshore Wind	4.5 GW	More ready projects took priority
Onshore Wind	13.4 GW	Protected projects took priority
Solar	35.9 GW	Projects which applied earlier took priority
Unabated Gas	3.8 GW	Only protected projects could be prioritised

Some hybrid/co-located projects will have some of their technologies prioritised and some of their technologies not prioritised in line with the methodology.

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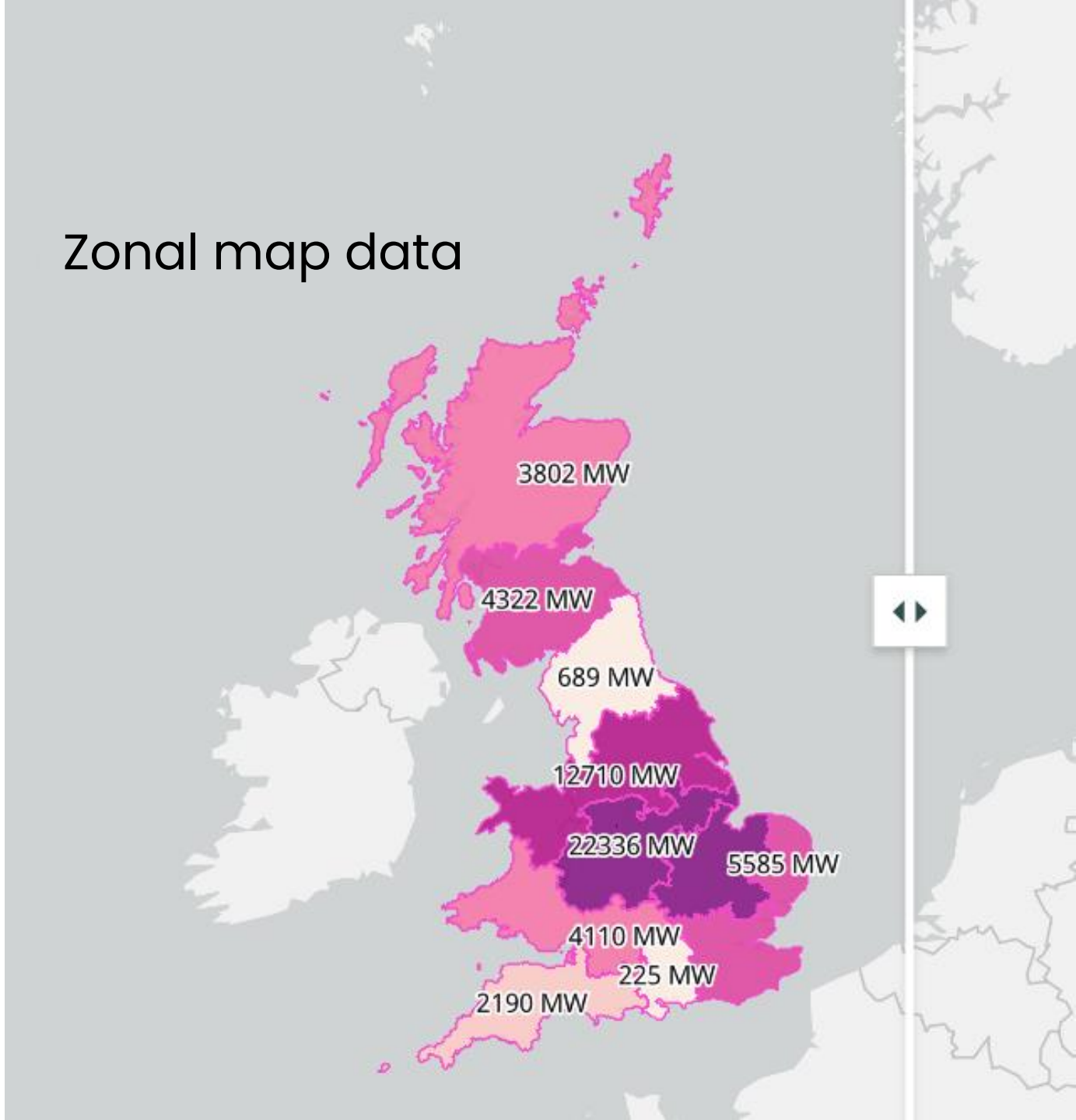
Common enquiry themes

We acknowledge the confusion caused by the maps, which attempts to show aggregated data, and not the detailed breakdown in the published graphs. We are updating visuals and data to ensure clarity as soon as possible.

We will update the disclaimer to make this clearer.



Common Queries

Lauren Stuchfield

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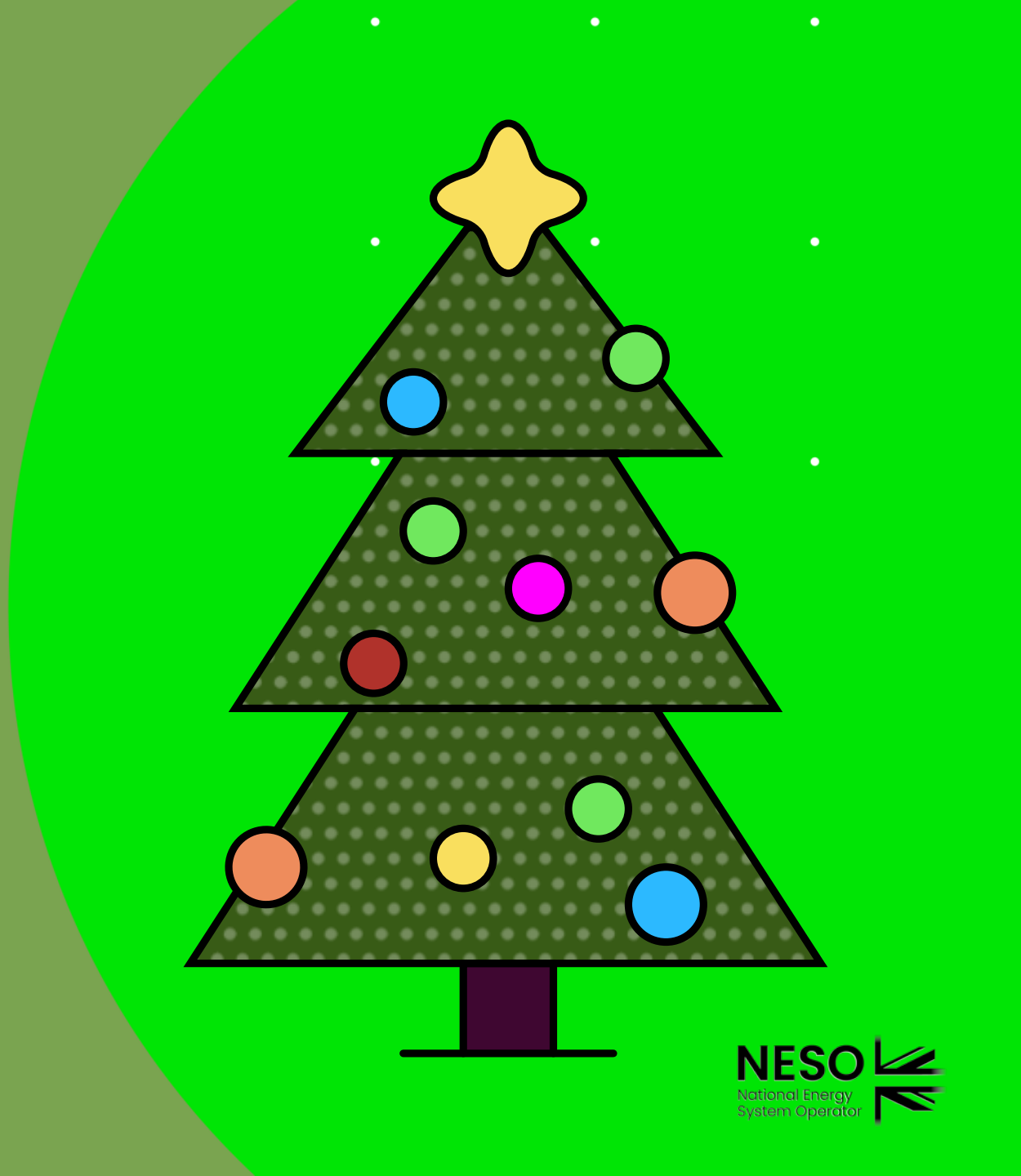
Seasonal period

We will not expect customers to take any action between **Friday 19 December** and **Sunday 4 January**

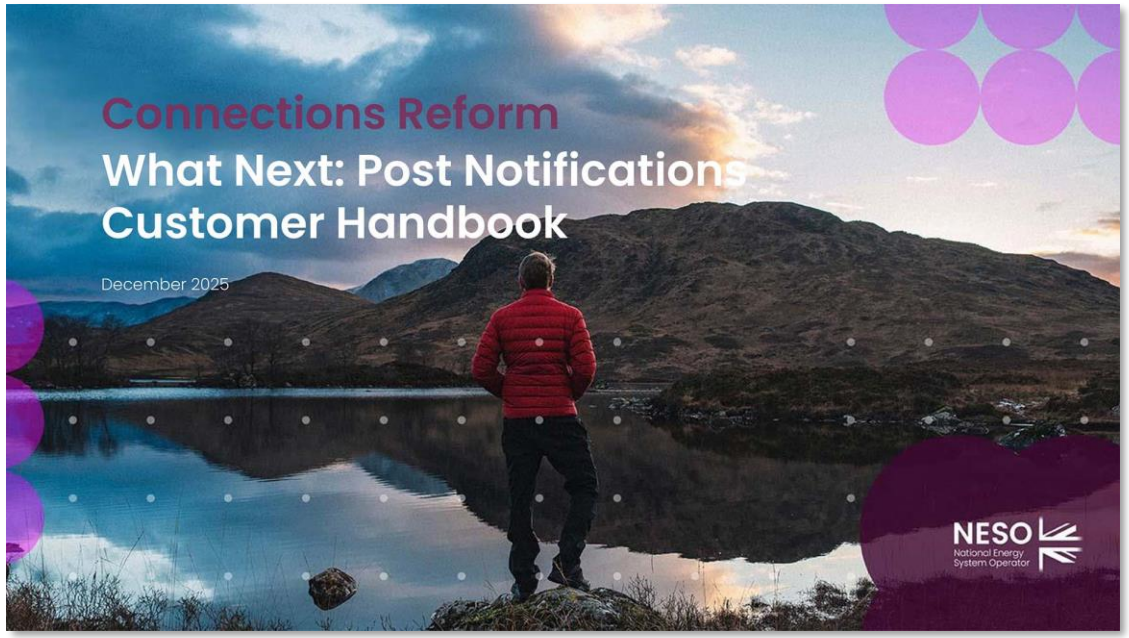
Our channels will remain open for incoming messages



Our new handbook

New handbook covering:

- what Connections Reform set out to do
- how to understand your notification
- what to do when you get your offer or ATV
- fees and securities information
- information for co-located and hybrid projects
- more information on the enquiries process



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Helping us to support you

Please **only use the portal** to raise requests for support

Individual case initial response within in **2 working days** wherever possible

Where **no clear evidence** provided, we **cannot proceed**

Limited remediation options possible

NESO enquiries

DNO enquiries

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Here to provide the right support

Outcome enquiries

For **specific queries or clarification requests** on your project outcome, not addressed in the handbook or information available already

Outcome Challenges

For **evidence-based data or process-administration error** challenges perceived to have had an impact on a specific outcome

Formal dispute routes

Existing formal dispute routes available if unhappy with NESO's final response *(will not expedite a response)*

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Raising & Managing contacts via the portal

1. Use the connections portal to raise your contact using the dedicated category
2. Provide a concise summary of your questions and expectations using the fields
3. Upload relevant data or documentation evidence to support your

Using your feedback for these improvements:

- Upload up to 99 MB per file (up to 20 files)
- Option to update case information throughout
- All case information visible in one place
- Dedicated team of resource supporting contacts
- Continued support for all non outcome questions

If you applied to your DNO, please raise enquiries directly with them.

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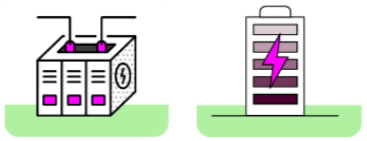
Common Enquiry Themes

Less than 150 queries since queue formation results have come out.

Some still incoming via the .box

Key themes: (1) missing notifications, (2) protection queries, (3) treatment of non-firm

Comms enquiry themes



A note on import only/export only batteries or Long Duration Energy Storage (LDES)

- As a follow-up to the application process, we asked all relevant projects whether their storage was import only, export only, or import and export. Some battery or LDES stages were submitted or requested as import-only or export-only.
- Where developers said relevant storage was import only and co-located with demand, it is treated as final demand only and did not count towards the battery or LDES category for strategic alignment.
- Where developers said storage co-located with generation was export only, it did not count towards the battery or LDES category for strategic alignment.
- **This means that these stages can become Gate 2 and this will be noted in the results table. However, because they cannot both charge and discharge, the developer may wish to withdraw them from the process.**
- In some projects with multiple technologies (for example, a primary technology such as solar, plus a battery), the results table may reference stage or project TEC. That TEC value can be higher than the MW shown for a single queue item, particularly where one technology is Gate 1 and a battery/LDES stage is Gate 2 and import/export only.
- For the avoidance of doubt, where an import only or export only technology stage is in this situation, it is considered to be 0 MW from a queue formation perspective, as it does not have import or export rights, as appropriate. This is also the case from a Gate 2 Modification Offer perspective. This is irrespective of what Project/Stage TEC is included in its row in the table.
- **This does not change your Gate outcome; it simply reflects how capability was entered during queue formation.**
- If your battery's capability changes (for example, you modify from import-only to import/export), you can request the appropriate modification through the usual channels, and we'll treat it under the established processes.

Progression Commitment Fee

Simon Sheridan

What is the Progression Commitment Fee?

Purpose: Progression Commitment Fee (PCF) Supports Connections Reform by encouraging uncommitted projects to leave the queue and viable ones remain — helping drive progress toward clean power by 2030 and net zero.

Decision: On **8 December 2025** Ofgem approved the associated code modification CMP448 original proposal with implementation date of **2 January 2026**.

Why It Matters

Under new queue management, there's a risk that unviable projects may linger without incentive to exit early.

This can slow down progress and reduce overall queue efficiency.

How It Works

- **Trigger:** PCF activates only if a threshold (6.5 GW terminated/reduced at M1) indicates poor queue health. And NESO/Ofgem decide to activate it.
- **Scope:** Applies to generation projects between Gate 2 entry and Milestone 1 (M1).

Mechanism:

- Projects post additional securities once the PCF is triggered.
- If a project terminates or reduces capacity before reaching M1, the PCF is payable.
- Securities are held until M1 is successfully met.

Who does it apply to?

Activation of the PCF will be subject to a threshold of 6.5 GW (terminated projects at M1) being met and decisions made by Ofgem and/or NESO.

If the PCF is activated, it will apply to generation projects in the connections pipeline that meet **all** of the criteria below:

- Hold transmission entry capacity, developer capacity or interconnector capacity
- \+ Have accepted a Gate 2 contract offer
- \+ Have not passed Queue Management (QM) Milestone 1
- \+ Have more than six months to go until their Milestone 1 date at the time of PCF activation or offer acceptance

What's the impact for you?

Terminations of MWs as a result of projects failing to meet Milestone 1 will be tracked and will contribute towards the PCF activation metric.

If this metric exceeds a cumulative 6.5 GW before 31 December 2030, a decision will be taken by Ofgem and/or NESO whether to activate the PCF.

- If the PCF is activated, developers of projects yet to pass Milestone 1 will be required to post a security against the PCF applicable to their project.
- The security will be set at £2.5k per MW and increase every 6 months up to a max of £10k per MW.
- This security will remain in place until the developer successfully demonstrates that the project has achieved Milestone 1.
- Projects will be liable for the full value of the applicable PCF upon termination of the project (or the appropriate portion of the PCF upon reduction of capacity) prior to successfully demonstrating achievement of Milestone 1.
- After achieving Milestone 1, developers will no longer be subject to the PCF if they terminate and there will no longer be a requirement to secure against the PCF.
- Once a project passes Milestone 1, the securities posted for PCF will be returned.

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Key dates

2 January 2026

PCF implemented into the CUSC

NESO begin collecting details of MW terminated, with (i)DNOs support, for failure of a project to meet its M1 milestone

3 August 2026

NESO publish first activation metric

Calculation updated every 6 months up to December 2030 or until threshold met

Reminder:

- If the metric exceeds a cumulative 6.5 GW before 31 December 2030, a decision will be taken by Ofgem and/or NESO whether to activate the PCF.
- If the decision is to activate the PCF the Securities will begin to apply no less than 3 months after the decision to activate the PCF.
- Activation Threshold will reset at end of December 2030 if PCF is not activated before then.

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Q&A

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Slido Q&A

We will now answer the top voted Slido Q&As for the remainder of the session.

#NESO1112

We kindly request that do you do not raise project-specific questions, and that you keep your questions constructive and relevant to the content we have shared today.

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Thank you

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