

Ofgem Annual Methodology Submission

12 June 2026



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Executive Summary

The previous connections process was outdated. It led to long delays, uncertainty and frustration for developers and investors. The connections reforms we have designed with our industry and network partners will ensure that those wanting to connect to the grid before the end of the decade will now have to meet strict criteria to show readiness, as well as their alignment to the UK Government's energy targets.

The transformation of the process for connecting to the grid will ensure that only what's needed, when it's needed, where it's needed is delivered. Connections Methodologies are a core part of that connections planning. They determine how the process works in practice including:

- how projects are assessed;
- how they are prioritised; and
- how the pipeline is formed and progresses.

This submission presents NESO's updated Connections Methodologies for Ofgem's consideration following consultation between 17 March 2026 and 21 April 2026. It sits alongside the clean and marked connections methodology documents and explains how we have used stakeholder feedback to finalise the proposed changes for the next application window, when new and progressing projects will be assessed under the reformed connections process.

The connections methodology documents are proposals from NESO to Ofgem and Ofgem will make final decisions on the contents.

What has changed

We are not proposing retrospective changes to the Gate 2 to Whole Queue process. Keeping this unchanged provides stability for projects already in the process.

We are also proposing to keep key protections in place. This includes Protections 3a and 3b, which will continue to apply to batteries in the next application window. These protections are safeguards for projects that progressed under earlier rules. In simple terms, they help those projects secure a place and key



rights in the connections pipeline. Removing those protections now would risk undermining investor confidence.

At the same time, we recognise that some parts of the connections pipeline are heavily oversubscribed, particularly batteries. Rather than removing protections entirely, we are taking a more targeted approach. This includes refining how some stand-alone battery projects are ordered in the connections pipeline, alongside engaging with wider measures outside the Connections Methodologies, such as financial incentives (CMP470) to encourage the right mix of projects.

We are also improving how projects are prioritised. Hybrid projects (for example, generation combined with storage) and repowering projects (where existing sites are upgraded) will be given priority within Gate 2 ordering where they meet the criteria. This is because they can make better use of existing local network infrastructure.

In other areas, we are prioritising stability. There is no immediate change to the TMO4+ attrition policy, which governs where to set capacity caps and how to respond as and when projects are removed from the connections pipeline if they do not progress. There are also no further changes to the Project Designation Methodology, which sets out how certain projects are formally recognised within the system.

Alongside these decisions, we are making a set of practical improvements to help the system work more smoothly day to day. These include:

- clearer rules on how protections are applied, so developers understand their position in the connections pipeline;
- a process for the handling of early failed applications, meaning projects that will drop out early are dealt with more quickly;
- better guidance on the Original Red Line Boundary, which relates to showing the location of the project site;
- clearer treatment of probate cases, so if a landowner dies, there is a defined process for how the project can continue;
- updates to how projects are allocated to CP30 zones, which is how the grid is divided into geographic areas to manage where projects connect;



- clearer rules on capacity reallocation, meaning how freed-up grid capacity is reassigned when projects drop out; and
- a more transparent connections pipeline formation hierarchy, which simply means clearer rules on how projects are ordered in the connections pipeline.

Taken together, these proposed changes are a focused and practical response to what we have learned so far.

This will help ensure the process delivers and will ensure that ready-to-go projects that are required move forward first, supporting a system that is reliable, clean and affordable for consumers.



1. Our Submission

1.1 Further to our statement pursuant to Licence Conditions E15.6, E16.6 and E17.12 dated 5th March 2026, we formally consulted on our proposed changes to the Connections Methodologies between 17th March 2026 and 21st April 2026. Since the closure of the consultation, we have been considering stakeholder feedback received in response and preparing this Submission to Ofgem in accordance with Licence Conditions E15.11, E16.11 and E17.17.

1.2 We understand that Ofgem has already reviewed both our ‘CMP435 Removals’ versions of the three Connections Methodologies¹, and our suite of consultation documentation, and it is important to note that the content of them remains an important foundation to the content of this Submission.

1.3 We are now submitting updated Connections Methodologies for consideration and decision. For the avoidance of doubt, we seek an Ofgem decision on the clean versions of these Connections Methodologies. However, to support your review process we have also provided marked copies of each of these Connections Methodologies to show what has changed from the approved baseline, without the ‘CMP435 removals’ changes being marked. We have also highlighted (in green) the key changes between the marked versions which accompany this Submission and the marked consultation versions, so you can see where there are key differences following consultation.

1.4 This Submission accompanies the clean Connections Methodologies and we consider that it satisfies Licence Conditions E15.12, E16.12 and E17.18 by specifically providing what is required by those licence conditions (as set out in Section 3, 4 and 5), and by providing some more general information e.g. on lessons learned (Section 2) and next steps (Section 6).

1.5 Please note that we have included within the Connections Methodologies the text consulted on by the Department for Energy Security and Net Zero (DESNZ) in respect of strategic demand. We may need to change this text from any approved published version of the Connections Methodologies, depending on the outcome of DESNZ’s consultation.

¹[Connections Reform design documents and methodologies | National Energy System Operator](#) – See ‘Connections Reform methodology update January 2026’

2. Scope and Approach to Lessons Learned (High-Level)

2.1 As could be seen within our consultation, the underlying reason for many of our proposed changes was to make refinements and improvements to the content of the Connections Methodologies as a result of lessons learned within the Gate 2 to Whole Queue (G2TWQ) process.

2.2 The accompanying changes to the Connections Methodologies do not make retrospective changes to the G2TWQ process. Additionally, much of the G2TWQ process has now concluded, and so aspects of the approved Connections Methodologies are no longer applicable in future. To that effect, we removed various sections of the Connections Methodologies, compared to the December 2025 versions, and only left the residual elements referenced through Section 5 of the amended Connections Network Design Methodology (CNDM). The accompanying Connections Methodologies are therefore intended to apply in the context of the next application window for connections.

2.3 The Connections Methodologies are only part of the regulatory and commercial framework that applies to the electricity transmission connections process. For example, other aspects of the connections process are set out in our licence, as well as network company licences, and in industry codes (e.g. the Connection and Use of System Code, etc). These are accompanied by ancillary guidance documents that set out more detail on specific parts of the connections process (e.g. Gated Modification Guidance).

2.4 Our 17th March 2026 to 21st April 2026 consultation only covered the Connections Methodologies and should be considered within that context. However, prior to summarising consultation responses, and what we have and have not changed in the Connections Methodologies as a result and why, we thought that it would first be useful to set out some of the broad areas where lessons have been learned in respect of scope and approach, but where there has not been any change to the Connections Methodologies. We set out why this is the case and what we plan to do in future.

2.5 In respect of embedded demand impacting on the Transmission System, whilst there were active decisions to not include embedded demand within the scope of TMO4+ and G2TWQ, we are aware that this has resulted in a variety of cross-organisational risks and issues. We continue to collaborate with relevant stakeholders to explore if, when and how to further integrate embedded demand impacting on the Transmission System into the 'TMO4+' model, including via the ongoing work of Government and Ofgem in relation to strategic demand. As that work is ongoing, we have not included any changes to the Connections Methodologies with regards to embedded demand; however, we note that policy positions are evolving and as a result we may need to revisit the content of the Connections Methodologies with regards to embedded demand in future.

2.6 In respect of interactions between the timing of future Gate 2 offers and future CfD allocation rounds, we will work closely with Transmission Owners (TOs), Distribution Network Operators (DNOs), Ofgem and Government to ensure that careful consideration is given to the timing of future application windows (and the timing of offers within those application windows). This should ensure that interactions are managed and risks mitigated to the greatest possible extent. We will do the same regarding both the Capacity Market and Ofgem Cap and Floor arrangements (for Interconnectors and LDES projects). However, no changes to the Connections Methodologies are made in this regard, as the timing of application windows and Gate 2 offers is not set out within the Connections Methodologies.

2.7 In respect of batching Gate 2 offers and the determination of the relative priority of making those offers, where trade-offs needed to be made in the context of G2TWQ, we do not believe this will be a material issue in future connection application windows. The complexity introduced into G2TWQ (and in part the cause of programme delay) was primarily driven by the fact that a large volume of existing agreements were being transitioned to Gate 2 Agreements. In future, it will only be 'new' applications, including as a result of some gated modification applications to Gate 2 Agreements, which are in the Gate 2 offer process. We will however work closely with TOs and DNOs to explore this further and mitigate risks ahead of the next connections application window. No changes are made to the Connections Methodologies in this regard as the approach to relative prioritisation of offers within batches is not set out within the Connections Methodologies (other than in respect of projects being allocated to phases, which would not in our view be appropriate to change).

2.8 We will continue to work closely with the TOs and DNOs in respect of Non-Gated Modification Applications to ensure that these can be processed and issued as quickly as possible outside of a connections application window. Wherever there are interactions between Non-Gated Modification Applications and the issuing of ongoing Gate 2 offers, those interactions will need to continue to be carefully managed in future to ensure the overall process is robust, transparent and leads to efficient outcomes for customers and consumers. However, this should become less complex to manage over time as the G2TWQ process concludes and we move towards the enduring connections application window cycle.

2.9 We will also be reviewing and updating the Gated Modification Guidance and the Material Technology Change Guidance (alongside other guidance documents) prior to the next application window to support efficiency of both gated and non-gated processes and clarity and ease of use for our customers. No changes are made to the Connections Methodologies in this regard as the approach to non-gated and gated applications is primarily set out in licences, codes and guidance, rather than within the Connections Methodologies.

2.10 Finally, we note that there are various ongoing industry code change proposals that could affect the future connections process and the next application window. We will continue to engage with industry on those code change proposals and reflect any agreed outcomes within the future connections process as appropriate. If those require associated changes to the Connections Methodologies, then we will seek to make those changes as quickly and efficiently as possible.

3. The Consultation Process

3.1 The first formal aspect of this submission is to provide a detailed explanation of the consultation process undertaken to amend the Connections Methodologies.

3.2 In accordance with Conditions E15, E16 and E17 of our ESO Licence, prior to this Submission to Ofgem, we undertook a structured consultation, assessment and governance process to support the development and refinement of the relevant Connections Methodologies. This ensured compliance with the procedural and substantive obligations set out within the licence conditions to demonstrate that the Connections Methodologies satisfy the required objectives.

3.3 Following preliminary internal assessment of the Connections Methodologies, including based on lessons learned from the G2TWQ process, we commenced a formal 28-day consultation on the proposed changes in accordance with E15.9–E15.10, E16.10 and E17.16. Prior to consultation launch, a consultation package was prepared, including the amended Connections Methodologies, a supporting report outlining proposed changes and the rationale for proposed changes, consultation questions aimed at obtaining targeted stakeholder feedback, and our explanation of how our proposals align with the relevant licence objectives.

3.4 The consultation was then published on our website and publicised through other means to maximise transparency and participation e.g. via our regular newsletter. To support participation, we conducted targeted post-consultation sessions.

3.5 After closure of the consultation, before final recommendations were developed, all consultation responses were collated and reviewed through a structured assessment process within NESO. Responses addressing common themes were consolidated to identify priorities and areas requiring further improvements. Our aim was not only to identify areas of support or concern from respondents, but also to understand the underlying rationale for stakeholder views and whether alternative approaches could better achieve the relevant licence objectives.

3.6 Following completion of the consultation assessment phase, we engaged with targeted internal and external stakeholders to test emerging conclusions. We did this through a series of playback sessions with TOs, DNOs, Ofgem, DESNZ and internal stakeholders. These sessions enabled consultation feedback to be considered alongside varied practical delivery experience gathered during the implementation of the G2TWQ process. They also provided a means for testing our proposed changes based on stakeholder feedback to ensure that any amendments remained consistent with the broader objectives of the enduring connections framework.

4. Consultation Responses and Stakeholder Views

4.1 The second formal aspect of this submission is to provide copies of any formal responses submitted as part of the consultation process. We have previously provided all consultation responses we received in this regard to Ofgem, and in parallel to this submission will be shortly publishing those which are not confidential on our website.

4.2 The third formal aspect of this submission is to provide a summary of views submitted by parties in their consultation responses and an explanation of how these were considered in the development or amendment of the Connections Methodologies. Prior to this, we first provide an overview of the respondents.

Consultation Response Overview

4.3 In total we received 102 consultation responses. Of these 38 were confidential.

4.4 Of those 102 consultation responses, 13 were from networks, 60 were from developers, 6 were from trade bodies, and 23 were from other interested parties such as consultants.

4.5 Based on the above, we believe that there has been high engagement with the consultation process (albeit noting some stakeholders chose to only respond to the areas which were of most interest to them) and from a good cross-section of those stakeholder types which are directly impacted by our proposals.

Consultation Response Summary

4.6 The approach we have taken is to summarise responses on a question-by-question basis, but with those questions that contain multiple different aspects being further broken down. This provides an appropriate balance between summary and granularity in setting out stakeholder views. For each of these segments, we also summarise what we have and have not changed as a result of stakeholder feedback and why that is the case.

Q1. Do you agree that we have accurately reflected the CMP434 specific content in the illustrative versions of the CNDM and G2CM published on 21 January 2026, and in the illustrative version of the Project Designation Methodology published in parallel with this consultation?

4.7 Most respondents agreed or broadly agreed that the CMP434 specific content is accurately reflected in the illustrative versions we published to show what the approved Connections Methodologies would look like without the CMP435 specific content. Some however noted they have not had time to do a line-by-line check, and a few instead noted that this is for NESO to determine through appropriate processes.

4.8 Some stakeholders noted that they would want the enduring CMP434 documents to be as self-contained as possible, with more explicit signposting of any residual CMP435 provisions that remain binding (and for whom).

4.9 Other comments made in response to this question were mostly in the context of further changes to the Connections Methodologies, rather than being specifically in response to this question and the illustrative versions.

4.10 As a result of the above feedback, the main point we considered was whether to take a different approach to Section 5 of the CNDM and include the aspects which remain applicable in full rather than in general (as per our proposals). However, whilst we agree this would make the next iteration of the approved CNDM more self-contained, it would also make it longer and more quickly outdated (including in the time between the updated Connections Methodologies being submitted to Ofgem, and their subsequent approval, if and when that occurs). This could happen where we include discreet steps of the G2TWQ process in the CNDM, which are then concluded between this Submission and the Ofgem decision, as well as after the decision upon conclusion of the G2TWQ process.

4.11 ***Therefore, on balance we have decided to maintain our proposed approach to ensuring the residual aspects of CMP435 in the Connections Methodologies remain binding, and as such we have not made any changes to Section 5 of the CNDM or to any other sections of the Connections Methodologies as a result of responses to this question.***

Q2. Do you have any views on battery oversupply? Would there be overall merit in any actions to seek to mitigate battery oversupply, including potential disapplication of protection clauses 3a and 3b for batteries applying in the next application window? Please explain your rationale.

Summary of responses

4.12 Most respondents replied to this question, with a high percentage of those respondents including detailed responses. We thank industry for its productive engagement with this question.

4.13 The majority of respondents considered that at least some actions should be taken to address battery oversupply. However, respondents differed materially in their views on what actions should be taken. A minority of respondents considered that no action needed to be taken and that battery oversupply would be resolved through market forces, which would lead to only those batteries 'needed in the market' proceeding, with the remainder exiting the connections pipeline.

4.14 Of the respondents that considered action should be taken, there were 3 main themes to the responses:

- Potential disapplication of Protection Clauses 3a and 3b in the CNDM;
- Financial incentives; and
- Other actions that could be taken.

Potential disapplication of Protection Clauses 3a and 3b in the CNDM

4.15 The majority (54%) of respondents set out their strong opposition to disapplying Protections 3a / 3b for batteries in the Connections Methodologies. This was double the number of respondents (27%) that supported disapplying Protections 3a / 3b for batteries. The remaining respondents (19%) were neutral or did not cover this area in their response i.e. did not express a view on disapplication of protections or did not set out a preference within their response.

4.16 The main themes from those respondents that set out their opposition were, in their view:

- that it would discriminate against projects that go through a planning regime that typically takes longer (e.g. in Scotland);
- that it could stop batteries securing Gate 2 status that (in the respondents' view) are located in an area that would provide more system value than current Gate 2 batteries;

- that it would be potentially illegal and would likely be challenged;
- that it would materially undermine investor confidence by going back on a previous commitment that investors have counted upon by continuing to progress their projects through the planning process; and
- that it would not address existing Gate 2 battery oversupply, as it would do nothing to reduce the number of Gate 2 batteries resulting from G2TWQ.

4.17 The main themes from respondents that set out their support were, in their view:

- that adding further batteries is not necessary or efficient as those batteries will not have a business case and will therefore terminate or otherwise exit the connections pipeline. However, they also thought that until they do so, they will trigger network investment and will sterilise network infrastructure e.g. substation bays. The impact of these were thought to be delays to the connection of other 'needed' projects that secure Gate 2 status in the next application window and future connection application windows and additional costs for customers and GB consumers;
- that this is an exceptional situation (i.e. the large quantum of battery oversupply) that requires exceptional action; and
- that this needs to be combined with other approaches to reduce/mitigate battery oversupply (see later sub-sections for further information).

Financial incentives

4.18 Responses were roughly evenly divided on whether some sort of additional financial incentive is needed to mitigate the risks of material battery oversupply. Where a response was provided to the question, almost half of responses supported the need for an additional financial mechanism for batteries. Some of those responses supported an ongoing code modification (CMP470)² explicitly, others were less specific and just set out more general support for a financial mechanism. Of those that supported a financial incentive, reasons provided were that it would accelerate natural market attrition and ensure that only the most viable battery projects proceeded.

4.19 Of the remaining responses, most opposed a financial mechanism for batteries, but c10% did not refer to financial mechanisms at all in their response. Some of those opposed to a financial incentive opposed CMP470 explicitly, while others were less specific and just set out more general concerns about any additional financial mechanism. Of those that opposed a financial incentive, reasons provided were that natural market attrition would be sufficient to

² www.neso.energy/industry-information/codes/cusc/modifications/cmp470-introducing-oversubscribed-technologies-commitment-fee

ensure only the most viable projects proceeded, and concerns that a financial incentive would favour large project developers and disproportionately impact small developers or those with lower financial resources.

Other actions that could be taken

4.20 There was minority support from some respondents for other mechanisms to mitigate the risks of material battery oversupply, such as:

- increased use of bay sharing;
- a cost amnesty to allow Gate 2 batteries to switch to Gate 1 and be exempt from capital contributions or cancellation charges;
- revisiting the G2TWQ connections pipeline formation outcomes e.g. by pushing oversupplied G2TWQ phase 2 batteries down the queue into a new 'phase 3' at the back of the G2TWQ connections pipeline, by prioritising hybrid batteries by pushing them up the G2TWQ connections pipeline at the expense of non-hybrid batteries, or by prioritisation based on an assessment of financeability or meeting planning consent conditions; and
- changes to the TO scheduling of works e.g. deprioritise the delivery of network reinforcement needed to connect oversupplied batteries.

4.21 Finally, a minority of respondents set out their view that the impact of battery oversupply is overstated as (in their view) many Gate 2 batteries are part of hybrid Gate 2 projects, which they consider have little or no negative impact on network or the electricity system. As such many of those respondents set out their view that any measures taken forward to address oversupply of batteries should not apply to hybrid batteries.

NESO view

Protections

4.22 The protection clauses (including 3a and 3b) were originally introduced to ensure equitability for more advanced projects, particularly those affected by delays in planning decisions outside the developer's control. However, their application across all technologies has had unintended consequences, particularly for batteries, which can typically progress through the planning consent process more quickly. This has led to the current material oversupply of Gate 2 batteries.

4.23 Disapplying protection clause 3a³ would remove protection from battery projects that:

- do not have current Gate 2 status;
- had submitted planning applications before 20 December 2024, but had not secured planning consent before the closure of the G2TWQ evidence submission window (26 August 2025); and
- that subsequently secure planning consent before the closure of the evidence submission period for the next application window.

4.24 Removing this protection would therefore prevent any such batteries that applied in the next application window from automatically progressing to Gate 2. It is worth noting that batteries that met protection clause 2b would not be affected.

4.25 **On the basis of the consultation feedback, we do not intend to disapply protection clauses 3a or 3b for batteries in the next application window.** The relevant sections of the Gate 2 Criteria Methodology and the CNDM have therefore not been amended to disapply protections 3a or 3b for batteries.

4.26 The reasons for our approach are:

- **Equitable treatment:** Projects progressed in good faith under existing rules. The protections explicitly accounted for delays in planning decisions across England, Wales and Scotland. It is well established for example that energy infrastructure planning decisions typically take significantly longer in Scotland than in England and Wales. There are also local variations that mean planning decisions also typically take significantly longer in some regions and local authorities within England and Wales.
- **Investor confidence:** Retrospective changes could undermine confidence in the stability and predictability of the connections regime. When we introduced the TMO4+ model we did so based on a general principle that this should remove the need for further retrospective interventions. Removing the opportunity for protections in the next application window would deviate from the prior policy intent and project developers could therefore have had a reasonable expectation that there may be value in continuing to progress a project through the planning process with a view to protection in the next application window.
- **Impact on battery oversupply and risks to network and system:** due to assessing additional information provided via the consultation process alongside our current data, we consider that an additional 7-10GW of battery projects could secure Protection

³ We have not referred to protection clause 3b here as protection clause 3b only applies to technologies where there is no GB level oversupply. As batteries are currently c60GW oversupplied compared to the overall GB permitted capacity, protection clause 3b is highly unlikely to apply to batteries in the next application window.

3a in the next application window and therefore receive Gate 2 status. This is not insignificant and would add another circa 10% to the current levels of Gate 2 battery oversupply. However, we estimate that at least 50% (and likely anywhere between 60–80%) of the projected 7–10GW of protection clause 3a battery projects will be co-located with an existing Gate 2 connections pipeline item(s), i.e. they will be part of a Gate 2 hybrid project. This means that adding the hybrid batteries in the next application window would have significantly less impact on already planned local network reinforcement than if those batteries were ‘stand-alone’ (please also see later section on Hybrids for further information). We consider that this significantly reduces the risk of additional unnecessary / inefficient network build.

- **Varying regional levels of oversupply:** Our initial analysis suggests that most protection clause 3a batteries are likely to be in Scotland. Current battery oversupply is significantly less pronounced in Scotland than in England and Wales, meaning the risks of network overbuild and connection delays are less acute. It is possible that additional batteries may add future system value in Scotland, but most likely only where there is significant Gate 2 battery attrition. We note that this is a possibility if and when a robust financial incentive is introduced and large numbers of less viable Gate 2 batteries start to exit the connections pipeline for this reason.

4.27 As such we consider that alternative interventions – particularly a robust financial incentive (see the next subsection for further information on this) – are likely to be significantly more efficient and targeted in addressing battery oversupply than disapplying protection clauses 3a and 3b. However, in order to further mitigate the risk of battery oversupply to other projects needed for 2035, we have made an amendment to connections pipeline ordering arrangements for a Gate 2 tranche in the next application window. Under the queue ordering rules for a Gate 2 tranche in the CNDM as consulted upon, protected battery projects added in the next application window would be placed with any other protected projects across other technologies, near the front of the Gate 2 tranche (but behind all current Gate 2 status projects in the new connections pipeline). However, within this new Gate 2 tranche they would sit ahead of any new ‘unprotected’ projects that secure Gate 2 status in the next application window. This would therefore risk exacerbating issues such as network overdesign and delays to new / additional priority generation / demand.

4.28 **We have therefore amended Paragraph 7.3.4 of the CNDM to reflect this, as follows:**

“Where a CP30 Technology Type is oversubscribed by more than 50%, then any ‘standalone’ (i.e. non hybrid) and confirmed Protection Clause 3a and 3b queue items of that technology type will, as part of queue formation for a Gate 2 Tranche, be moved, in their relative order, to the back of the Gate 2 Tranche, rather than remaining included in the Protected tranche.”

Financial incentives

4.29 We continue to support interventions which would encourage timely attrition of oversupplied battery projects. As such, we support the introduction of a robustly scoped and appropriately sized financial incentive on oversupplied batteries. The most developed current option is an additional financial commitment for materially oversupplied technologies, raised through the code modification process i.e. CMP470.

4.30 CMP470 is currently progressing through the urgent code modification process, with the final modification report set to be issued to Ofgem in mid-July. If approved, CMP470 would come into force in early 2027, in line with the securities statements for the April 2027 to September 2027 period. Any decision by Ofgem to approve CMP470 in 2026 could also be a factor into the decision making of projects assessing whether to sign their Gate 2 offers in the G2TWQ process.

4.31 We support the intent of CMP470 and many aspects of the current CMP470 proposal. **We will continue to work collaboratively with industry via the CMP470 code modification process to ensure an appropriate outcome.**

Other actions that could be taken

4.32 We agree with respondents that other actions could also be taken to mitigate the impact of oversupplied batteries, although we consider that these would be supplemental, rather than instead of, a robustly scoped and appropriately sized financial incentive.

4.33 We support efficient sequencing of network reinforcement and efficient use of bay sharing (i.e. where more than one customer shares a connection). **We will work with TOs to support any actions in those areas, including by reviewing our current substation bay sharing policy.**

4.34 We do not agree with additional cost amnesties as Gate 2 projects are already able to reject their Gate 2 offer and receive a Gate 1 offer, which would result in any final sums / user commitment liabilities being removed from their agreement and any associated financial securities held being returned. We do not consider that further cost amnesties are necessary or efficient.

4.35 We also do not intend to revisit the G2TWQ process connections pipeline formation outcomes as that process was run in line with the Connections Methodologies approved by Ofgem and we consider that the impact of any re-run is likely to be significantly detrimental to GB consumers and we should therefore progress with the currently planned G2TWQ process.

4.36 We set out our views on Hybrid projects more generally in the section below.

Q3. Do you agree with our views on attrition, hybrids and repowering? Please explain your rationale.

Attrition

4.37 The majority of stakeholders agreed that there was insufficient evidence to alter permitted capacities or other areas of TMO4+ in order to reflect potential project attrition rates at this time. However, many stakeholders asked for attrition levels to be closely monitored and stated that attrition rates should be reviewed once all Gate 2 offers are accepted or rejected. Stakeholders also requested transparency as attrition rates become clearer to NESO. Several respondents noted that attrition may be higher than assumed due to factors such as supply chain constraints and financing conditions. Therefore, they thought that NESO should be prepared to adjust permitted capacity assumptions and/or open additional connection application windows if a risk of under-supply emerges.

4.38 **Considering stakeholders feedback, we are proposing not to make any changes to TMO4+ policy to mitigate the potential impact of attrition at this time.** We will continue to monitor the acceptance and rejection rates of Gate 2 offers and transparently communicate this to industry e.g. via webinars, once more information is known. Where there is attrition, we will act quickly to reallocate capacity for remaining Gate 2 customers, through the CNDM capacity reallocation process. We will also communicate available permitted capacity across CP30 technologies as and when there are any material changes to the figures we published in January and in good time ahead of opening of the next application window.

Hybrids

4.39 There was no strong consensus on the treatment of hybrid technologies. By 'hybrid' we mean a project made up of two or more technologies listed in Section 6.3 of the Gate 2 Criteria Methodology, at a single point of connection.

Connections pipeline formation ordering

4.40 Several respondents disagreed with the proposal to consider prioritisation of hybrid technologies within connections pipeline formation from the next application window, stating the need to develop greater evidence of the benefits of hybrid projects, while others raised concerns on preferential treatment of hybrids risking investor confidence.

4.41 However, several stakeholders provided qualitative evidence of their view of system benefits arising from hybrid projects e.g. more efficient use of the existing network and ancillary service provision.

4.42 **Due to the potential benefits of reduced local network reinforcements, we are proposing to prioritise hybrid project connections pipeline items (for the purposes of connections pipeline formation ordering within a Gate 2 Tranche) from the next application window.** We will do this through ranking hybrid connections pipeline items higher than non-hybrid connections pipeline items in each sub-tranche of the connections pipeline formation process. This would only be however where a connections pipeline item within a hybrid project meets the Gate 2 criteria (Readiness and Strategic Alignment).

4.43 We have decided to take this approach as we believe there are potential efficiencies from relative prioritisation of the connection of a secondary hybrid technology, that connects into a bay of a substation / Grid Supply Point that has already been allocated to a primary hybrid technology, in comparison to connection of a new 'stand-alone' technology. This is because a new 'stand-alone' project is likely to require more significant local network reinforcement e.g. a new substation bay. We believe this could lower costs to consumers due to more efficient use of network infrastructure. It could also have benefits for other new 'stand-alone' projects as it could ensure that more bays are available, thereby potentially reducing their costs and connection dates.

4.44 We have set out detail on the prioritisation of hybrid project connections pipeline items for the purposes of connections pipeline formation ordering within a Gate 2 Tranche within Section 7.3 of the CNDM.

4.45 While we consider that this is a reasonable approach for next application window, we do not consider that applying such connections pipeline formation ordering prioritisation would have been appropriate under the G2TWQ process. This is because the G2TWQ process applied to all in scope existing agreements, many of which were 'stand-alone' projects that were originally contracted many years previously (for example, a significant majority of current Gate 2 Phase 1 projects are 'stand-alone'). In our view applying a connections pipeline formation prioritisation approach to hybrid projects within the G2TWQ process would therefore have risked deprioritising well progressed 'stand-alone' projects currently due to connect before end 2030.

Strategic alignment / permitted capacities

4.46 Respondents raised concerns that technologies within hybrid projects had been separated during G2TWQ, resulting in the commercial viability of some projects being adversely impacted. One stakeholder stated that hybrid technologies are not separable commercial propositions as they are conceived, developed, financed and built as integrated units. For example, for a hybrid project composed of a 200MW solar technology and 50MW battery technology, if only the solar or the battery received a Gate 2 Offer, it may no longer be able to progress. To resolve this challenge, some stakeholders requested that hybrid technologies are treated as one technology type for the purposes of Gate 2 strategic alignment criteria / permitted capacity assessment, and/or co-located batteries should be exempt from CP30 permitted capacities.

4.47 We continue to consider that hybrid projects should be treated based on how they behave and their impact on the electricity system. For example, if a hybrid project wishes to export capacity through a generation technology and import capacity through a storage technology, then it will behave on the system as both an export and import project, at different times and under different system conditions. Under such a scenario we consider that it remains appropriate that both the generation technology and the storage technology should meet the Gate 2 Criteria, as both technologies are separately exporting and importing onto, and impacting, the electricity transmission system.

4.48 We acknowledge that some customers consider that their projects would be more commercially viable if they have more than one technology; however, we note that within the Connections Methodologies we continue to allow export only (when combined with generation) or import only (when combined with demand) storage systems to be 0MW and to meet the Gate 2 Strategic Alignment Criteria. We also note that it is our role to ensure efficient design and operation of the electricity transmission system and ensure an efficient energy transition through the connection of an appropriate mix of projects / technologies.

4.49 We will continue to work with industry to consider and assess further evidence of any wider system benefits arising from hybrids (i.e. in addition to the local network reinforcement benefits referred to earlier), in order to inform future reviews of the Connections Methodologies and alignment with future strategic energy plans such as the Strategic Spatial Energy Plan and as Reformed National Pricing policies develop.

Parent and Child process

4.50 One stakeholder proposed the introduction of a new “Parent and Child” process within the Gate 2 strategic alignment / connections pipeline formation process. **We are progressing with this proposal (as set out below) as we believe it could support in allowing Users to better communicate their business plans/priorities for hybrid projects and for those to be reflected within connections pipeline formation outcomes and Gate 2 offers.**

4.51 Within this approach, if there is a primary technology within a hybrid project (e.g. solar, from the example set out earlier), the User can specify that technology as the “Parent” technology in the Gate 2 application process. By specifying a technology as ‘primary’ this means that it would be the User’s key technology within their business case and would be their priority to receive a Gate 2 Offer. For the additional technology (or technologies) within the hybrid project, that in the User’s view supports increased revenue for the Parent technology, this/these could be assigned as the “Child” technology. Under this process, if the Parent does not meet the Gate 2 criteria (Readiness and Strategic Alignment) and is therefore not given a Gate 2 Offer, the Child will also not be provided with a Gate 2 Offer even if it would otherwise have met the Gate 2 Criteria. Users will not be required to allocate a technology as a Child, but this means the risk to the hybrid project of potential separation within connections pipeline formation would remain. The aim of this is to:

- Enable Users to better communicate priorities for the connection of hybrid technologies;
- Prevent NESO allocating capacity to projects that are unlikely to sign Gate 2 offers, enabling this capacity to be allocated to projects that are more likely to progress; and
- Prevent TOs from undertaking network studies for technologies that will ultimately have their Gate 2 Offer rejected by Users.

4.52 The introduction of the Parent and Child process results in changes to the CNDM as well as to the application process. After the connections pipeline is formed, if a Parent technology is ‘ready’ but does not meet strategic alignment but the Child technology does, the capacity allocated to the Child technology will be released. The connections pipeline formation outcome for the Gate 2 Tranche would be adjusted to allocate this capacity to another ready project in the Gate 2 Tranche.

Repowering

Summary of responses

4.53 By 'repowering' we mean a project that is already connected to the electricity system, that is seeking to replace some or all of the project in way which creates a new connections pipeline item i.e. through capacity increase and/or material technology change. There was broad support in consultation responses for clearer and more permissive treatment where the system impact of repowering is negligible. Several respondents stressed that repowering should be treated differently depending on whether impacts are separable from the existing scheme e.g. like for like versus incremental capacity increase and/or adding or materially changing a technology. This is generally aligned to the current treatment of repowering projects (e.g. via the Gated Modification Application guidance and the Material Technology Change guidance) and what we proposed within the consultation.

4.54 However, there were concerns raised by some respondents about perceived ambiguous terminology used by NESO in documents (e.g. 'little to no impact', 're planting', etc) could inadvertently result in future routine refurbishment or compliance upgrades related to extension of the life of the existing project being forced into the gated process. This would be contrary to the intent of the current position and what we proposed within the consultation. As such, some stakeholders felt that the guidance we have published on material technology change and gated modifications is not clear enough in respect of repowering and considered that our language can be confusing at times. Therefore, the most repeated practical request from stakeholders was for clearer allowable-change guidance and tolerances, so that minor impacts (e.g. related to operational asset life extension without additional capacity or notable system impacts) do not inadvertently trigger a full reapplication in the gated process and/or loss of connections pipeline position.

4.55 Many respondents frame repowering as low regret and vital for CP30 delivery, especially where existing sites are high yield and have established community and/or land arrangements. Some respondents asked for consistent treatment across transmission and distribution to avoid contradictory outcomes.

4.56 A notable minority of respondents argued that repowering should be prioritised in connections pipeline formation, and/or not be fully subject to the reformed connections process e.g. with capacity increases related to repowering being exempt from permitted capacity allocation limits. A variety of arguments were presented by such stakeholders for why this should be the case, such as repowered sites being in the best locations, requiring less network investment, or potentially already having land rights / community relationships.

4.57 A notable point of detail raised by a couple of respondents was that the repowered site may not be developed by the same developer as the one which owns the existing site, and that repowering arrangements should not limit the repowering of the site to the original party as this would be overly restrictive. Again, lack of clarity in documentation was cited as being a concern on whether this is permissible.

NESO view

Connections pipeline formation ordering

4.58 **As a result of this feedback, we plan to introduce prioritisation of repowering project connections pipeline items for the purposes of connections pipeline formation ordering within a Gate 2 Tranche, in a similar way to new hybrid connections pipeline items, as described earlier.** We will do this through ranking repowered connections pipeline items higher than non-repowered connections pipeline items in each sub-tranche of the connections pipeline formation process. This would only be however where a connections pipeline item within a repowering project meets the Gate 2 Criteria (Readiness and Strategic Alignment).

4.59 We have set out detail on the prioritisation of repowering project connections pipeline items for the purposes of connections pipeline formation ordering within a Gate 2 Tranche within Section 7.3 of the CNDM. This includes supporting visuals, including how prioritisation of repowering connections pipeline items works alongside prioritisation of hybrid connections pipeline items.

4.60 We have decided to take this approach as, similarly to our position on hybrid projects, we believe there are potential efficiencies from relative prioritisation of the connection of a repowering project connections pipeline item, that connects into a bay of a substation / Grid Supply Point that has already been allocated to the existing project that is undergoing repowering. We believe this could lower costs to consumers due to more efficient use of network infrastructure. It could also have benefits for other new 'stand-alone' projects as it could ensure that more bays are available, thereby potentially reducing their costs and connection dates.

4.61 We acknowledge that the above change is resulting from minority rather than majority feedback, but some of the arguments presented by stakeholders in favour of repowering prioritisation have convinced us of the benefits of at least some prioritisation for repowering related connections pipeline items, whether associated with capacity increases or as a result of material technology change.

Strategic alignment / permitted capacities

4.62 We continue to consider that repowering projects should be treated based on how they behave and their impact on the electricity system. For example, if a repowering project wishes to add capacity or add or materially change a technology, then this will have impact on the electricity transmission system. Where this leads to a Gated Modification Application, this impact should be assessed and should be subject to meeting the Gate 2 Criteria in the same way as any other Gated Modification Application. As such, where repowering has an impact on the electricity transmission system, we do not agree that repowering projects should be exempt from permitted capacity allocation limits.

4.63 However, we plan to also keep this under review with Ofgem and Government in order to inform future reviews of the Connections Methodologies and alignment with future strategic energy plans such as the first Strategic Spatial Energy Plan and as Reformed National Pricing policies develop. As we review the Gated Modification Application and the Material Technology Change guidance, we will also consider whether / how permitted capacity rules should apply where a change has no impact on the electricity transmission system or on other parties⁴.

Material Technology Change Guidance and Gated Modification Guidance

4.64 **We agree that some of the terminology we have used can be inconsistent and confusing across different documents (e.g. the use of the term ‘Replanting’ in the Gated Modification Guidance without it being defined, etc). We therefore plan to create and publish a Material Technology Change Guidance and/or Gated Modification Guidance annex on Repowering prior to the opening of the next application window.** We will do this in collaboration with industry to more clearly set out what changes can be made without the need to modify the agreement, which require a non-gated modification, and which require a gated modification. We will also set out where changes trigger new connections pipeline items for incremental impacts and/or for the whole project e.g. where it is considered to be a material technology change.

4.65 We will also include clarity on the position in respect to repowering where the site is not being developed by the original party. However, at this stage, we cannot see a case for treating the new party differently to the original party in the context of repowering i.e. if there is no additional capacity, the same technology, and with immaterial system impact, we do not see why the new party could not continue to utilise the capacity/connection of the original party. We will however clarify/confirm the position in the new annex to the Material Technology Change Guidance and/or Gated Modification Guidance.

⁴ We will keep this under review more broadly (i.e. other than related to repowering), in respect of whether in future there could be a case for de minimis capacity increases which do not impact others to automatically be strategically aligned.

Q4. Do you agree with the changes we propose to the TRL and Section 2.2 (D) in the Project Designation Methodology? Are there any other essential changes that you think should be made to it? Please explain your rationale.

Summary of responses

4.66 Stakeholders broadly supported the proposed changes to the Technology Readiness Level (TRL) assessment criteria and to Section 2.2 (D). Respondents generally agreed that project readiness and deliverability should remain central considerations when deciding project designation and recognised the need for a structured framework to assess project maturity.

4.67 Respondents consistently emphasised the importance of ensuring that the methodology is applied transparently and consistently. Several stakeholders requested clearer published guidance on how evidence would be assessed in practice, including clearer decision-making criteria, practical examples or models and more transparent scoring or assessment approaches. Respondents noted that this would help improve confidence in the process, reduce perceived subjectivity and ensure that comparable projects are assessed consistently.

4.68 A significant theme raised related to concerns regarding the use of strict TRL thresholds, particularly for long-lead, innovative, emerging or infrastructure-led technologies. Some respondents considered the reliance on TRL 8 – 9 thresholds alone may unintentionally disadvantage strategically important projects that remain at earlier stages of technical maturity but are progressing credibly through other recognised development pathways.

4.69 Stakeholders suggested that NESO consider broader readiness indicators or alternative evidence pathways alongside TRL evidence such as planning consent or Development Consent Order status, procurement and financing milestones, Final Investment Decision status, and inclusion within recognised government-backed strategic programmes. Several respondents also highlighted the importance of aligning designation decisions with wider government policy objectives and strategic system planning. This included references to strategic infrastructure priorities, industrial strategy objectives and system planning frameworks.

4.70 Many respondents proposed that milestone-based maturity frameworks could provide a more proportionate and technology-agnostic approach to assessing readiness, particularly where projects are progressing through formal governance and delivery structures despite not yet meeting advanced TRL thresholds. A smaller number of respondents requested additional explanation and justification for the proposed changes, including further rationale regarding the chosen thresholds, safeguards and governance arrangements.

NESO view

4.71 We acknowledge the broad support expressed for the proposed TRL assessment and Section 2.2 (D) changes and recognise the importance of stakeholders' views on transparent, proportionate and consistent application of the methodology. We also recognise the stakeholder feedback regarding the potential limitations of strict TRL-only assessments for certain emerging or strategically significant technologies. The consultation responses highlighted a range of alternative readiness indicators and wider maturity considerations that may warrant further exploration as technologies, markets and strategic system priorities continue to evolve.

4.72 **At this stage, we are not proposing any additional amendments to the Project Designation Methodology beyond those already consulted upon.** We consider that retaining the proposed amendments at this time provides an appropriate balance between maintaining objective and evidence-based readiness requirements while supporting consistent decision-making across projects.

Q5. Do you think we should give further consideration to consumer benefits in future versions of the Project Designation Methodology? Please explain your rationale.

Summary of responses

4.73 Stakeholder responses on consumer benefits reflected a broad range of views, although there was general support for further consideration of consumer benefits provided that any approach remains clear, objective, evidence-based, and proportionate.

4.74 Several respondents supported giving more consideration to consumer benefits within future versions of the methodology provided that any assessment criteria remain transparent, measurable, and supported by clearly defined evidence requirements. Stakeholders emphasised the importance of avoiding subjective or vague assessments that could reduce confidence in the designation process.

4.75 Many respondents highlighted that consumer benefits should be assessed through a wider whole-system lens rather than focusing solely on short-term bill impacts. Respondents raised the importance of broader readiness indicators, suggesting that planning consent, Development Consent Order status or advanced delivery milestones may be useful substitutes for deliverability and consumer value.

4.76 Some stakeholders expressed concerns regarding the potential for increased reliance on consumer benefit assessments if these were not tightly defined. Concerns focused on the risk of increased discretion, inconsistency in decision-making or creating an overtly subjective gate that could potentially slow down project progression.

4.77 A smaller number of respondents opposed introducing additional consumer benefit criteria or assessment requirements altogether, typically on the basis that existing market and planning mechanisms should determine value rather than an additional administrative assessment process. Some respondents also highlighted the need to ensure that innovative or immature technologies are not unintentionally excluded where longer-term consumer value may not yet be evidenced through conventional metrics.

NESO view

4.78 We acknowledge the range of stakeholder views expressed regarding the future role and weighing of consumer benefits within future versions of the Project Designation Methodology. The responses show support for exploring whether consumer benefit considerations should play a greater role within the methodology, provided assessments remain transparent, evidence-based and consistently applied. We note the repeated emphasis on whole-system value and the importance of considering longer term strategic and operational benefits alongside immediate consumer impacts and we recognise the concerns regarding the potential increased subjectivity, governance complexity or inconsistent application if consumer benefit assessments are not clearly defined and supported by robust evidence standards.

4.79 **At this stage, we are not proposing to introduce additional consumer benefit criteria or designation pathways into the Project Designation Methodology.** We consider that further policy development, operational experience and stakeholder engagement would be required before introducing such changes in a way that maintains transparency, proportionality and consistency.

Q6. Do you agree with our proposal to amend Protection 2b in the manner set out in a) and b) of Section 7 of the Methodology Consultation document? Separately, do you believe that we should remove the requirement for Users to have held an Existing Agreement and unsuccessfully applied for Gate 2 in G2TWQ for Protection Clause 3a and/or Protection Clause 3b? Please explain your rationale.

Protection Clause 2b Existing Agreement requirement

4.80 In our consultation, we proposed to remove the requirement for Users to have held an Existing Agreement and unsuccessfully applied for Gate 2 in G2TWQ to be eligible for Protection Clause 2b in CMP434. Our view was that those with support contracts (and are therefore considered to be ‘needed’) should have a route to meeting the Gate 2 Criteria even if there is no permitted capacity available at the time of their application.

4.81 The majority of respondents that answered this question were supportive of the changes as the relaxation of the Existing Agreement requirement protects strategically important projects and allows them to be connected in a timely manner irrespective of a project’s history. However, a minority of those supportive noted this will only work in practice if the gated windows are aligned to CM/CfD processes and argued that this should be relaxed on a time limited basis to only allow projects successful in CfD/CM auctions before the G2TWQ process concludes to receive Gate 2 offers.

4.82 The small minority who did not support these changes were concerned that this creates a potential exacerbation of current oversubscription. A respondent added that a blanket relaxation of the requirement to have unsuccessfully applied for Gate 2 in the G2TWQ window could lead to unintended consequences for oversupplied technologies (e.g. Battery projects that secure planning would be incentivised to apply for a CM contract). A respondent added that there are other processes (e.g. project designation) to prioritise strategically important projects.

4.83 **On the basis of the responses received we maintain our view to remove the requirement for Users to have held an Existing Agreement and unsuccessfully applied for Gate 2 in G2TWQ to be eligible for Protection Clause 2b in CMP434.** We note the concerns on oversubscription and the proposals to time limit this Protection Clause 2b, but we believe that a project is “needed” if it meets one or more of the Protection Clause 2b criteria, even in the unlikely scenario that a new non-Gate 2 Battery project obtains a CM contract.

4.84 We note the point that it would be helpful for there to be process alignment between Gated Application Windows and the CM/CfD processes and we will continue to work with the relevant stakeholders to manage alignment in future.

Protection Clause 2b Extension to offshore wind leasing rounds

4.85 As not all our planned offshore wind Gate 1 connection point and capacity reservations were successful, due to offshore wind permitted capacity limitations, we proposed to extend Protection Clause 2b to include offshore wind leasing rounds which have associated strategic network design undertaken by NESO.

4.86 In our view, the targeted extension of the protection would allow us to fulfil the original intent of Gate 1 connection point and capacity reservations when considered in the context of coordinated offshore network design.

4.87 The majority of respondents that provided a view were supportive of the changes as they felt it addresses the gap where planned offshore wind reservations could not be accommodated under G2TWQ due to offshore wind permitted capacity limitations. However, there were requests:

- to confirm which leasing rounds are included;
- to remove the wording “only where NESO agrees such project should be protected” as that is discretionary; and
- to ensure that the Point of Connection would also be protected.

4.88 A small minority of stakeholders argued that this would provide preferential treatment for offshore wind. One respondent also set out their view that Protection Clause 2b is discriminatory against projects which may be well advanced but have chosen a different Route to Market (e.g. a private PPA). They thought PPAs should be added as a route into Protection Clause 2b.

4.89 On the basis of the responses received we maintain our view to extend Protection Clause 2b to include offshore wind leasing rounds which have associated strategic network design undertaken by NESO.

4.90 We do not agree that this provides preferential treatment given that this is a targeted extension that is the outcome of a defined process and only offshore wind is currently subject to a specific strategic network design (through the Offshore Transmission Network Review). Our view is that PPAs should not be included in Protection Clause 2b as they are not binding in the same way as the support contracts currently listed within Protection Clause 2b and it would be more challenging to assess PPA robustness.

4.91 However, as suggested by some stakeholders, we agree that the proposed wording needs to be clearer in places, so have clarified in Section 6.2 of the Gate 2 Criteria Methodology.

Protection Clauses 3a and 3b

4.92 In our consultation, we did not propose to remove the requirement for Users to have held an Existing Agreement and unsuccessfully applied (that is for Gate 2) in G2TWQ to be eligible for Protection Clause 3a and/or 3b in CMP434. However, in light of our Protection Clause 2b proposals we sought industry views on whether there should be a similar removal of this requirement for Protection Clauses 3a and 3b.

4.93 Of those that responded, there was an approximately equal split between those who do and do not want us to remove this requirement. Those who support removing the requirement do not see why these should not be accessible to newer well-developed projects and set out their view that it would only benefit a small number of customers.

4.94 Those who do not support relaxing the requirement argued that it will increase oversubscription (leading to later connection dates and additional costs) and would be inequitable to those who applied for a Gate 2 in the G2TWQ, as in their view they should be prioritised over new applicants.

4.95 A minority of stakeholders set out their view that these protections were developed to avoid undue discrimination against projects that had already invested significantly but were unable to progress due to external factors, particularly planning delays.

4.96 **On the basis of the responses received we are maintaining our position that there should be no general relaxation of the current requirement to have held an existing agreement and then unsuccessfully applied for a Gate 2 for that technology type in the G2TWQ process in respect of Protection Clause 3a or 3b.**

4.97 Amongst the responses, there were also some specific suggestions to consider on the mechanics of Protections Clause 3a and 3b:

- Amend Protection Clause 3a to prioritise M2 achievement only (without an application for planning submitted/M1 condition), with a cut-off date to align with G2TWQ application window closing (26 August 2025);
- Relax requirement but only for technologies where there is a CP30 permitted capacity shortfall; and
- Relax requirement but instead have a Protection Clause 3c for these projects. Projects with Protection Clause 3a and 3b could then be prioritised over those projects meeting the new Protection Clause 3c.

4.98 We do not support suggestions a) and c) above as we maintain that these protections were designed for a particular purpose i.e. to allow sufficient time for planning decisions to be made for projects that submitted planning before 20th December 2024 (3a) or before closure of the G2TWQ application window (3b). On a) we also note that projects that achieve M2 will be in the same connections pipeline formation step as protected projects, albeit they will not be protected and therefore will not meet the strategic alignment criteria if the zonal or GB permitted capacity is exceeded. We also believe that c) unnecessarily adds more complexity.

4.99 However, we think there is some merit in suggestion b) as it maximises the chances to address any technology undersupply by 2035. **Therefore, we have relaxed the requirement to have held an existing agreement and then unsuccessfully applied for a Gate 2 for that technology type in the G2TWQ process in respect of Protection Clause 3a or 3b in the specific circumstances where there is undersupply in a CP30 technology zone.** We have added text to Section 6.2 of the Gate 2 Criteria Methodology to reflect this change. We will determine and communicate which CP30 technologies are undersupplied in good time prior to the next application window. In the meantime, our January 2025 detailed results publication shows which CP30 technologies are currently undersupplied.

4.100 Finally, we noted that there were a minority of views that misunderstood that the previous iteration of the Connections Methodologies already included a requirement to have held an existing agreement and then unsuccessfully applied for a Gate 2 for that technology type in the G2TWQ process in respect of Protection Clause 3a or 3b. Therefore, we will continue to attempt to ensure that there is wide industry understanding on the eligibility requirements for Protection Clause 3a and 3b.

Q7. Do you agree with our proposal to allow applications to be failed quickly where the outcome is certain at an early stage? Please explain your rationale.

4.101 In our consultation, we proposed to introduce a targeted right for NESO, Transmission Connected iDNOs and/or DNOs (as appropriate) to indicate that the relevant project technology stage(s) within an application have failed strategic alignment before carrying out any of the initial or detailed checks, and prior to the connections pipeline formation process.

4.102 Of those who responded, the vast majority were supportive of this proposal but only where it is certain that the technology stage(s) will not be strategically aligned. Respondents agreed that this would be more process efficient and would free up NESO and network companies' resources to focus on strategically aligned projects. However, most of this support was caveated:

- on the need for there to be clear, transparent and objective criteria that work across transmission and distribution;
- that this only applies if clear oversupply (e.g. 20% or over was suggested); and
- that there is a clear evidence-based decision with the opportunity to challenge.

4.103 The minority of respondents who did not support this proposal at all were concerned that projects will be prematurely removed from the process. A minority of respondents added that it is better to wait until the G2TWQ offers process has been completed before introducing such a



requirement, as it is possible that projects with current Gate 2 status do not sign their Gate 2 offers or otherwise lose their Gate 2 status.

4.104 On the basis of the responses received we have retained and clarified the related text at the start of Section 8 of the Gate 2 Criteria Methodology. We will also develop a transmission/distribution process to allow early failure of applications where it is certain that they will not meet the Gate 2 Strategic Alignment Criteria within the application window in which they have applied.

4.105 We agree with respondents that:

- this process needs to be published well in advance of the next application window;
- there are appropriate tolerance levels applied to the oversupply;
- there is clear evidence-based decision making; and
- there is an ability and time for customers to "challenge" the decision, such that they are not disadvantaged.

4.106 We note the argument that to get a full picture it would be beneficial to wait until the G2TWQ offers process has been completed. However, with the clearer separation of the capacity allocation and reallocation processes in CNDM, so long as the 'fast fail' decision is only taken after the available permitted capacity volume is set for each CMP434 connections pipeline formation process, there is no need to wait until the Gate 2 offer acceptance period has elapsed for all of the Gate 2 offers in order to have certainty of outcome where there is no permitted capacity available for particular project types.

Q8. Do you have any comments on a) to c) in Section 7.2 of the Methodology Consultation document? Please explain your rationale.

Original Red Line Boundary (ORLB) Format

4.107 In our consultation, we sought views on the current ORLB mandatory requirements and specifically asked whether it should be mandatory for Users to provide their ORLB in a GeoJSON or shapefile format.

4.108 There was no consensus on responses to this question, but a minority of respondents were supportive provided this requirement is introduced with sufficient notice and transitional arrangements.

4.109 In the responses received, there was a recognition that these types of files would aid accuracy and therefore evidence checking processes. However, some respondents, who e.g. do not yet have the software, consider this to be a barrier to entry particularly for smaller developers and some respondents expressed concerns that the costs outweigh the benefits and that a pdf file remains sufficient.

4.110 Some respondents also noted there were other options to GeoJSON – namely KML/KMZ shapefiles that are easily accessible for all Users through the use of Google Earth to produce such files, free to use tools (such as QGIS) which can enable Users to create shape files, or georeferenced DWG/DXF formats. A minority of respondents asked NESO to be flexible on the acceptable file formats.

4.111 On the basis of the responses received we are not making it mandatory to provide GeoJSON files in the next application window and therefore no changes have been made to the Gate 2 Criteria Methodology.

4.112 We appreciate industry feedback on other alternative formats, and we will, in the coming months, explore this further (including with our DNO/IDNO colleagues) and confirm the position in guidance/systems on what file formats we will accept within the next application window.

Practical ORLB guidance

4.113 In our consultation, we sought industry views on practical difficulties experienced in G2TWQ when drawing their ORLB for their Project Site. Of those that commented in response, the main theme was a need for improved guidance (including worked examples), but specifically what should and should not be included in the ORLB, as well as clear guidance on how to create the ORLB. In addition:

- There was minority call for a specific workshop to get that alignment and clarity;
- One respondent suggested the removal of the best practice examples and instead to set very clear mandatory requirements and no ‘nice to have’ elements;
- A minority noted that any non-developable areas e.g. lakes that are included in the ORLB footprint should not be included in the acreage calculations;
- Some support for standardisation of the ORLB format;
- A minority noted the fact that the ORLB (under NESO’s definition of Project Site), the planning ORLB and the secured land rights ORLB are different and that it would be simpler to make the requirement as the secured land rights ORLB; and
- A minority noted that for staged projects, a pragmatic and flexible approach should be taken to allow reuse of common ORLB / coordinate data and evidence where the physical footprint is unchanged.

4.114 **Although we do not plan to make further changes to the ORLB arrangements, we support the need for more robust guidance (involving industry to shape this) to help clarify what should and should not be included in the Project Site and to provide detailed direction on how to create the ORLB.**

4.115 We believe that the definition of Project Site is appropriate with the changes we have already made to the Gate 2 Criteria Methodology. However, we note that the minimum ORLB requirement is the Project Site, but the ORLB provided can be bigger than the Project Site if the User so wishes e.g. to provide more flexibility, provided that the User has secured land rights for at least the area defined by the ORLB.

4.116 We are already working with DNOs/IDNOs on standardised templates across the evidence submission process for CMP434 to ensure that consistency and the ORLB template is part of this suite of templates.

Probate

4.117 In the current Gate 2 Criteria Methodology, we state that “where the only land the User needs for the project is in Probate, it is not appropriate to provide a Gate 2 Offer to a User who has not secured any land rights”. In the consultation, we sought views on whether this restriction should be removed in future, so that where the entire Project Site is in the Probate/Application for Confirmation process it could be treated as a valid exception.

4.118 The majority, of those who responded, supported removing the restriction where it is demonstrably outside the User’s control. However, a significant minority added that this only should be the case where a User demonstrates successful achievement of these land rights by a defined date, to ensure the project does not become unviable. There were some suggestions that this could be done via Queue Management Milestones.

4.119 We note that the Gate 2 Criteria Methodology already states “At Queue Management Milestone M3 (at transmission or distribution), the User must provide evidence of secured land rights for the land that was in Probate and re-confirm the Original Red Line Boundary and minimum acreage”.

4.120 A significant minority of respondents were concerned that removing this restriction would represent a materially lower readiness threshold that is difficult to justify and that there would be no guarantee of project viability.

4.121 There were a minority of respondents that suggested that the proportion in Probate must be materially smaller in area than the proportion of the development site not in probate. However, there were no suggestions on what the % majority needs to be and how this would work in practice, and we believe this would introduce unnecessary subjectivity.

4.122 **On the basis of the responses received we propose to relax the current requirement "Where the only land the User needs for the project is in Probate, it is not appropriate to provide a Gate 2 Offer to a User who has not secured any land rights" and the Gate 2 Criteria Methodology has been marked up accordingly (in Section 4.1c, Page 21).** We note that there is already an ongoing requirement to have land rights secured.

4.123 We agree that removing the restriction could lead to a materially lower readiness threshold (if not carefully managed) and potentially incentivise opportunities for gaming. However, we feel that this is best mitigated by strengthening the evidence required as part of the Readiness Declaration to show there is sufficient evidence of progression in this scenario.

Q9. Do you have any other comments on the proposals set out in Section 7 of the Methodology Consultation document, and/or any comments on the 'Category B' to 'Category D' changes proposed to the G2CM? Please explain your rationale.

4.124 Of those that commented, respondents were largely supportive of the clarifications, especially around land readiness evidence and staging, as well as on including lessons learnt. There were specific call outs from a significant minority supporting the Grid Coordinates change from 3 to 4 decimal places as this benefits accuracy and checks (albeit a handful noted it should be greater than 4); and the removal of the requirement on DNOs to provide a provisional view on CP30 alignment to NESO (although a small minority disagreed with the removal of this requirement as they considered that it could be a useful sense check).

4.125 A minority asked NESO to ensure the cumulative effect of the incremental changes does not inadvertently increase complexity or raise the bar for demonstrating readiness.

4.126 **A minority of respondents suggested some specific drafting comments to consider, which we have done, and we make the following key observations:**

- A minority of stakeholders asked for clarification in the Gate 2 Criteria Methodology on how any securities will be returned for the stage(s) or technologies that do not

meet the Gate 2 Criteria where for a staged or hybrid project not all of the project receives a Gate 2 offer. This process is set out in CUSC Section 18; however, CUSC Section 18 is only applicable to the G2TWQ process and there is no such process in CMP434 (as set out in CUSC Section 17). Under CMP434 only a Competent Gate 1 Application results in a Gate 1 Offer and a stage that unsuccessfully applies for Gate 2 will not receive a Gate 1 Offer. We have added a line to Section 6.1 of the Gate 2 Criteria Methodology to clarify.

- A couple of stakeholders proposed that there should be no opt-out for being on the Gate 2 Register as transparency will support industry-wide understanding of the connections pipeline. Whilst we agree with the transparency point, we do not agree there should be no opt-out, as having this register information published is not a codified requirement (unlike for the other registers e.g. the TEC Register) in line with the Ofgem CMP434 decision.

We made other minor changes following feedback from respondents, including:

- Indicative areas for substations do not need to be depicted within the ORLB – Section 4.1b of the Gate 2 Criteria Methodology.
- On the signature of the land rights, where the documentation is not signed by both parties, we require the counterpart signed by the landowner(s). We also stated that a *“written explanation must be provided to confirm the agreement has been executed by both parties”*. However, we propose to remove this element as it is superfluous to the process – Section 4.1c and Section 8.12 of the Gate 2 Criteria Methodology.
- Where the User is not the party who has entered into the secured land rights, the User must provide a signed letter from the entity who holds the land rights (even if that entity is the same company group as the User) stating that User has the rights to use the land. We now propose to remove *“(even if that entity is the same company group as the User)”* and add an additional paragraph to state what we will accept where the User and SPV are different companies but under the same parent company. We note in practice there are scenarios where connection agreements are held in one company and the land rights are put in the names of the specific SPV with both these companies under the direct control of the same parent company. In these cases, we will allow this requirement to be met via a signed letter from the director or authorised person, to explain that the land rights company and applicant are under control of the same group company and that the land rights and connection offer will be within the same SPV at construction – Section 4.1c and Section 8.12 of the Gate 2 Criteria Methodology.
- The non-GB projects section has been expanded to recognise the distinction between HVDC and HVAC projects and also to state that an Agreement for Lease could be acceptable evidence of readiness for HVAC non-GB projects providing it meets the Gate 2 Criteria requirements – Section 4.1c of the Gate 2 Criteria Methodology.

Q10. Do you have any views on the most appropriate way to allocate projects to CP30 zones in a Gate 2 Tranche? Please explain your rationale.

4.127 Some stakeholder responses were strongly in favour of using the location of the project site to allocate projects to CP30 zones in a Gate 2 Tranche, and against using the Point of Connection (POC). However, some stakeholder responses were strongly in favour of using POC and against using the location of the project site.

4.128 Some stakeholder responses instead noted that the default zone should not be based by default on either the location of the project site or the POC but instead on the effect the requested connection has on the system.

4.129 Some stakeholder responses noted that the location of the POC should be the default for existing agreements and that the location of the project site should be the default for new applications/agreements.

4.130 However, a majority of stakeholder responses supported the proposed flexibility of approach i.e. the default of the physical land area for projects where there is no confirmed POC but where in such cases developers would be able to make a case for an alternative option to be used e.g. based on the location of the requested POC. However, many responses noted that there must be a clear reason supported by network benefits as to why there should be a deviation from the default, with some noting this ability should specifically exist for projects near the boundary of a CP30 zone (or zones).

4.131 A majority of stakeholders wanted to see more detail as to how the pre-application process to allow flexibility of approach would work in practice.

4.132 **As a result of stakeholder feedback, we intend to implement the following approach:** for new connections without a confirmed POC the physical location of the project site (i.e. ORLB) will be used to determine the CP30 zone by default. However, for those projects where the ORLB is to be used a pre-application process will be developed and communicated out with the CNDM to allow edge cases to provide evidence as to how deviating from this approach would provide a system benefit. We will publish further information on how this pre-application process will work in practice prior to the next application window. Projects which have a confirmed POC will instead have that used and there will be no pre-process. To reflect this, we have newly added Sections 7.2.19–7.2.21 into the CNDM.

Q11. Do you have any views on the most appropriate way to fully address material technology change capacity risk in future? Please explain your rationale.

4.133 A significant proportion of stakeholder responses wanted additional clarity on the definition of 'material change' and what can and cannot be modified without impacting connections pipeline position, with some noting this should align with the ENA Allowable Change document for consistency across Transmission and Distribution connected projects.

4.134 Two main themes emerged, with some stakeholder responses advocating flexibility as to not stifle project development and others explicitly stating that technology changes which fundamentally change the nature of the project should not be allowed without impacting connections pipeline position.

4.135 A significant proportion of stakeholder responses noted concerns with allowing material technology changes but acknowledged that projects needed to be able to be free to make changes expected in a normal development lifecycle, without either expressly being for or against the proposals.

4.136 Some stakeholder responses noted that the focus should be on network impact and if there was either no impact or a negligible impact (or even a positive one) they should be allowed to make changes without any negative consequences.

4.137 There was also a significant proportion of responses which were either very explicitly against relinquishing of capacity / connections pipeline position in respect of material technology change at the point of application, or very supportive of it. Of these, there was a slight majority against any relinquishing at application, a significant proportion of which cited the project risk described above as being the reason for their views.

4.138 In the consultation overview document, we had already ruled out making any changes in advance of the next application window given the complexity and likely timeline for implementing such changes. Given the responses, **we are not progressing changes which would result in a developer losing their capacity / connections pipeline position at the point of application for a material technology change.**

4.139 We will review industry sentiment after the next application window to understand whether there will be a needs case for a change for the window after the next application window. The Material Technology Change Guidance will continue to apply and evolve as needed from time to time.

Q12. Do you have any other comments on the proposals set out in Section 8 of the Methodology Consultation document, and/or any comments on the 'Category B' to 'Category D' changes proposed to the CNDM? Please explain your rationale.

4.140 There were two main themes to responses to this question i.e. related to capacity reallocation and to successful appeals. However, there were also some more targeted comments about other aspects of proposed changes relating to the CNDM. We explore each in turn.

4.141 In relation to capacity reallocation, there was broad support for the clarifying changes and a mix of views on whether capacity should be reallocated within or between future windows, with some agreeing with our marked proposals, and others stating that any freed-up capacity should be reallocated within the same window. Additionally, there was general agreement with the proposed reallocation hierarchy and changes, but there were some stakeholder responses that stated the capacity should be made available to the “most ready” projects, regardless of the proposed hierarchy.

4.142 In relation to successful appeals, the majority of stakeholder responses supported the introduction of successful appeals projects at the front of the next Gate 2 tranche. However, some stakeholder responses said this does not go far enough and the original or ‘correct’ connections pipeline position needs to be reinstated, whilst others noted that these projects should not be included at the front of the Gate 2 tranche if this would be to the detriment of others in that tranche. There was also a call for making it clearer as to what constituted a successful appeal and who made this decision.

4.143 As a result of stakeholder feedback, we have reviewed the capacity re-allocation text to provide additional clarity on the hierarchy, but the intent of the hierarchy will remain. Similarly, successful appeals shall remain at the front of the next Gate 2 Tranche as proposed, but we will aim to provide further clarity outside of the CNDM as to what would be considered a ‘successful appeal’ in the context of CNDM, in alignment with the ongoing work of Ofgem.

4.144 Away from the two main themes there was an array of responses / suggestions that we reviewed and made changes to the CNDM on the basis of – these included tidying up of certain definitions, clauses, inserting additional text to clarify particular sections of the CNDM and updating the diagrams, where needed. Generally speaking there was support for the proposed changes, although some responses raised specific points, that on balance (in our view) it was not in the overall interests of GB consumers to change e.g. a response felt that reservations did not go far enough for interconnectors, and another one felt that references to the Strategic Spatial Energy Plan should be removed from the next application window.

4.145 One of the more material changes that we are making as a result of stakeholder feedback (to the connections pipeline formation hierarchy⁵) is not due to a significant volume of feedback, although one respondent did request it specifically in their response. However, within several responses there were calls to clarify the connections pipeline formation hierarchy, including protected projects and those meeting Queue Management Milestone 'M2'. Also, there were queries as to why there were no other prioritisation steps between 'protected' / 'consented' and only 'Gate 2 ready' with an array of suggestions that discussed the different readiness stages of a project based on whether a consent has been submitted / obtained and whether projects with Development Consent Orders should be more highly ranked.

4.146 Whilst this creates another new distinction in connections pipeline formation compared to the previous version of the CNDM, we consider that introduction of the 'planning submitted' prioritisation step (i.e. Queue Management Milestone 'M1') seems to be the most appropriate and effective balance between addressing feedback related to this area, without adding further complexity into the connections pipeline formation process, e.g. if we were to instead differentiate between different types of planning consent, etc. **Therefore, as well as further clarifying the connections pipeline formation hierarchy, and similar to the G2TWQ process, we have introduced a 'planning submitted' ranking within the connections pipeline formation process.**

4.147 It is worth noting that there will be some projects which did not meet the eligibility criteria in G2TWQ and may now plan to reapply in the next application window, so having 'planning submitted' in between 'protected' / 'consented' and only 'Gate 2 (land) ready' in the connections pipeline formation hierarchy for a Gate 2 tranche means those which have planning submitted will be weighted higher now than those which are only 'Gate 2 (land) ready'.

4.148 Some stakeholders noted that community energy projects should be prioritised in the connections pipeline formation process. We considered this but have not made the changes. This will be kept under review based on Government and/or Ofgem policy direction in future, and only once there is a clearer definition and robust assessment of what is to be defined as community energy, as this would be a pre-requisite to any potential future prioritisation.

4.149 **As a final point, we have also made some minor factual updates to replace outdated text e.g. now that we have a published CSNP Methodology, etc, and other targeted changes, which can be found within the updated CNDM as part of this Submission.**

⁵ Also, as explained in the Hybrid / Repowering sections above, so we will not repeat here, within each prioritisation step we also plan to prioritise (by their relevant date) Hybrid and Repowering projects ahead of those which are not Hybrid and Repowering projects.

Q13. Do you have any other comments?

4.150 Stakeholder responses were varied in nature and did not coalesce around a single theme. A significant number of respondents stated that they had no additional comments beyond those already provided or left the question blank. Others reiterated or emphasised points made elsewhere in their responses, particularly where they wished to underline issues that they considered material. Where substantive comments were provided, these tended to relate to cross cutting or contextual issues rather than introducing new matters.

4.151 Overall, this question functioned primarily as a catch all opportunity for respondents to reinforce existing positions or raise residual points, rather than as a source of distinct or new evidence. As such, feedback provided under this question largely overlaps with issues captured elsewhere in the consultation responses.

4.152 Many responses also included process-level concerns i.e. consultation fatigue, interaction with parallel reforms (e.g. Strategic Spatial Energy Planning, Securities, CMP470, etc), and the need for stability and delivery focus e.g. confirming when the next application window will open or improving customer service (and access to 'CCMs'). A repeated message was to avoid further structural upheaval and prioritise making the enduring process work predictably.

4.153 However, there were also a notable number of responses where stakeholders used this question to make a new or novel point specific (or, in some cases, tangential) to the Connections Methodologies, and we have set several of these out as follows, as well as our views on them.

- Embedded Demand was mentioned in the context of a view that it should be included within the scope of the TMO4+ model and therefore within the scope of relevant additional code / licence obligations, including within the Connections Methodologies. An increase in applications for large demand customers requesting to be connected at Distribution was also noted. As mentioned in Section 3, we will continue to work with relevant stakeholders on if, when and how to incorporate embedded demand into the reformed connections model in future.
- Some stakeholders also made comments related to matters which are within the scope of the ongoing work on strategic demand. We have not provided a view on this within this submission or made changes to the Connections Methodologies as a result of this feedback (but the feedback has been shared with Ofgem).
- A stakeholder noted the importance of having a comprehensive and transparent economic assessment process, and a clear and transparent reservation approach in respect of determining the most efficient connection point in the context

of interconnection. We will continue to develop our point of connection assessment process for interconnectors prior to the next application window.

- Some stakeholders suggested we undertake a process to confirm which projects have CMP434 Protections prior to those projects applying and being assessed within the next application window, and others suggested some form of one-off application window for those with CMP434 protections. We are not proposing to take forward these suggestions as they would be a significant undertaking which would adversely impact the ongoing G2TWQ process and preparations for the next application window.
- Some stakeholders provided feedback on the approach to split offers⁶ in Phase 2 and provided suggestions on alternative approaches e.g. that the 50% rule should be scrapped and the next customer in the connections pipeline should be invited to make use of any remaining headroom. After considering this feedback, we do not believe a specific change to the Connections Methodologies is required to allow any such change in future and so we will continue to consider whether to keep or remove this aspect when we publish pre-next application window supporting documentation.
- One stakeholder enquired why CNDM Sections 7.11.1 to 7.11.4 are deleted – the reason being these sections are no longer applicable as there was no reservation for undersupply in CMP435. As and when we consult on changes to the CNDM in the context of SSEP in future, we will reconsider whether these (or similar) should be reintroduced. The same stakeholder asked why Protection Clause 3b is not considered within CNDM A5.2 – the reason being that PC3b has a lesser status in relation to protection than PC2b and PC3a and so they are not allocated Gate 2 status if the GB-wide permitted capacity is exceeded. A stakeholder also challenged the deletion of CNDM 7.3.4 – this was deleted due to being duplicative text rather than due to the content no longer being applicable.
- One stakeholder provided feedback on data centre minimum acreage – we have fed this into our ongoing review of our ‘LoA Guidance’ for consideration.
- There was a concern raised that prior to having a defined connection site some projects will be able to progress through the consenting process to gain a better connections pipeline position, and some will not, due to differences in consenting regimes. There was also a concern that in some cases those within the connections pipeline that are offered (or contracted at) connection nodes will not be able to progress through the consenting process until there is a defined location for the connection site. There was a suggestion of Gate 1 Reservation potentially being beneficial here. In relation to this, reservation would not result in any benefit in connections pipeline formation or in getting earlier clarity on the location of new nodes, but it could in some cases result in a project being in the connections pipeline when it otherwise would not be. We will keep this under review as we develop our more detailed

⁶ Our ‘split offer’ approach is described on Page 13 of our December 2025 ‘Technical Principles’ document as follows:
www.neso.energy/document/374006/download

approach to the use of Gate 1 reservation in advance of the next application window i.e. could / should it be used for such projects. We will also engage with TOs in relation to encouraging providing as early clarity on the location of new nodes as possible. We have not however further amended the connections pipeline formation process or any aspects of the Connections Methodologies.

- Some stakeholders recommended that we improve transparency in connections pipeline data and connections pipeline management, through more regular and granular data reporting, including on milestone enforcement, attrition outcomes, reallocation opportunities, connections pipeline and bay allocation composition and changes over time, CPAs, rebalancing and substitutions supporting analysis, etc. Whilst this does not require changes to the Connections Methodologies, and hence we have not made any amendments in this regard, we will continue to consider if and how we can improve data transparency and reporting prior to the next application window.
- Some stakeholders requested further clarity generally on gated modifications and material technology changes, and specific clarity in respect of installed capacity and a more consistent definition of “allowable change” to ensure proportionate treatment of projects. Some stakeholders also provided feedback on the engagement and governance related to this documentation. We will further consider this feedback as we review and update our guidance documents on Gated Modifications and Material Technology Change prior to the next application window, as well as addressing customer feedback that there are improvements which can be made to the process for identification and processing of non-gated modifications, as we set out in Section 3 of this document above.
- Some stakeholders commented on the definition of LDES and proposed changes to the definition of LDES. As the definition of LDES is set within DESNZ and Ofgem’s Long Duration Electricity Storage: Technical Decision Document, we are unable to make changes to the definition of LDES. Some stakeholders also requested that NESO and Ofgem further consider any interactions between the ongoing LDES Cap and Floor process and Connections. We will continue to engage with Ofgem on how to manage interactions between the two processes.
- One stakeholder noted the potential need for targeted exceptions from aspects of the reformed connections process for Scottish Islands. We have not proposed any amendments in this regard, and we note that Transmission Impact Assessment thresholds are set by TOs in order to efficiently manage their networks, but we will seek to further understand this feedback in case there is a potential need for future action.
- Some stakeholders challenged the lack of rebalancing and substitutions between England and Wales and Scotland for Onshore Wind and encouraged that the undersupply for onshore wind be transferred to Scotland in advance of the next application window. Our approach to rebalancing and substitution is set out in more detail within Page 44 of our Technical Principles publication in December 2025 and we do not consider that it requires adjusting. Adjusting zonal permitted capacities for

onshore wind would require Government intervention and so we do not plan to do this; we will however keep the design and operation of rebalancing and substitutions under review prior to the next application window.

- There was a suggestion that permitted capacity related to Reactive Compensation should be applied in the next application window. We have considered this, but it would require an update to the Clean Power 2030 Action Plan to enact so we do not think this is viable or necessary at this stage.
- Some stakeholders made targeted suggestions to improve clarity and consistency – we have incorporated some of these changes but to minimise the volume of change and in the interests of time we have not made any changes which we felt were nice-to-have changes.

5. Licence Condition Facilitation

5.1 The fourth and final formal aspect of this submission is to provide an assessment of how the Connections Methodologies better facilitate the relevant objectives set out in the respective licence conditions related to each of these Connections Methodologies. This assessment has been prepared in accordance with the requirements of Licence Conditions E15.12(d), E16.12(d), E17.18(d). The assessment considers only those licence objectives that NESO identified within the consultation materials as being improved by the proposed amendments.

Gate 2 Criteria Methodology

5.2 The majority of proposed changes to the Gate 2 Criteria Methodology are clarificatory and are intended to provide clearer drafting and improved explanation of the Gate 2 Criteria Methodology requirements. Therefore, the amendments better facilitate the objectives set out in E15.2(b)(i) by improving consistency, transparency, and alignment with the wider enduring connections reform framework introduced through CMP434. Stakeholders and applicants will benefit from enhanced clarity and objectivity of the requirements that apply when demonstrating compliance with the Gate 2 Criteria.

5.3 The amendments also better facilitate E15.2(B)(iv) by improving understanding of the evidence required to demonstrate project readiness and progression. Clarification of requirements and associated checking processes supports more effective assessment of applicant readiness to connect. In addition, the proposed changes improve performance against E15.3(b) and E15.3(c) by providing greater clarity regarding the evidence applicants are required to submit and the processes used by NESO to assess and verify that evidence.

Connections Network Design Methodology

5.4 The proposed amendments to the Connections Network Design Methodology would improve performance against E16.3(i) by providing clearer explanations of connections pipeline formation, capacity allocation and reallocation processes, thereby improving transparency and understanding of how the methodology will operate in practice.

5.5 The proposed refinements better facilitate Licence Condition E16.2(a) and E16.2(c). Clarification of the capacity allocation and reassessment processes would improve understanding of how connection offers and agreements are developed and subsequently reassessed where project circumstances change. Improvements to the explanation and operation of capacity allocation and reallocation processes contribute to a more coordinated and efficient management of available network capacity, thereby improving performance against E16.3(iii). The amendments also enable stronger consideration of applicant progression and readiness within those processes, supporting improved performance against E16.3(v).

Project Designation Methodology

5.6 We consider that the Project Designation Methodology remains broadly effective and therefore we propose only limited amendments. The main change relates to the treatment of highly innovative projects and the means by which project maturity can be demonstrated.

5.7 The amendments would improve performance against E17.9(b), E17.9(c) and E17.9(d) by introducing more flexibility regarding the information and evidence that may be submitted to demonstrate project maturity. Clarification of the interpretation and application of Technology Readiness Levels, together with recognition of alternative indicators of maturity, supports more effective assessment and verification of evidence relating to innovative projects.

5.8 The amendments also facilitate objective E17.10(e). By allowing innovative projects to demonstrate maturity through a broader range of indicators, the methodology is better able to accommodate emerging technologies and innovative project types. This reduces the potential for undue barriers to designation while maintaining an appropriate assessment framework.

6. Next Steps

6.1 Now that we have provided this Submission, we will continue to progress through our next application window detailed design and implementation programme. We will do this based upon the content of the approved licences and codes, as well as the content of the updated Connections Methodologies within this Submission, noting the changes we propose remain subject to decision by Ofgem. Our detailed design and implementation programme includes reviewing and updating the relevant associated guidance documentation.

6.2 We would be willing to engage throughout the Ofgem decision-making process on the Connections Methodologies and to answer any questions. Within this engagement, and noting the above, we would appreciate any early insights from Ofgem about any areas of our Submission where there may be concerns about our proposals and/or where further information may be required to expediate the decision-making process.

6.3 In the event that the Ofgem decision-making process requires further changes to the Connections Methodologies compared to what we propose, and these are material changes from the next application window detailed design and implementation perspective, we will need to revisit any assumptions in respect of the next application window programme, including when we open the next application window. However, we will do what we can to mitigate this, especially to avoid indirectly constraining a prudent and considered decision-making process.

6.4 We will continue to engage with all relevant stakeholders in determining the appropriate date to open the next application window, and so we can formally announce this date, and the related programme and key milestones.