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The Authority
10 South Colonnade
Canary Wharf
London
E14 4PU

National Energy System Operator
Faraday House
Gallows Hill
Warwick
CV34 6DA

FAO: Neal McLaughlin
Head of Electricity Connections Team

Colm.Murphy@neso.energy

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Further request to the Authority regarding the timetable for issuing connection offers under the Gate 2 to Whole Queue (G2TWQ) process

Dear Neal,

Purpose and Regulatory Request

As you are aware, after having issued circa 75% of the offers needed for 2030, there is expected to unfortunately be a requirement for additional time to conclude the Gate 2 Phase 1 offers. Further to our previous letter dated 13 May 2026 and your subsequent response dated 3 June 2026, we are therefore writing in relation to the timetable for the Gate 2 Phase 1 connection offers. The Electricity System Operator Licence Standard Condition E12.14, Paragraph (c), sets out the timeframes for issuing connection offers. In respect of Gate 2 Phase 1 offers from NESO to our customers, the revised deadline granted, in accordance with your previous letter, was 30 September 2026. We are now asking for a revised date to be used in place of 30 September 2026, with our proposal/request being to amend the deadline to 31 October 2026. This reflects the most recent position on the required additional time. We provide further information on this as follows.

Reason Additional Time is Required

We first became aware of the need for this additional time at the Gold Command on 15 July 2026 when National Grid Electricity Transmission (NGET) first communicated that they would require a 2-week extension for their DNO small and medium embedded Grid Supply Point Transmission Owner Construction Offers (TOCOs) and a 4-week extension for their Transmission connected and large embedded TOCOs. The reason for this, as communicated at the time, was due to complexity and engineering considerations, such as further network redesign.

Separately, and unrelated to the above, a small number of other Gate 2 Phase 1 offers now require additional time for other reasons, primarily customer request where a pre-offer discussion highlighted pragmatic reasons for later issuance agreed by both parties.

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Scale and Wider Delivery Context

There are up to 37 TOCOs, in relation to NGET, which may be affected by the above request for additional time, which equates to being circa 10% of the total number of Gate 2 Phase 1 offers to be issued. These primarily relate to the more complex transmission-connected and embedded projects referenced above. There are then circa 25 offers which may require additional time for other reasons e.g. customer request.

In respect of E&W DNOs specifically, we have issued 133 of 158 Gate 2 Phase 1 offers to date. Due to the complexity and timing of some of the Grid Supply Point TOCOs, we have already agreed with the affected DNOs on the sequencing and timing of issuance of the outstanding offers to support them in hitting the Joint Industry Plan milestones, as well as to manage their workload effectively. NESO and NGET are working closely together to ensure the effective and timely resolution of any offer queries to enable NESO (and so the DNOs) to issue the relevant offers.

Customer Impact and Mitigations

As a result of this additional time requirement, some NESO customers will not have received their Gate 2 Phase 1 offers by the expected Mid-September deadline, as per the agreed Joint Industry Plan. This is likely to have a mixed impact for customers. Some customers are likely to be less impacted i.e. where there is less time criticality on being provided with the additional certainty that the Gate 2 Modification Offer provides. Some however will likely be more impacted i.e. where there is more time criticality for them on the Gate 2 Modification Offer being provided in the expected timescales. Others, where they have requested the delay, are accepting of this.

To mitigate this, for those related to receipt of the TOCO, NESO and NGET have agreed to contact impacted customers after NESO receives the TOCO from NGET but prior to NESO making the Gate 2 Modification Offer, to give some certainty to the customer (e.g. on connection date) prior to them receiving the Gate 2 Modification Offer. NESO will also contact the impacted customers on a regular basis to provide a status update. We will also seek to suitably prioritise the most impacted projects.

We will endeavour to conclude making this tranche of offers in advance of the revised deadline, and so that only a low number might require the full time. To aim to do this, we are taking mitigation measures within NESO, including streamlining the internal and TO offer query process and mobilising additional resource, both in number and through overtime utilisation. This will mean that the time between the TOCO being received and the Gate 2 Modification Offer being issued is streamlined, mitigating the impact of the timing of the TOCO being later than initially planned as a result of the additional engineering and complexity considerations.

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Therefore, subject to the timely response to our offer queries we have planned for 10-15 offers per week. This has been achieved over the last few weeks for similar offers and so we expect it is a realistic run rate, and one which allows the delivery of these Gate 2 Modification offers within the additional time requested above.

Delivery Plan and Protection of Subsequent Milestones

Please note that we are not seeking changes to the other dates/deadlines as a result of the request for additional time for Gate 2 Phase 1 e.g. related to Gate 1 or Phase 2, as at this stage there is no indication that the additional time requested will have any knock-on impact on subsequent offer milestones. NESO and the TOs are however developing a detailed plan along with DNOs to assure the remainder of the G2TWQ offer programme. In the event that this identifies any further programme risks/impacts, we will then discuss this with Ofgem.

Request for Written Agreement

We appreciate that Ofgem has had full visibility of the timelines as to when offers are expected to be made, however, for completeness, we want to ensure we follow proper process. As such, we would be grateful if Ofgem could confirm in writing the Authority's agreement to further extend the timetable under E12.14(c) for NESO issuing of the Gate 2 Phase 1 connection offers related to G2TWQ i.e. to use 31 October 2026 rather than 30 September 2026 in respect of NESO Gate 2 Phase 1 offers.

We would be happy to discuss this further, if helpful. We look forward to receiving your response.

Yours sincerely,

Colm Murphy

Director of Connections