

Consultation response - 14/02/2025

Regen response to connections end-to-end review consultation

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Summary and recommendations

Thank you for the opportunity to respond to this important Ofgem consultation.

Efficient, timely and well considered grid connections are pivotal to achieving the UK's net zero targets and ensuring a resilient energy system. Regen has supported the reform of grid connections, including setting clear expectations on developers of generation projects.

However, this process will only deliver benefits if it is complemented by a clear regulatory framework that drives high performance in how networks deliver connections. As such, we welcome Ofgem's Connections End-to-End Review.

Our response is based on input from the Regen members' Grid Connections Working Group, which convenes two hundred developers, asset owners and related stakeholders to identify pain points in the grid connections process and push for relevant solutions. We have also encouraged members to submit their own detailed responses.

Our response focuses on three key areas.

- Enhancing the timeliness of connection offers, encouraging network operators to be ambitious, while ensuring these offers are well considered
- Ensuring that network operators have clear accountability for meeting these offered connection dates.
- Improving the standards and clarity of service for the minor connections offers on the LV network.

Overall, we believe that establishing clear standards backed by financial recourse is essential to setting expectations. However, we also believe it is important that this is complemented by incentives for networks that recognise high performance and foster a culture of joint working, transparency and proactive solutions.

Recommendation 1: set clear licence conditions on the outcomes networks should be expected to deliver in the connections process as one part of the regulatory approach. This should consider both the quality and timeliness of the connections.

Recommendation 2: obligate networks to meet specified connection dates, backed by a financial instrument. This should be flexible enough to account for the complexities of individual projects and delays that are beyond the networks' control.

Recommendation 3: explore an incentive mechanism to encourage a culture of proactive engagement and efficiency.

Recommendation 4: set clear standards for network operators to implement a (where possible automated), standardised, streamlined and fully digitalised customer journey, with a route to financial recourse for connection customers.

Recommendation 5: provide an incentive for excellent performance shown by the network operators. This will encourage efficiencies within the process and improve the user experience.

Recommendation 6: incentivise the collection and dissemination of data on capacity and constraints on LV networks. This increased transparency will enable better planning and more informed decision-making for minor connections.

We believe that these measures will significantly improve the efficiency and validity of connections offers, underpin the rapid deployment of renewable energy projects, and in turn, contribute to the UK's decarbonisation goals.

About Regen

Regen provides independent, evidence-led insight and advice in support of our mission to transform the UK's energy system for a net zero future. We have nearly 20 years' experience in transforming the energy system for net zero and delivering expert advice and market insight on the systemic challenges of decarbonising power, heat, and transport.

Regen is a membership organisation with over 200 members who share our mission, including clean energy developers, businesses, local authorities, community energy groups and research organisations across the energy sector. As part of our membership, Regen runs the grid connections working group, which takes on board the pain points felt by the industry and pushes to find relevant solutions.

Regen also manages the Electricity Storage Network (ESN) – the industry group and voice of the grid-scale electricity storage industry in GB. Regen works with National Grid Electricity Distribution (NGED) and Scottish and Southern Electricity Networks (SSEN) on the development of Distribution Future Energy Scenarios (DFES).

Responses to questions

Theme 3: Requirement on networks to meet connection dates in connection agreements

Regen members report that they regularly experience significant delays from networks in contracted development timetables, which have substantial commercial impacts on their business models. It is crucial that both developers and networks have clear standards to meet regarding connections, along with clear accountability for delivering to those standards.

Regen also recognises the work that networks have already done to expedite the connections process and are keen to support a proactive and positive approach to encourage the continued improvement of the service they offer. It is important that the regulatory framework encourages collaboration and a solutions-focused approach between developers and networks.

Q.3a Issues

We agree with the issues identified under Theme 3, particularly the challenges associated with delayed connections impacting project timelines and the broader energy transition.

An additional issue is the variability in performance between Distribution Network Operators (DNOs), which creates uncertainty for developers and investors, ultimately hindering deployment of renewable energy projects. Implementing standardised performance metrics across all network operators could promote accountability and improve overall efficiency in the connections process.

Q.3b Principles based regulation

Establishing clear principles for the outcomes that networks should seek to achieve is an important foundation for the connections process. However, we note that this approach largely reflects the current regulatory framework, which has not fully delivered.

Recommendation 1: set clear licence conditions on the outcomes that networks should be expected to deliver in the connections process as one part of the regulatory approach. This should consider both the quality and timeliness of connections.

Q.3c & d SLA and financial instruments

Regen agrees with the proposal to introduce a new licence condition obligating networks to meet specified connection dates, backed up by a financial instrument.

This measure would formalise the expectation of timely connections and provide a clear basis for enforcement actions in cases of non-compliance. It would also ensure risk sits with the party best placed to manage it and align network responsibilities with other parties involved in the connection process.

To ensure the effectiveness of this licence condition, it is essential to define clear, achievable connection timelines and establish a framework for monitoring compliance. Consideration should also be given to the complexities of individual projects, allowing for flexibility in cases where delays are due to factors beyond the control of network operators.

The financial mechanism should be dependent on the how long the ‘project completion’ date has been deferred.

Recommendation 2: obligate networks to meet specified connection dates, backed by a financial instrument. This should be flexible enough to account for the complexities of individual projects and delays that are beyond the networks’ control.

Q.3e

Additionally, we recommend exploring incentive mechanisms that reward network operators for early or on-time connections, fostering a culture of proactive engagement and efficiency. Implementing a transparent monitoring system to track connection timelines and publicly report performance metrics could further drive improvements and build trust among stakeholders.

Collaborative efforts between DNOs and developers are essential to identify and mitigate factors contributing to delays, in addition to Service Level Agreements and penalties for missed deadlines.

Enhanced communication between DNOs and customers is crucial to ensure more realistic connection goals that are achievable for both the DNO and developer. Regular updates and transparent dialogue can help manage expectations and proactively address potential delays. This approach aligns with the positive outcomes observed under the Incentive on Connections Engagement (ICE) initiative during RIIO-ED1, where improved engagement led to better service delivery. The ICE initiative successfully encouraged DNOs to engage with large connection customers and respond to their needs. This led to positive feedback and improved service delivery across all DNOs. Replicating and building upon this model in future frameworks could further enhance engagement and performance in the connections process.

Recommendation 3: explore an incentive mechanism to encourage a culture of proactive engagement and efficiency.

Theme 6: Minor Connections

It is positive to see Ofgem highlighting the connection of low carbon technologies as an area of review.

Regen agrees with the goal set out in Theme 6 and emphasises the importance of a simple, clear and standardised approach to minor connections across all DNOs, ensuring uniformity and increased confidence in the connections process.

Question 6a – Do you agree with the issues

Regen agrees with the issues identified in Theme 6, particularly those regarding the avoidable delays to connections and lack of consistency between DNOs.

Connecting millions of low carbon technologies (LCTs) in the coming years quickly and efficiently is on the critical path to achieving net zero targets. DNOs have made progress in enabling these connections through innovation such as self-service tools. However, we are still at the early stages of this challenge and installers are reporting practical barriers.

Regen's recent publication "[*Electrification: The local grid challenge*](#)" argues that local grid upgrades should become one of the UK's critical infrastructure programmes. Engagement carried out for this work showed that installers of LCTs are encountering barriers, including: a semi-digitalised connections process; a lack of clear guidance for installers on supply adequacy; challenges coordinating works between DNOs and suppliers; different connection policies between DNOs (80A and 100A fuses); and patchy communication of policy changes.

Question 6b – What are your views on our proposals

We agree with the proposals designed to set clear standards for DNOs regarding customer service. We think a mix of standards, financial recourse and an incentive for excellent performance by network operators is required to encourage efficiencies, improve the user experience and accommodate the growing demand for minor connections.

Recommendation 4: set clear standards for network operators to implement a (where possible automated), standardised, streamlined and fully digitalised customer journey, with a route to financial recourse for connection customers.

Recommendation 5: provide an incentive for excellent performance shown by the network operators. This will encourage efficiencies within the process and improve the user experience.

Recommendation 6: incentivise the collection and dissemination of data on capacity and constraints on LV networks. This increased transparency will enable better planning and more informed decision-making for minor connections.