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National Energy System Operator – Briefing on connections reform

Executive Summary

- Building on our experience as the Electricity System Operator (ESO), the National Energy System Operator (NESO) was established on 1st October 2024 to lead electricity decarbonisation and whole system planning towards net zero.
- We believe the connections queue must be formed of ready-to-connect projects that align with the Government’s plan for clean power by 2030 and once developed, the Strategic Spatial Energy Plan (SSEP) and future iterations.
- Connections reform is also an opportunity to make the process simpler for projects seeking to connect to the grid by collaborating more effectively across organisational boundaries.
- We have been making progress in this area by setting out plans to move away from the concept of a ‘first come, first served’ approach to connections queue management, to one which will see us connect demand and the required generation in a timely and more strategic process.
- This will be facilitated by introducing a pause in applications starting January 29, during which connections applications—except for demand projects and specific modification applications—will be halted.

Who are NESO, what is your role in clean power and connections reform?

- Operationally independent of the Government, our three primary functions are to balance the system, strategically plan for the future of both electricity and gas systems, and serve as a strategic advisor to the Government on energy and decarbonisation.
- Our first action as strategic advisor has been to deliver independent analysis to the Department for Energy Security and Net Zero on how to deliver a clean power system by 2030.
- We also work with the Government, Ofgem, and network companies to implement grid connection reforms and deliver grid infrastructure. To help facilitate this, in September 2024 we were given greater control over the connections process.

Why is connections reform needed?

- The current connections queue stands at 700GW+, over double what is needed to reach net zero in 2050. All the projects that we require for 2030 are already in the queue.

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- Industry and businesses require connections reform to bring viable projects to the front of the queue, eliminate 'zombie projects' that are not progressing, and achieve the new and accelerated decarbonisation targets.
- This is vital for delivering new low carbon generation, ensuring businesses can connect quickly to access the energy they need.
- To address this challenge, we are implementing measures that will help finalise the reforms (subject to Ofgem approval) necessary to unlock the £40 billion¹ in annual investment required up to 2030.
- Connections reform aims to ensure that the projects needed to meet the 2030 targets are connected on time, creating a system that supports British energy for the long term. Achieving 2030 is just the beginning.

Why are NESO implementing a pause in connections applications?

- It has been agreed with Ofgem that starting from 29 January 2025, we will not offer new connections agreements until connection reforms are implemented, subject to Ofgem approval.
- There will be exceptions to this arrangement to support wider GB energy needs and economic growth. In particular, demand projects directly connecting to the national electricity transmission network (typically large industrial and commercial units), will be allowed to continue to connect and move through the current connections process, to support the continued delivery of Great Britain's industrial development.
- This pause gives developers time to prepare for our reforms (subject to Ofgem approval) and to support the issuing of firm connection offers in the next window. This will also provide clarity to consumers as to when to apply to be included in the new process.

What are your connection reform proposals?

- The reforms we submitted to Ofgem in December 2024 set out that projects with an existing connection agreement and which have secured land rights will retain their place in the queue.
- Subject to Ofgem approval, the proposed design of the reformed connections process moves away from the current first come, first serve approach and will instead prioritise projects that demonstrate:
 - 'Readiness' – demonstrating progress towards delivering on a connections agreement such as securing land rights or planning permission;

¹ [Clean Power 2030, page 72](#)

² NESO [Open Letter on Connections Reform](#), December 2024

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- ‘Strategic alignment’ – to the Government’s Clean Power Action Plan. This means that projects ready to connect can do so earlier, and those which are needed for Clean Power by 2030 will be connected in time.

How have you engaged with industry?

- Throughout the process of connection reform, we have engaged closely with industry through open governance, operating transparently, under scrutiny from the energy regulator.
- We have held four formal consultations with industry since June 2023, and have had monthly engagement for the past 11 months with industry on the Connections Delivery Board, run by Ofgem. This is in addition to monthly engagement for the past 18 months with an industry group we set up, consisting of 30 industry members.

What will reform mean for community energy projects?

- We know from precedent that onshore wind and solar are the types of technologies that community energy projects consist of. In our Clean power advice, we suggested a need for 27 GW of onshore wind and 47 GW of solar by 2030.
- We know that onshore wind and solar are quicker to deploy, and this is where community energy could play a leading role.
- Whilst many of the barriers to community energy are a matter for the Government, we are taking action to reduce the length of time it takes to connect to the grid which is a significant issue for smaller generation projects.
- We have engaged with community energy representatives and council representatives when developing our clean power advice and will continue to do so. We are working hard to make sure we don’t inadvertently disincentivise community energy projects.
- The Government has set out its ambition of up to 8GW of community energy, and the Chair of Great British Energy said to the Energy Security & Net Zero Select Committee that he believed Clean Power 2030 was consistent with the 8GW ambition.