

# Energy UK response to NESO's Connections Methodologies Annual Consultation

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Submitted by email via [box.connectionsreform@neso.energy](mailto:box.connectionsreform@neso.energy)

## About Energy UK

**Energy UK is the trade association for the energy industry, representing companies investing billions of pounds to secure our country's current and future energy needs.**

From growing start-ups to major electricity generators, grid and infrastructure developers and energy suppliers, our members are driving change across power, heat, transport and flexibility.

We provide a collective voice for the sector working with governments, regulators, charities and other organisations to provide crucial insight that shapes policy, offers solutions and promotes best practice.

Our broad view across the whole system supports evidence-based positions which are not tied to particular technologies, and are focused on delivering strategic benefits for people, businesses and the economy.

We champion initiatives such as our Vulnerability Commitment, which pushes suppliers to go beyond regulation to support customers with additional needs, and TIDE, the industry's drive for greater inclusion and diversity. Through our Young Energy Professionals Forum, we support the development of future leaders.

We are equally committed to our team and are proud to be recognised as a 'Gold' Investors in People employer.

## Executive Summary

Energy UK welcomes the consultation and wider engagement on these connection methodologies. The NESO must effectively engage with the sector on these changes, and the short timeframe for responses may mean that some in the sector are unable to respond due to other critical consultations and ongoing workstreams.

Energy UK would note the following core positions.

- Battery projects in the connection queue should not have their protected status removed as this is a policy reversal and would hurt investor confidence instead encouraged attrition should be the primary way to reduce the oversupply of batteries in the queue.
- Hybrid projects particularly those collocated with storage should be favoured in the connection queue at least in post-2035 due their cost-effective impact on the network infrastructure

- Repowering projects need to be treated better in the connection queue. They are low-regret projects and can relatively quickly provide increased renewable energy capacity via an existing connection corridor.
- Amending protection clause 2b would be appropriate, as many much-needed projects with support contracts would not have been in the queue when reform began, but should still be considered priority projects. Amending this policy will allow new strategically aligned projects to receive protection clause 2b status.
- Allowing Modification Applications (ModApps) to be eligible for capacity reallocation introduces gaming risks. Allowing ModApps to benefit from capacity reallocation risks introducing a strategic backdoor route to queue advancement, undermining the discipline established by CMP434.

If you have any questions about this response or wish to engage with Energy UK and its members, we would welcome further engagement.

Kind regards,

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## Consultation Response

### General Methodology Change Considerations: CMP435 removals baseline

**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?**

**Please explain your rationale**

Yes, the illustrative versions accurately reflect the CMP434-specific content, the documents clearly explain core parts of CMP434 content. The documents also provide key metrics into how generation and demand projects are prioritised, which forms a big part of the Connections Network Design Methodology (CNDM) and the Gate 2 Criteria Methodology (G2CM), particularly the Gate 2 Strategic Alignment Criteria.

Critical to Security of Supply, Critical to system operation, Materially reduce system and/or network constraints, New technologies and/or highly innovative, Projects with 'Very long lead times', are all metrics that are described in the documents that explain the prioritisation and network design methodology, core parts of CMP434. However, worked examples showing how each prioritisation metric is applied in practice and the effect it has on a project's queue position would be even more helpful.

### General Methodology Change Considerations: Battery oversupply

**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**

Energy UK understands the rationale for the disapplication of protection clauses 3a and 3b for batteries applying in the next application window. If there are already enough batteries with 3a and 3b protected offers/status, then more projects are not required, and there is little argument, considering current system operation needs and capacity, for giving new 3a and 3b protected status to new applications from batteries.

But NESO must be careful about removing 3a and 3b protected status from batteries that were already given 3a and 3b protection, as this would be a policy reversal that would signal instability and harm investor confidence.

While Energy UK recognises the challenges posed by oversupply, any intervention affecting existing projects should be approached with caution. Alternative mechanisms, such as natural attrition or forward-looking eligibility tightening, are likely to be more proportionate and less disruptive than retrospective changes.

## **General Methodology Change Considerations: Demand, Attrition, Hybrid, Repowering**

### **Q3. Do you agree with our views on attrition, hybrids and repowering?**

#### **Please explain your rationale**

Industry remains concerned that the 'Plan' part of Curate, Plan and Connect will lead to some demand types that are not data centres being unfairly treated, with an overemphasis on connecting data centres whilst other key sectors are neglected.

Furthermore, proof of funding and planning requirements for demand projects will have to be bespoke, depending on the type of demand, to ensure overall fairness in the demand connection process. This will need to take into consideration that some demand projects will provide other benefits, for example, local authority projects will deliver social benefits and local growth and could be considered a strategic priority, and so a readiness criteria used for demand projects initiated by private investment may not be applicable to local authority projects.

NESO should also be careful not to treat demand exactly like generation when it comes to project readiness and general connection processes. Demand and generation are fundamentally different in terms of development, financing and delivery characteristics, as well as their impacts on the energy system.

Additionally, Energy UK understands the rationale behind not prioritising hybrid projects in time for Clean Power 2030 (CP30), as the bulk of projects before the recent connection reform were and are single technology projects. Prioritising hybrids may cause delays to other projects; however, given the benefits that projects collocated with storage can bring to the system, cost savings on network infrastructure, and the potential for these projects to relieve constraints rather than exacerbate them, NESO should consider whether or not hybrids should be prioritised post-2035.

In regard to repowering projects, Energy UK members have expressed concerns regarding the treatment of repowering projects. DESNZ encourages repowering, but this does not seem to be reflected in NESO's connections policy. Considering that repowering projects are reusing existing sites and grid infrastructure and can deliver increased renewable capacity faster without new connection corridors, it is seen to be unfair that they are seen as new projects in the queue. Repowering projects are low-regret projects and should be prioritised in a queue that will experience attrition from projects that would have just been blocking the route to connect for repowering projects that are very likely to fulfil their connection.

Furthermore, the SSEP methodology does not contain any reference to repowering of existing sites, so it is unclear how repowering sites will fare under a future SSEP-based strategic alignment assessment which is a concern and current methodologies and wider NESO guidance are discretionary and unclear on how repowering sites will be treated in the queue formation process in practice.

## **Project Designation Methodology**

**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.**

Energy UK understands the rationale behind prioritising technologies with TRL 8/9 as innovative projects to ensure deliverability and protect customers. However, this may create a barrier for emerging technologies seeking to scale from demonstration to deployment, potentially slowing longer-term system innovation

There could be value in considering whether a more flexible approach could be adopted, for example, by allowing a limited proportion of capacity for earlier-stage innovative projects based on direction from the Government.

Also, some members have expressed concern that the requirement for projects to demonstrate TRL 8 or 9 risks creating a misalignment with wider Government policy, for example, the Advanced Nuclear Framework (ANF) because under the ANF, Government considers projects at TRL 6–7 to be “credible and progressing” and suitable for entry into formal, Government-backed development pipelines.

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

**Please explain your rationale**

The Project Designation Methodology already makes mention of assessing the impacts to consumers if a project is connected to the grid. Going forward, there should continue to be consideration of consumer benefits, particularly around cost savings to the consumer, given the focus from the Government on affordability and energy bill reductions. Also, measuring consumer benefits in the context of demand will require further coordination across the Government, NESO, and Ofgem, to establish how social, economic, and wider benefits will be quantified and assessed.

## **Gate 2 Criteria Methodology**

**Q6. Do you agree with our proposal to amend Protection 2b in the manner set out in a) and b) above? 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.**

Yes, the proposal to amend protection clause 2b would be appropriate, as many much-needed projects with support contracts would not have been in the queue when reform began, but should still be considered priority projects.

Amending this policy will allow new strategically aligned projects to receive protection clause 2b status, rather than reserving that for projects with an existing Gate 1 agreement. Energy UK also support the proposal to amend protection clause 2b to include the successful offshore wind leasing round projects. Securing a Gate 2 grid connection offer at the next upcoming gated window and in the shortest timeline is important to the continued progression of these projects.

**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.**

Yes, this approach would save time and resources and speed up the system if projects that are likely to fail due to, for example, having no protections, not being strategically aligned or applying for connection at a zone that is over capacity, are quickly removed from the connection process early on.

But there is a potential drawback in that some developers will feel shut out of the process without being able to state a case for their new project. A transparent and robust process must be established to ensure projects are only failed quickly where there are clear deficits.

**Q8. Do you have any comments on a) to c) above?**

**Please explain your rationale.**

There are free tools which can enable developers to create shape files, this should be taken into consideration. Also, Energy UK have no objection to standardising the approach, but NESO should be clear on whether there will be operational cost savings in its own processes.

Energy UK recommend updating the current Original Red Line Boundary (ORLB) guidance document for further clarity, specific workshops that engage industry should be the primary vehicle for discussing how to update the current ORLB guidance document.

**Q9. Do you have any other comments on the above, and/or any comments on the 'Category B' to 'Category D' changes we propose to the G2CM? (Appendix 2)**

**Please explain your rationale.**

Energy UK agrees with a Category B proposal to increase the required grid coordinates for project sites from three decimal places to 4 decimal places, as this will allow NESO to see the boundaries of a project site better and be more accurate about its location if it is a smaller site.

**Connections Network Design Methodology: Allocating projects to CP30 zones**

**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.**

NESO's proposal to use project site location as the primary determinant of CP30 zone allocation is appropriate, given that this is a stable and objective measure. There may be merit in providing greater transparency to applicants by also indicating the CP30 zone associated with the requested Point of Connection, as well as nearby zones where relevant. In cases where the project's location falls within an oversubscribed zone, there may be a case for allowing projects to be assessed against an alternative zone where a robust technical justification is provided, particularly where the requested Point of Connection is demonstrably more aligned with available network capacity.

**Connections Network Design Methodology: Material technology change capacity risk**

**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**

There may be merit in adopting a more proportionate, location-based approach to the treatment of material technology changes. In areas where capacity is highly constrained or oversubscribed, stricter requirements, such as requiring Users to relinquish their original technology capacity upon application, could help to mitigate the risk of capacity being sterilised. In areas where capacity constraints are less acute, maintaining greater flexibility for developers would be most appropriate, allowing projects to adapt without incurring disproportionate risk. Also, the definition of 'material change' must be clarified, and a single definition should be used across networks. Where a project sees a change to on-site technology but does not impact the network or impacts positively on the capacity of the network, a material change may not be a negative.

**Connections Network Design Methodology: Successful appeals, Capacity allocation and capacity reallocation processes, Protection Clause 3b and permitted capacity**

**Q12. Do you have any other comments on the above, and/or any comments on the 'Category B' to 'Category D' changes we propose to the CNDM? (Appendix 3)**

**Please explain your rationale**

Where a project is successful in an appeal and has been incorrectly rejected or disadvantaged within the queue, it is important that appropriate remedies are available to ensure fair treatment. Where feasible, the preferred outcome should be to restore the project to the queue position it would have received had the error not occurred.

However, Energy UK recognises that in many cases this may not be practical, particularly where capacity has already been reallocated or where network design has progressed. In such cases, it is appropriate that the project is given priority in the next application window, including placement at the front of the Gate 2 Tranche, even ahead of designated projects, reflecting the absolute need to remedy an error.

Energy UK also recognises that allowing Modification Applications (ModApps) to benefit from capacity reallocation risks introducing a backdoor route to queue advancement, undermining the discipline established by CMP434. Allowing ModApps to benefit from capacity reallocation may create incentives for strategic behaviour, where developers enter the queue under one technology or configuration and subsequently modify their project to secure a more advantageous position. This would undermine the integrity of the queue formation process and create an uneven playing field between existing and new applicants. Limiting or conditioning the eligibility of ModApps for capacity reallocation, particularly where the modification materially alters the technology type or system impact of the project, could be a good way to mitigate gaming risks.