

Email to:

connections@ofgem.gov.uk

5 December 2025

Dear Ofgem connections team,

Response to Ofgem's demand connections update

Scottish Renewables is the voice of Scotland's renewable energy industry. The sectors we represent deliver investment, jobs and social benefits and reduce the carbon emissions which cause climate change. Our 360-plus members work across all renewable energy technologies, in Scotland, the UK, Europe and around the world. In representing them, we aim to lead and inform the debate on how the growth of renewable energy can help sustainably heat and power Scotland's homes and businesses.

As the Gate 2 to Whole Queue process is deployed to streamline generation, we welcome the attention now being given to addressing the demand queue, particularly given its recent growth. Demand projects not only play a vital role in balancing the system but also provide direct services that support the energy transition. The importance of key industrial demand customers, such as port infrastructure and the manufacturing supply chain, cannot be underplayed in realising our clean power ambitions. If streamlining projects with the most impact, demand connections in Scotland should be prioritised to alleviate constraints and reduce infrastructure requirements.

Demand is unique

However, any measures being developed to fast-track such demand connections must recognise their unique characteristics, which vary from generation and therefore require an evolved approach from that developed for TMO4+. A key difference in designing appropriate measures to manage the queue is that most final demand customers are not directly engaged in the energy market, aside from hydrogen. They are purely consumers as opposed to active participants like generation. Their services for balancing the grid and providing more flexibility are secondary to their core business model. This distinction will greatly affect demand customers' willingness to endure long periods of uncertainty in the UK, while other markets offer less regulatory complexity.

Furthermore, although Ofgem's update suggests that a large proportion of the 125GW in the demand queue may be from data centres, both speculative and legitimate, the remainder of the queue must be adequately considered. Customers such as ports, historic distilleries, or large manufacturing plants do not have the physical agility to move location in the same way as generation. Therefore, any decisions regarding the queue will either enable them to decarbonise or impede their investment in this area, rather than incentivising certain behaviours, ultimately impacting UK clean power and industrial growth targets.

Visibility of demand

In terms of getting an up-to-date picture of the existing queue, we have concerns about the reach of NESO's Call for Input (CfI) and its impact on the accuracy of data on the queue, and, consequently, the solutions tailored to it. The aforementioned actors outside the energy market will not be aware of such a request and are unlikely to engage. For those who have seen the notice, the call is overly vague about what the data will be used for, which will affect what customers are willing to share. This could lead to customers under-sharing or presenting an overly optimistic depiction of their project, neither of which helps NESO collect accurate data. We ask Ofgem to work with NESO to provide more information on the use of the data, as well as to expand the reach of the call and/or define the queue through other means.

Visibility of the demand queue would also provide developers with pivotal information on how new projects would impact the surrounding transmission infrastructure. It would allow demand developers to identify existing network congestion and help generation developers assess where they could locate to alleviate constraints. Greater transparency, such as the development of a public demand register, would support more coordination among developers through the lens of system impact, allowing more agile generators to plan accordingly. We are aware a register is being considered and strongly support this as a tool that could shave considerable time and money off infrastructure.

Similarly, we would appreciate more information on the Connections Accelerator Service being developed by the Department for Energy Security and Net Zero (DESNZ) under the Industrial Strategy. Clarity on how and when this will be implemented, and the criteria underpinning assumptions around strategic alignment, should be published for the service to be transparent and fair.

Demand project progression

We welcome Ofgem's recognition of the importance of CMP417 in rendering the securities process fairer for all customers by removing barriers and promoting greater competition. However, the interaction of a potential Progression Commitment Fee alongside this shift from Final Sums to User Commitment will require careful consideration as the former protects more developed projects as opposed to widening competition. Regardless, any reform must align with wider government strategies, such as the Strategic Spatial Energy Plan (SSEP) for hydrogen and other energy market players, and recognise the certainty of government-backed contracts, e.g., Hydrogen Allocation Rounds (HARs).

The proposal of a Progression Commitment Fee is naturally at odds with the typical progression of hydrogen projects and will only serve to increase development expenditure (DevEx), as opposed to cleansing the queue. To maintain competition in its HAR process, DESNZ inherently requires market liquidity that equates to more projects bidding than will be awarded a final contract. Projects have to have a well progressed grid connection within a pre-defined window and therefore, any additional commitment fees prior to the outcome of a HAR will not cleanse the queue, but just increase DevEx, large sums of which will have already been committed through maintaining, engineering and developing projects. Grid connections for hydrogen projects will naturally fall away if they are unsuccessful in the

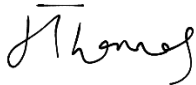
HAR process and, as such, commitment fees should not be applied to hydrogen projects, particularly not for those in a HAR process or that are being demonstrably developed.

Contestability

Finally, we are supportive of the idea of allowing greater ownership of transmission level assets, something we support across both generation and demand. Facilitating the ownership and sharing of higher voltage grid maximises the benefit of limited grid connections, especially in Scotland where voltages such as 132kV are considered distribution level in England. CMP414 is a positive step but greater cooperation will be required from the Transmission Operators (TOs) for this to be realised as an objective. Industry-wide standards, similar to those at distribution level, would enhance transparency and consistency in the process and materially reduce cost by informing the supply chain of more universal standards. We encourage a more holistic approach, combining steps to realistically enable greater ownership and sharing.

Scottish Renewables would be keen to engage further with this agenda and would be happy to discuss our response in more detail.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'H Thomas'.

Holly Thomas

**Grid & Systems Policy Manager
Scottish Renewables**