

Ofgem welcomes focus on grid connections and transmission network build in Autumn Statement

Press release

Publication date

22 November 2023

Industry sector

Transmission Network

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(https://www.ofgem.gov.uk/publications/ofgem-and-desnz-announce-joint-connections-action-plan)

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<u>Electricity networks: transmission acceleration action plan</u>

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Autumn Statement 2023 (https://www.gov.uk/government/publications/autumn-statement-2023)

Ofgem's CEO Jonathan Brearley has welcomed the government's <u>Autumn Statement</u> (https://www.gov.uk/government/publications/autumn-statement-2023) today (22 November 2023).

He said Ofgem and the government's joint <u>Connections Action Plan</u> (https://www.gov.uk/government/publications/electricity-networks-connections-action-plan) (CAP) would accelerate wind, solar and battery power generation connecting to the electricity grid – critical to meeting demand for renewable energy to hit the UK's 2050 net zero target.

The CAP aims to tackle the stark delays in the current connection queue by releasing over 100GW of capacity for new projects – around a quarter of the electricity needed to power the economy in 2050. The plan will cut the average connection timeline from five years to six months.

It comes after tough rules to terminate the contracts (https://www.ofgem.gov.uk/publications/ofgem-announces-tough-new-policy-clear-zombie-projects-and-cut-waiting-time-energy-grid-connection) of unviable, stalled and speculative power schemes were announced by Ofgem this month. And it follows Mr Brearley warning in May (https://www.ofgem.gov.uk/publications/jonathan-brearleys-speech-utility-week-

<u>live</u>) that urgent reform was required if the country is to hit the national target to decarbonise the national power system by 2035.

Ofgem is also welcoming the government's Transmission Acceleration Action Plan published today. This sets out a programme to halve the time to build new transmission infrastructure - down from current average timelines of 12 and 14 years.

It responds to recommendations to the <u>Electricity Network Commissioner Nick Winser CBE's report in August (https://www.gov.uk/government/publications/accelerating-electricity-transmission-network-deployment-electricity-network-commissioners-recommendations)</u> and builds on work to date, including Ofgem unlocking £20bn of capital investment via its Accelerated Strategic Transmission Investment (ASTI) framework.

The CAP includes steps to:

- raise entry requirements to increase the quality of projects applying for transmission connections and deter speculative connection applications
- remove stalled projects from the queue, building on steps to date by Ofgem, ESO and industry.
- free up and better utilise existing network capacity to reduce connection timelines
- better allocate available network capacity, moving away from the first-come, first-served approach to one connects projects that are readier to progress.
- improve data and processes to ensure network companies deliver timely connections and given potential power schemes clear understanding on networks conditions
- build long-term connection demand into strategic planning and market reform

It comes after the Energy Act 2023 gave Ofgem a statutory net zero duty (https://www.ofgem.gov.uk/publications/ofgem-welcomes-energy-act-getting-royal-assent#:~:text=The%20duty%20restates%20Ofgem%27s%20principal,to%20net%20zero%20by%202050.) to protect the interests of existing and future energy consumers, by supporting to the government meet its legal obligation to get to net zero by 2050.

Ofgem CEO Jonathan Brearley said:

"Cleaner, cheaper and more secure energy is the key to driving down prices for households and businesses; protecting us from volatile international energy markets; and generating growth, jobs and investment at home. Building new networks capacity, in the right place, at the right time is the key to getting to net zero.

"Today's plans build on our work to date to meet the soaring demand for renewable electricity, while keeping the costs of the energy transition under control. It will unlock investment, accelerate new infrastructure and bring in renewable technology at scale, like hydrogen and carbon capture. "We're terminating unviable, stalled renewable power schemes which sit on the queue – and will fast-track new projects ready to connect. It is a big step to phasing out the first-come, first-served queuing system.

"We need new power on the grid as quickly as possible. If projects are ready, they'll be fast-tracked, if they're a blocker, they'll be removed.

"This will sweep away the barriers to ending our fossil fuel dependency by building out the transmission network and making it quicker for renewable power to connect to it".

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