

DIARY CASE



Llywodraeth Cymru
Welsh Government

PREAMBLE

Meeting date/time	10:15 – 02/12/25
Who is the Minister meeting?	██████ Director of Connections Reform Head of Public Affairs
Who requested the meeting?	National Energy System Operator (NESO)
Primary purpose	To discuss the next stages of NESO's work on connection reform.
Is there an agreed agenda?	No
Which officials are supporting the Minister?	██████ – Energy Delivery ██████ – Energy Delivery
Where is the meeting?	Microsoft Teams
Other practical considerations	N/A

DIARY CASE BRIEFING

Purpose

Earlier this year OFGEM approved NESO's proposed connection reforms, which are aimed at optimising the connections queue for renewable energy generation. NESO have offered a personal update on work to date, as well as next steps in the reform process.

To note: The Cabinet Secretary discussed connections reform with NESO in July, where it was agreed a winter update would prove useful.

Current position and issues to note

General

The reforms involve moving to a 'first ready, first needed' approach for generation and energy storage projects. Under this new system, only projects that are both ready to connect and those that are needed to meet demand between now and 2035 will be queued. This should not only lead to faster connections for completed projects but will help to shape future grid plans for Wales and the UK as a whole. It will also give investors certainty regarding grid connections, which could bring forward up to £40 billion of annual investment in the UK (figure from NESO Clean Energy 2030 report).

There is currently a backlog of 750GW of generation in the connections queue, more than double what will be needed to reach Net Zero by 2050.

Since November 2024 there has been a sharp increase in demand connection applications which is exceeding the most ambitious forecasts for demand. On 6th November, Ofgem commissioned the NESO to start a reform process for demand connections.

The strategic planning and design of the energy networks is a reserved area. Welsh Government can intervene in two ways: informing the GB level plans with accurate information and projections of future need; and making planning decisions where they fall to Welsh Ministers and align with Welsh policies.

Implications for Wales

- The current transmission queue in Wales is approximately 25 GW; however this is expected to decrease to 14–15 GW upon review.
- NESO currently put capacities on generation rather than demand. With the announcement of an AI Growth Zone in North Wales, demand in North Wales will greatly increase.

Points to make

- What progress has been made since the meeting in July?
- Have offers been sent to all relevant transmission projects yet?
- What impact will the recent announcement regarding Small Modular Reactors (SMRs) and an AI Growth Zone have on grid connections in North Wales?
- How will Welsh policy considerations and economic priorities, for instance, AI growth zones and semiconductor development in Wales, feed into any future prioritisation of demand connections?
- How will NESO communicate the outcomes from the connection reforms with Welsh stakeholders.

Background information

Energy - Network planning

- In Wales our approach to planning at the local regional and national levels is putting us in a strong position to be clear about our needs and provide the evidence for investment in the grid.
- Welsh Government, along with OFGEM, Scottish and UK Government has co-commissioned NESO to deliver the Strategic Spatial Energy Plan (SSEP). Welsh Government is actively engaging on this programme of work.
- Welsh Government officials continue to work with a broad spectrum of partners and stakeholders to ensure the needs of the people of Wales are considered in the significant work for planning the expansion of the GB electricity network.
- Planning authorities and the energy industry, including National Grid and Distribution System Operators, should engage with each other to ensure development plans take grid infrastructure issues into account. This can also ensure investment plans for transmission and distribution align with the identified potential for renewable and low carbon energy as well as the future challenges of increasing electrification of transport and heat.

Holistic Network Design / Spatial Network Planning

- We very much welcome the intent behind a holistic design for electricity networks across Great Britain. We know it is already challenging and expensive to connect new generation to the grid in Wales and the updating of the electricity system will be an infrastructure change of a scale not seen in Wales for over a generation.
- A process that considers the long-term needs of the country and looks to minimise the impacts on citizens and landscapes, and especially the costs to bill payers, must be supported. This should also reflect ambition in Wales to decarbonise existing industrial employers and develop offshore wind opportunities including FLOW in the Celtic port area.

Beyond 2030 - NG is delivering this accelerated plan for energy network developments already in progress to connect the various offshore wind projects. It involves about 88 major projects across GB including undersea cables from Scotland to SE England. The most urgent projects are included in the Accelerated Strategic Transmission Infrastructure (ASTI) scheme, to be completed by 2030. This will be overtaken by the more long-term strategic plans listed below. National Grid will be a key partner in the accelerated delivery of these objectives.

Clean Power 2030 (CP2030) - UK Government asked the NESO for advice on whether they could reach clean power targets by 2030 rather than by 2035. NESO advised 'yes'

but that it would be extremely challenging. UK Government are creating policy in response to the NESO advice.

Strategic Spatial Energy Plan (SSEP) - The SSEP will take a holistic approach to spatial planning across various types of energy generation and storage, to inform development of the electricity networks. This will potentially complete in 2026.

- There have been minor concerns raised about the delays announced on the SSEP work. However, these delays are being managed and will allow a greater amount of time for a new Government to consider the first initial output from the SSEP work which will be shared with Welsh Government in August 2026.

Central Strategic Network Plan (CSNP) - The CSNP will be the plan for on and offshore transmission networks, based on the SSEP and replacing Beyond 2030. The first version is planned for 2027.

Regional Energy System Plans (RESP) – The NESO are being commissioned by Ofgem to create regional plans for whole energy system needs. A first transitional plan is due in January 2026, with the full plan due at the end of 2027.

- NESO did not fully and effectively engage with Welsh Government before the publication of the tRESP (Transitional RESP the precursor to the full or enduring RESP) methodology. Welsh Government concerns were raised.
- With the subsequent RESP Welsh Government has requested far greater consideration to effective engagement with Welsh Government on the resulting Work. Officials from the Energy team are now representing on the RESP Steering Committee which is a recent positive change.

Local Area Energy Plans (LAEPs)

Welsh government is the first area of the UK to have full coverage of LAEPs. A LAEP sets out the change required to transition an area's energy system to clean energy in a given timeframe. The plans identify the changes needed to the local energy system, to decarbonise heat and local transport, support strategic network planning and realise opportunities for local renewable energy production. They can also identify local opportunities from industrial decarbonisation. NGED has been fully involved in the process.