**EXPLANATORY MEMORANDUM TO**

# THE ELECTRICITY NETWORK CONNECTIONS (DESIGNATED STRATEGIC PLANS) REGULATIONS 2026

**2026 No. 223**

## 1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Energy Security and Net Zero and is laid before Parliament by Command of His Majesty.

1.2 This memorandum contains information for the Secondary Legislation Scrutiny Committee.

## 2. Declaration

2.1 Michael Shanks MP, Minister for Energy at the Department for Energy Security and Net Zero confirms that this Explanatory Memorandum meets the required standard.

2.2 Paul van Heyningen, Deputy Director for Electricity Networks Strategy, at the Department for Energy Security and Net Zero confirms that this Explanatory Memorandum meets the required standard.

## 3. Contact

3.1 Toby Leigh at the Department for Energy Security and Net Zero. Telephone: 07394 835797 or email:  can be contacted with any queries regarding the instrument.

## Part One: Explanation, and context, of the Instrument

## 4. Overview of the Instrument

***What does the legislation do?***

4.1 This instrument designates the Clean Power 2030 Action Plan ("the Action Plan") as the designated strategic plan to which the National Energy System Operator (NESO) - referred to in the legislation as the Independent System Operator and Planner (ISOP) - and electricity distributors must have regard to, when prioritising projects for connections to the electricity network grid.

4.2 This instrument supports implementation of the reforms to the electricity networks connections process and provides guidance and support for the ISOP and electricity distributors when making decisions on issuing new connection offers.

***Where does the legislation extend to, and apply?***

4.3 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England, Wales and Scotland.

4.4 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England, Wales and Scotland.

## 5. Policy Context

***What is being done and why?***

5.1 Government has committed to delivering Clean Power by 2030, meaning that Great Britain would generate enough clean power to meet its total annual domestic

electricity demand, backed up by unabated gas supply to be used only when essential. Delivering Clean Power 2030 paves the way to Net Zero by 2050 as the government pursues the electrification of heat in buildings, transport, and industry.

5.2 One of the most immediate barriers to clean power projects getting delivered more quickly is the connections process. The previous 'first come, first served' connections process gives gave little value to how ready a project is, preventing more viable projects from being able to connect ahead of slower moving ones. It also overlooked the technological and locational mix of projects. The queue for a grid connection had grown tenfold in five years to over 800GW, four times what Britain needs by 2030.

5.3 On this basis, the process was not considered fit for purpose, and Ofgem and the ISOP worked, with support from government, to reform it, moving to a 'first ready and needed, first connected' approach, prioritising viable and strategically aligned projects. These reforms are an essential enabler for the government's Clean Energy Superpower and Growth missions.

5.4 Reflecting commitment to these reforms to the connection process, government has taken powers through the Planning and Infrastructure Act 2025 ("the 2025 Act") to support Ofgem and the ISOP in delivery, including the powers to create this instrument. The legislation supports reform to the connections process to make it more efficient and strategically aligned, ensuring that reforms already underway by Ofgem and the ISOP deliver the intended benefits in full.

5.5 The 2025 Act also contains the power for the Secretary of State to designate strategic plans by way of regulations. In parallel to this it also introduces a new duty into the Energy Act 2023 ("the 2023 Act"), which requires the ISOP to have regard to these plans when carrying out functions related to connections. The 2025 Act also introduces a similar duty into the Electricity Act 1989 ("the 1989 Act"), which requires electricity distributors to have regard to these plans when complying with their duties. It also introduces an exception to the obligation on electricity distributors to connect all customers ('duty to connect'), where the proposed connection is not aligned with the plan.

5.6 On this basis, this instrument designates the Action Plan and its accompanying annexes as a designated strategic plan[1]. The Action Plan was initially published on 13 December 2024 and included an annex titled "Clean Power 2030 Action Plan: A new era of clean electricity – connections reform annex" specifically for the purpose of managing connections to the electricity network. In April 2025, a revised version of this annex was published (which also forms part of the designated strategic plan). This contains an updated set of figures for use in the management of the connections queue, specifically for the purpose of managing connections to the electricity network.

***What was the previous policy, how is this different?***

5.7 Previously, the ISOP and electricity distributors were not required to consider strategic plans when managing grid connections. This instrument designates the Action Plan as guidance for prioritising connections. The annex to the Action Plan includes a set of figures intended for use in managing the connections queue.

[1] Clean Power 2030 Action Plan - GOV.UK (https://www.gov.uk/government/publications/clean-power-2030-action-plan)

## 6. Legislative and Legal Context

***How has the law changed?***

6.1 This instrument is made using powers conferred by section 165A(2) of the 2023 Act, inserted by section 17 of the 2025 Act, which gives the Secretary of State the power to designate strategic plans by regulation, for the purpose of section 165A of the 2023 Act. The instrument designates the Action Plan as the strategic plan.

6.2 Under the introduced section 165A(1) of the 2023 Act, the ISOP must have regard to the strategic plan when carrying out functions relating to network connections.

6.3 Additionally, under the amended section 16 of the 1989 Act, when deciding how to comply with their duties under this section, and in particular in deciding how to prioritise persons requiring a connection, electricity distributors must have regard to the strategic plans. Further, under section 17 of the 1989 Act, electricity distributors are exempt from the duty to connect, where this would not be in accordance with the designated strategic plans.

***Why was this approach taken to change the law?***

6.4 Alternative approaches to regulation have been considered and discounted, with secondary legislation identified as the most appropriate path.

6.5 Given the urgency and importance of connections reform in achieving the government's Clean Energy Superpower and Growth missions, neither non-intervention nor sector self-regulation was considered suitable.

6.6 The Action Plan, published in December 2024, provides support and guidance for the ISOP and electricity distributors on prioritising connections under the new reforms. However, in order to give full effect to the Action Plan it is beneficial to create a mechanism in law to give it proper effect in the decision-making process.

6.7 Legislative backing is recommended to support network companies in prioritising connections in alignment with the Action Plan, and to ensure the full benefits of connections reform are realised in full.

## 7. Consultation

***Summary of consultation outcome and methodology***

7.1 No consultation was undertaken for this instrument. No statutory requirement to consult on the designation of the Action Plan was introduced by the 2025 Act, or would apply within the 2023 Act.

7.2 The Action Plan was informed by the ISOP's advice to government on achieving Clean Power by 2030, itself informed by the Future Energy Scenarios, which are published annually based on extensive engagement with network companies and developers. The intention to designate the Action Plan has also been transparently publicised throughout the passage of the enabling 2025 Act.

7.3 More broadly, this legislation is consistent with and complements the connections reform package, developed by the ISOP in collaboration with Ofgem and industry stakeholders over more than two years, which involved governance forums, consultations, and working groups.

## 8. Applicable Guidance

8.1 No additional guidance to the Action Plan is needed.

## Part Two: Impact and the Better Regulation Framework

## 9. Impact Assessment

9.1 A full impact assessment has not been prepared for this instrument because analysis in the de minimis assessment demonstrates the net impact on business of this policy will be minimal (or zero). The instrument simply supports the reforms that are already ongoing, for which the Action Plan is widely known and understood to be the underpinning strategic plan. As a result, this instrument has been assessed as having a low level of impact on businesses, charities or voluntary bodies.

9.2 There is or no significant, impact on the public sector because this instrument supports and provides legislative backing to the package of reform already being implemented.

## 10. Monitoring and review

***What is the approach to monitoring and reviewing this legislation?***

10.1 The instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act 2015, Minister Shanks has made the following statement: Economic evidence, in the de minimis assessment, demonstrates the net impact on business of this policy will be minimal (or zero). This is below the threshold for the inclusion of a Post Implementation Review and, as there are no known factors that would make it particularly desirable to include a review provision in the instrument, it can be concluded that the inclusion of a review provision is inappropriate.

## Part Three: Statements and Matters of Particular Interest to Parliament

## 11. Matters of special interest to Parliament

11.1 As announced in the Industrial Strategy, measures to accelerate demand projects of strategic importance are being developed. This would include making a further instrument - under the same enabling provisions - which would designate the Industrial Strategy as an additional strategic plan that the ISOP and electricity distributors must have regard to in the management of connections. The intention is to proceed with this instrument in Q3 2026. This timing reflects the need to publish supplementary information - specifically, an update to be designated within the Industrial Strategy annex to enable further prioritisation of strategic demand projects. This designation would be complementary to the guidance in the Action Plan.

## 12. European Convention on Human Rights

12.1 As the instrument is subject to negative procedure and does not amend primary legislation, no statement is required.

## 13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 (“relevant European Union Acts”).