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To:

Stakeholders with an interest in
distribution network connection charging

9th September 2026

Dear Stakeholder,

Proposed changes to the Electricity (Connection Charges) Regulations

1. Summary

We are seeking stakeholder views on how the Electricity (Connection Charges) Regulations ('the ECCR' - also known as the 'Second Comer Regulations') should be amended, to operate effectively for 'infrastructure-only' projects where Government, for example, is funding connection infrastructure for which it wishes to receive reimbursement from second comers, but does not itself take a physical connection.

The ECCR were updated in 2017 and one of the amendments was designed to allow funders of such 'infrastructure-only' projects to benefit from second comer payments. However, it is now clear that, due to the drafting of the Statutory Instrument (SI), the ECCR do not achieve this objective. In practice, this means DNOs,¹ who administer second comer reimbursements, can accept that a party may in principle be eligible to receive reimbursement, while at the same time concluding that they have no route under ECCR to notify, or require, reimbursement from second comers. The same issue affects reimbursement from second comers for DNO-funded infrastructure. This contradicts the intended operation of the regime for both 'infrastructure-only' projects and DNO-funded infrastructure, following the ECCR 2017.

In addition, we believe that helpful clarification should be included in the ECCR to make clear that 'infrastructure-only' projects should be treated as 'a first connection' under ECCR and to explicitly allow first comers to only require partial reimbursement of second comer payments.

Questions seeking stakeholder views are included in the annex to this document. Responses will feed into our considerations when amending the ECCR. We aim to lay any amendments to the ECCR before Parliament in January 2027. The amended Regulations would apply to first connections made from 6th April 2027. Please respond to the questions in the annex by **23rd October 2026**.

2. Introduction

The ECCR provide that where a person (second comer) connects to, and benefits from, electricity distribution network infrastructure that was paid for in relation to a first connection by

¹ Can be a Distribution Network Operator or Independent Distribution Network Operator. For ease of reference, the term DNO is used in this letter.

an ‘eligible person’ (first comer), the first comer can be reimbursed for a share of their costs by the second comer. DNOs implement the ECCR by demanding payments from second comers and reimbursing first comers.²

These Regulations have helped to ensure a fair allocation of costs between different connecting parties. They also help protect consumers by ensuring a greater share of network costs, incurred to accommodate the needs of an initial connection, are recovered from second comers who benefit from the network capacity created. In April 2022, the then Department for Business Energy and Industrial Strategy published a statutory post-implementation review of ECCR 2017.³ The review found that the Regulations are largely achieving their objectives.

3. ECCR legal basis

The ‘Second Comer’ regime was originally introduced in 1990 under powers conferred on the Secretary of State by sections 19(2), 19(3), 60 and 64(1)(b) of the Electricity Act 1989. It was subsequently enshrined in the Electricity Connection Charges) Regulations 2002 (‘ECCR 2002’). Section 52 and Schedule 5B of the Infrastructure Act 2015 granted the Secretary of State powers which enabled changes to be made to the ECCR 2002. Under these powers the Electricity (Connection Charges) Regulations (‘ECCR 2017’)⁴ were implemented to supersede the ECCR 2002 for connections made from 6th April 2017.

In 2022, Government amended the ECCR 2017⁵ to enable Ofgem’s connection charging decision⁶ to be implemented from 1st April 2023. Ofgem was reducing the requirement for connection customers to fund distribution network reinforcement, and Government needed to ensure that ECCR aligned. Otherwise DNOs would have had a regulatory requirement from Ofgem not to require customer contributions towards network reinforcement but a legal obligation, through ECCR, to still require such contributions.

The Energy Networks Association has published guidance to ensure consistent and transparent implementation of ECCR.⁷

4. Applying ECCR to ‘infrastructure-only’ projects

The main issue to be addressed is that the ECCR do not operate effectively for ‘infrastructure-only’ projects where Government, for example, is funding connection infrastructure, but does not itself take a physical connection. In practice, this prevents DNOs from recovering contributions from subsequent users of that infrastructure and reimbursing connection infrastructure funders. This is despite the policy intent that second comers should contribute where they benefit from assets paid for by others. ECCR 2017 were designed to allow such ‘infrastructure-only’ projects to benefit from second comer payments. However, it is now clear that, due to the drafting of the SI, the ECCR do not achieve this objective.

The Government Response accompanying the SI, explained that ECCR 2017 added “a broader category of eligible person, which includes those that may have made a payment towards first connection expenses, but not obtained the connection itself, this could, for example, include a development corporation type body.”. This was achieved through adding Regulation 5(1)(e) in ECCR 2017 to make such projects eligible for reimbursement.

² Following the deduction of reasonable administrative expenses

³ [Post-Implementation Review of the Electricity \(Connection Charges\) Regulations 2017](#)

⁴ [The Electricity \(Connection Charges\) Regulations 2017](#)

⁵ [The Electricity \(Connection Charges\) \(Amendment\) Regulations 2022](#)

⁶ [Access SCR - Final Decision](#)

⁷ [https://www.energynetworks.org/assets/images/Publications/2024/241219-ena-electricity-\(connection-charges\)-regulations-guidance-v3.0.pdf?2024-12-23-16:55](https://www.energynetworks.org/assets/images/Publications/2024/241219-ena-electricity-(connection-charges)-regulations-guidance-v3.0.pdf?2024-12-23-16:55)

Eligible persons

5.—(1) *For the purposes of this Part, where a second connection is made, each of the following persons is an “eligible person” in relation to first connection expenses—*

(a) a person who—

(i) is an initial contributor; and

(ii) at the relevant time owns or occupies the premises, or owns the distribution system (as the case may be), to which the first connection was made;

(b) a person who—

(i) has, on a previous occasion when a second connection was made (“the previous connection”), made a payment under these Regulations in respect of the first connection expenses; and

(ii) at the relevant time owns or occupies the premises, or owns the distribution system (as the case may be), to which the previous connection was made;

(c) a person who—

(i) has been assigned a right to receive a reimbursement payment; and

(ii) at the relevant time owns or occupies the premises, or owns the distribution system (as the case may be), to which the first connection was made;

(d) an electricity distributor which has incurred first connection expenses which it has not previously fully recovered from any other person; or

(e) a person other than—

(i) an initial contributor;

(ii) a person who has made a payment under these Regulations; or

(iii) an electricity distributor;

that has made a payment to an electricity distributor or to an independent connection provider in respect of the first connection expenses.

The primary deficiency is that, although the ECCR 2017 widened the definition of an eligible person in Regulation 5, to include one who has paid first connection expenses without obtaining the connection itself (an ‘infrastructure-only’ project), Regulations 6 and 7 were not amended accordingly.⁸ Regulations 6 and 7 do not include ‘infrastructure-only’ projects, they only refer to eligible persons as defined in Regulation 5(1)(a) and (b).

In practice, this means DNOs can accept that a party may in principle be eligible to receive reimbursement under Regulation 5, while at the same time concluding that they have no legal route to notify, or require, reimbursement from second comers. This contradicts the intended operation of the regime following the ECCR 2017.

Change is needed now because the Department for Transport (DfT) intends to fund electricity network connection infrastructure at motorway service areas (MSAs) under its Strategic Charging Infrastructure scheme (SCIS). Without amendments to the ECCR, that scheme will need to rely on more complex and costly workarounds for each MSA connection, reducing pace and efficiency. Amending ECCR would also potentially have applicability to future similar funding schemes, as originally intended, for example for decarbonising ports or for new housing.

We believe that amendments are required to ECCR Regulations 6 and 7, so that ‘infrastructure-only’ projects do trigger reimbursement obligations and notifications in the same way as projects involving a first physical connection.

⁸ Regulation 6 requires DNOs to notify a second comer that a payment will be required. Regulation 7 stipulates the circumstances under which a DNO can demand a reimbursement from a second comer. Neither of these Regulations refer to ‘infrastructure-only’ projects.

In addition, we believe that helpful clarification should be included in the ECCR to make clear that ‘infrastructure-only’ projects are treated as ‘a first connection’ under ECCR and to explicitly allow first comers to specify to DNOs that they are happy to receive partial reimbursement from second comers.

Similarly, ECCR 2017 added a category of ‘eligible person’ (Regulation 5(d)) to clarify that DNOs could receive reimbursement for infrastructure funded by them to enable a first connection. As with ‘infrastructure-only’ projects, neither Regulations 6 nor 7 were amended to include DNO-funded infrastructure.

Issues

Issue	Description
1	Ensuring ‘infrastructure-only’ projects are brought within the scope of Regulation 7 (Demanding a Reimbursement Payment)
2	Ensuring ‘infrastructure-only’ projects are brought within the scope of Regulation 6 (Requirements where a second connection is to be made)
3	Clarifying that an ‘infrastructure-only’ project does not require a physical first connection to receive reimbursement
4	Enabling a DNO to demand partial reimbursement from second comers (Regulation 7)
5	Ensuring DNO-funded infrastructure is brought within the scope of Regulation 7 (Demanding a Reimbursement Payment)
6	Ensuring DNO-funded infrastructure is brought within the scope of Regulation 6 (Requirements where a second connection is to be made)

Issue 1: Ensuring ‘Infrastructure-Only’ projects are brought within the scope of Regulation 7 (Demanding a Reimbursement Payment)

Issue

The qualifying criteria to enable a DNO to demand a reimbursement from second comers is set out in Regulation 7. It does not refer to ‘infrastructure-only’ projects.

Demanding a Reimbursement Payment

7.—(1) This regulation applies where—

(a) a second connection is made;

(b) conditions A to D in paragraph 1 of Schedule 5B to the Act are met;

(c) the first connection expenses were met in whole or in part by the initial contributor or by persons who have previously made payments under these Regulations; and

(d) the relevant electricity distributor has given the person obtaining the second connection a notice under regulation 6(3).

An ‘infrastructure-only’ project could meet all criteria except 7(c) and (d).

Proposed amendment and rationale

Amend Regulation 7 to include all eligible persons defined in Regulation 5. This would be a simple change that meets the intended policy objective of ECCR 2017. It is inconsistent to define eligible persons and then not make provision for reimbursements to be demanded on

their behalf. It would also allow reimbursement to be demanded where DNOs have incurred first connection expenses not previously fully recovered from any other person (see issue 5).

Issue 2: Ensuring ‘Infrastructure-Only’ projects are brought within the scope of Regulation 6 (Requirements where a second connection is to be made)

Issue

The circumstances under which a DNO must inform a second comer that a payment may be required, and an estimate of the amount is set out in Regulation 6. It does not refer to ‘infrastructure-only’ projects.

Requirements where a second connection is to be made

6.—(1) *This regulation applies where—*

(a) a second connection is to be made;

(b) upon that second connection being made, conditions A to D in paragraph 1 of Schedule 5B to the Act will be met; and

(c) the first connection expenses were met in whole or in part by the initial contributor or persons who have previously made payments under these Regulations.

(2) The relevant electricity distributor must take reasonable steps to ascertain whether there are any persons who will be eligible persons, and, if so, the name and address of each of those persons.

(3) If it appears to the relevant electricity distributor that there are any such persons, the relevant electricity distributor must as soon as reasonably practicable give notice in writing to the person obtaining the second connection stating—

(a) that upon the second connection being made the person may be liable to pay a reimbursement payment; and

(b) the amount, or an estimate of the amount, of that payment.

As with Regulation 7, this Regulation would not apply to ‘infrastructure-only’ projects as they are not included in Regulation 6(c), meaning that a DNO would not be required to inform a second comer that a payment may be due or how much it might be.

Proposed amendment and rationale

Amend Regulation 6 to include all eligible persons defined in Regulation 5. This would be a simple change that ensures consistency with the proposed amendment to Regulation 7 and the intended policy objective of the ECCR 2017. It would not be appropriate to enable DNOs to demand a reimbursement for ‘infrastructure-only’ projects, but not require them to give notice to the second comer. It would also require a notice to be issued where DNOs have incurred first connection expenses not previously fully recovered from any other person (see issue 6).

Issue 3: Clarifying that an ‘infrastructure-only’ project does not require a physical first connection to receive reimbursement

Issue

‘Infrastructure-only’ projects, by definition, do not involve any assets physically connecting to the funded connection infrastructure. ‘Infrastructure-only’ projects do not constitute a first connection in the same way as, say, where there is an initial contributor.⁹ However, for the purposes of ECCR, ‘infrastructure-only’ projects should be treated in the same way as where there is a physical first connection. Our view is that “for the purpose of making a connection” as

⁹ ECCR 2017 Regulation 5.1(a)

referenced in Schedule 5B of the Electricity Act 1989 requires neither a physical first connection nor energisation. The Government Response accompanying the ECCR 2017 explicitly “includes those [projects] that may have made a payment towards first connection expenses, **but not obtained the connection itself**”. However, we recognise that this could be made clearer in the ECCR themselves.

Proposed amendment and rationale

Amend ECCR to make clear that ‘infrastructure-only’ projects do not need a physical first connection to be made to be eligible for reimbursement. For the purposes of ECCR these projects would constitute a first connection in themselves.

The change would provide explicit clarity that a first connection is not required for an ‘infrastructure-only’ funder to qualify as an eligible person. It would only apply to this particular subset of eligible persons and not impact on the other categories. It would reassure DNOs that they can treat ‘infrastructure-only’ projects as eligible persons where no first connection is made, and that they do not need to energise the assets before a connection is made.

Issue 4: Allowing a DNO to demand partial reimbursement from second comers (Regulation 7)

Issue

A funder of an ‘infrastructure-only’ project may not wish to recover the full cost of the connection infrastructure it has funded from second comers who are the target beneficiaries of the funding. They may wish to recover only a proportion of costs from these entities to comply with subsidy rules, for example, while retaining the incentive for them to connect to the funded infrastructure. However, the connection infrastructure may have more capacity than required for the funding scheme, for example a transformer may not come in the same size as the required capacity so a larger one may be deployed. In these circumstances the funder would likely want full reimbursement from any other entities that utilise the assets they have funded. Public funding for specific projects should not be used to subsidise other entities eg a neighbouring retail park. This would require DNOs to treat different customers in a different manner which could be regarded as running contrary to the non-discrimination requirements in their licences.

Under the ECCR a DNO can demand all of the reimbursement due or none (if the first comer does not wish to receive the reimbursement or the amount due after DNO administrative expenses is under £300). Under ECCR a DNO is also required to be reasonable “having regard to all the circumstances” in deciding what proportion of the reimbursement to demand. The wishes of the first comer could be a factor in deciding if a proportion is “reasonable”. However, this does require an interpretation of “having regard to all the circumstances” enabling DNOs to act on a first comer’s wishes and, potentially, to discriminate between second comers on the first comer’s behalf.

Proposed amendment and rationale

Amend ECCR to include a specific reference to a first comer being able to set out in writing how they wish to be reimbursed to enable a DNO to demand only a reduced amount from selected second comers, in line with those wishes, such as a fixed percentage or a capped contribution, and also to require full reimbursement from others if relevant.

The amendment would provide reassurance to DNOs that they can follow instructions from eligible persons on how reimbursements should be made, without contravening their licence obligation.

Issue 5: Ensuring DNO-funded infrastructure is brought within the scope of Regulation 7 (Demanding a Reimbursement Payment)

Issue

The ECCR 2017 clarified that DNOs could receive reimbursement for infrastructure funded by them to enable a first connection. For example, a DNO might provide greater capacity than required for the first connection in anticipation of future connections. This was achieved through adding a new paragraph to Regulation 5(1):

(d) an electricity distributor which has incurred first connection expenses which it has not previously fully recovered from any other person

Although the ECCR 2022 amendments reduced the scope for DNOs to recover network reinforcement costs from second comers in these circumstances, there are still scenarios where this could occur eg for generation second comer projects liable for a proportion of reinforcement costs to accommodate their connections. However, as with 'infrastructure-only' projects, DNO-funded infrastructure is not included in Regulation 7(c). DNOs therefore appear to have no legal route to require reimbursement from second comers for infrastructure that they have funded.

Proposed amendment and rationale

Amending Regulation 7 to include all eligible persons defined in Regulation 5 (see issue 1). This is a simple change that meets the intended policy objective of the ECCR 2017. It is inconsistent to define eligible persons and then not make provision for reimbursements to be demanded on their behalf. It would prevent second comers free-riding on network infrastructure funded by consumers.

Issue 6: Ensuring DNO-funded infrastructure is brought within the scope of Regulation 6 (Requirements where a second connection is to be made)

Issue

The circumstances under which a DNO must inform a second comer that a payment may be required, and an estimate of the amount, is set out in Regulation 6. As with Regulation 7, this Regulation does not apply to DNO-funded infrastructure, meaning that a DNO would not be required to inform a second comer that a payment may be due or how much it might be.

Proposed amendment and rationale

Amend Regulation 6 to include all eligible persons defined in Regulation 5 (see issue 2). This is a simple change that ensures consistency with the proposed amendment to Regulation 7 and the intended policy objective of ECCR 2017. It would not be appropriate to enable DNOs to demand a reimbursement for DNO-funded infrastructure, but not require them to give notice to the second comer.

5. How to Respond

We have set out questions in the annex to this letter and invite responses by **23rd October 2026**.

Please reply to the questions in the annex either by:

Email to: paul.hawker@energysecurity.gov.uk

or

Write to:

Paul Hawker
Head, Electricity Network Connections
Department for Energy Security and Net Zero

7th Floor, 3 Whitehall Place
London
SW1A 2AW

When responding, please state whether you are responding as an individual or representing the views of an organisation. Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

6. Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our privacy policy.

7. Quality assurance

This consultation has been carried out in accordance with the Government's consultation principles.

If you have any complaints about the way this consultation has been conducted, please email: bru@energysecurity.gov.uk.

8. Next steps and commencement

We will consider your comments in amending the ECCR. We aim to lay any amended Regulations before Parliament in January 2027. The amended Regulations would then, subject to Parliamentary approval, come into force on 6th April 2027 for all first connections made from that date.

Yours faithfully,

Paul Hawker

Head, Electricity Network Connections

QUESTIONS	
1.	Do you agree that ECCR requires amending to ensure that 'infrastructure-only' and DNO-funded infrastructure projects can be reimbursed by second comers?
2.	Do you agree with our approaches to address the identified issues? If not, please provide reasons and views on alternative approaches.
3.	Are there any issues that have not been identified in this letter that would prevent or obstruct reimbursement of 'infrastructure-only' and/or DNO-funded infrastructure projects? If so, please provide details of issues and views on how to address them.
4.	Is there anything else we should be aware of? If so, please provide details.