



Making a positive difference  
for energy consumers

Distribution licensees and other  
interested parties

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Date: 22 April 2021

Dear Licensee,

**Approval letter for your company's Distribution Flexibility Services Procurement Statement as part of the requirements of Electricity Distribution Licence Condition 31E.**

Thank you for your letter regarding the Distribution Flexibility Services Procurement Statement for review and approval. With this letter, the Authority<sup>1</sup> acknowledges that your Company does not intend to procure Distribution Flexibility Services ('flexibility services') from 1 April 2021 to 31 March 2022.

In accordance with SLC 31E, Distribution Network Operators (DNOs) and Independent Distribution Network Operators (IDNOs) are required to report on the flexibility services they intend to procure and that they have procured. The licence condition ensures that DNOs and IDNOs consider procuring flexibility, when it is economic and efficient to do so, to run efficient and safe electricity distribution networks. Where licensees are not procuring any flexibility services within this reporting cycle, an obligation remains on licensees to consider flexibility services (where economically feasible) for future reporting cycles.

In our letter sent to all licensees on 29 January 2021, we defined the key reporting requirements we expect licensees to report on to meet the conditions set out within SLC 31E. We also said that, should a licensee not intend to procure or use flexibility services in the following regulatory year, the licensee should notify this decision to the Authority in writing.

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<sup>1</sup> The Gas and Electricity Markets Authority. Ofgem is the Office of the Authority. The terms "Ofgem" and "the Authority," "we" and "us" are used interchangeably in this letter.

In addition, licensees are required to notify the Authority of any material changes to their flexibility procurement plans in accordance with C31E.12.

A version of the Distribution Flexibility Services Procurement Statement or the letter stating that your Company does not intend to procure Flexibility Services, redacted of any confidential information, will be published on our website. Companies must publish their statement or letter on their website as stated under Condition 31E.15.

We will work to further refine and streamline the requirements and processes for reporting to us on flexibility services, ahead of the next reporting cycle. We will be in touch in Autumn 2021 to discuss the format and content of the Distribution Flexibility Services Report (31E.14), to be submitted before 01 May 2022 in accordance with SLC 31E. Should you have any questions, please contact [flexibility@ofgem.gov.uk](mailto:flexibility@ofgem.gov.uk).

Yours faithfully,

**Louise van Rensburg**

Head of DSO and Whole System Coordination

**For and on behalf of the Authority**