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## **Call for Input on Ofgem’s “Guidance for reporting requirements under Electricity Distribution Licence Condition 31E: Procurement and use of Distribution Flexibility Services”**

The Clean Energy for all Europeans Package (CEP) lays out within Article 32(1) of the Electricity Directive (EU 2019/944)<sup>1</sup> that Distribution System Operators (DSO) must procure flexibility services through transparent, non-discriminatory, and market-based procedures.

In December 2020, Article 32 of the CEP was transposed into the GB regulatory framework, and is known as Electricity Distribution Standard Licence Condition 31E: Procurement and use of Distribution Flexibility Services<sup>2</sup> (C31E).

C31E sets out the conditions under which distribution licensees can procure flexibility, what principles they should apply during the procurement processes, and the need to take a coordinated approach with other parties for the procurement and use of flexibility services.

In addition, C31E imposes three distinct reporting requirements on the procurement and use of Distribution Flexibility Services by electricity distribution licensees:

- i) The Distribution Flexibility Services Procurement Statement, submitted by 1 April ahead of the regulatory year to which it relates;
- ii) The Distribution Flexibility Services Procurement Report, submitted by 1 May following the regulatory year to which it relates;

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<sup>1</sup> See page 35 here: [DIRECTIVE \(EU\) 2019/ 944 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL - of 5 June 2019 - on common rules for the internal market for electricity and amending Directive 2012/ 27/ EU \(europa.eu\)](#)

<sup>2</sup> See page 7 here: [annex 2 - keeling schedule electricity distribution v2.pdf \(ofgem.gov.uk\)](#)

- iii) Ongoing Reporting, which must be published within one month of the conclusion of a procurement process.

Licensees submitted their first Distribution Flexibility Services Procurement Statements to the Authority by 1 April 2021, while the first Distribution Flexibility Services Procurement Report submissions are to be submitted by 1 May 2022.

### **Purpose of this Guidance**

We are seeking stakeholder input on draft Guidance and a Supporting Data template, which have been developed with the intention of promoting consistency and thoroughness of C31E reporting across licensees.

- i) The scope of the Guidance covers all reporting requirements under C31E, and the expected contents and format under each of these requirements.
- ii) The Supporting Data template that is to be populated as part of licensees' Distribution Flexibility Services Procurement Report.

### **Key Questions**

We welcome all responses, but note our particular interest in stakeholders' views on the following questions:

*Q1. Does the Guidance require specific amendments or additions?*

*Q2. How would you propose to use the information provided through the Distribution Flexibility Services Procurement Statement? Do the contents and format proposed in this Guidance support or complicate this use case?*

*Q3. How would you propose to use the information provided through the Distribution Flexibility Services Procurement Report? Do the contents and format proposed in this Guidance support or complicate this use case?*

*Q4. What level of locational granularity is preferable to understand flexibility procurement activity, and for what applications? At what level of granularity are the proposed use cases limited?*

*Q5. How would you propose use the data provided in the Supporting Data template?*

*Q6. Do you have a strong preference for the provision of primary data, at a glance summaries, or other means of data sharing?*

## **Responses**

This Call for Input is open for 4 weeks and will close on 20 December 2021. We will consider all responses received before this deadline and will then make a decision about publication of the revised versions of the Guidance and templates.

Please submit any responses or requests for further information to [Flexibility@ofgem.gov.uk](mailto:Flexibility@ofgem.gov.uk) with the subject of 'C31E Guidance – Call for Input'.

We thank you in advance for your views.

Sincerely,

Louise van Rensburg  
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