



Making a positive difference
for energy consumers

Electricity distribution licensees
and other interested parties

Direct Dial: 020 3263 9629
Email: flexibility@ofgem.gov.uk

Date: 29 April 2022

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 submitting your letter and the Distribution Flexibility Services Procurement Statement for review and approval. With this letter, the Authority¹ acknowledges that your Company does not intend to procure Distribution Flexibility Services ('flexibility services') from 1 April 2022 to 31 March 2023.

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 services, 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 guidance published on 14 February 2022, 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.

¹ 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.

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

Where your Distribution Flexibility Services Procurement Statement contains any confidential or private information, please provide to us a redacted version by 05 May 2022, which will be published on our website. Companies must publish their statement on their website as stated under Condition 31E.15.

In line with the requirement that both DNOs and IDNOs continue to consider procuring flexibility services where appropriate, we request additional information to support your submission. It is understood that there are processes in place for monitoring the need for flexibility services. For future reporting cycles, please provide a brief summary of the methods used to ensure any requirements for flexibility services are easily identified, along with any supporting evidence.

We look forward to receiving your backwards-looking Distribution Flexibility Services Procurement Report (31E.14) or any associated correspondence on or before 01 May 2022. Upon reviewing your report, should we have any further queries or comments, we will get in touch in a timely manner. In the meantime, we expect licensees to continue to engage and seek feedback from interested stakeholders (such as non-network companies, and Flexibility Service Providers) on what is and could be additionally provided within future reporting. Should you have any questions, please contact Natasha Kumar (Natasha.Kumar@ofgem.gov.uk) or our Flexibility inbox (flexibility@ofgem.gov.uk).

Yours faithfully,

Alex Walmsley

Head of Distribution Flexibility Markets and Enablers

For and on behalf of the Authority

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