



Making a positive difference
for energy consumers

Optimal Power Networks
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Date: 26th April 2023

Dear Sally Musaka

Approval letter for Optimal Power Networks'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 2023 to 31 March 2024.

In our [guidance](#) published on 14th February 2022, we defined the key reporting requirements we expect licensees to report on to meet the conditions set out within Electricity Distribution Standard Licence Condition 31E. We also reiterated the requirements of SLC C31E.10 that, should a licensee not intend to, or reasonably expect not to, procure or use flexibility services in the following regulatory year, the licensee must notify this decision to the Authority in writing. You are under an obligation under SLC C31E.12 and C31E.13 to notify the Authority should there be changes to your flexibility procurement plans in the course of the year.

SLC 31E ensures that DNOs and IDNOs must procure flexibility services, when it is economic and efficient to do so, and to run efficient and safe electricity distribution networks. Based on evidence presented in your statement, we accept your Company's position not to procure flexibility in 2023/24.

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 future reporting cycles, we ask that you provide a brief summary of any technical methodologies used to assess whether or not additional flexibility services are needed for your network, along with any supporting evidence.

Where your Distribution Flexibility Services Procurement Statement contains any confidential or private information, please provide to us a redacted version by Thursday 4th May 2023, which will be published on our website. Companies must publish their statement on their website as stated under Condition 31E.15.

We look forward to receiving your backwards-looking Distribution Flexibility Services Procurement Report (31E.14) or any associated correspondence on or before 1st May 2023. If no Distribution Flexibility Services were tendered for, contracted, or dispatched in the 12-month period before the Annual Submission Date, we would appreciate written confirmation from you that this was indeed the case.

Should you have any questions, please contact Euan Dickson (Euan.Dickson@ofgem.gov.uk) or our Flexibility inbox (flexibility@ofgem.gov.uk).

Yours faithfully,

Nina Klein

Interim Head of Distribution Flexibility and Enablers

For and on behalf of the Authority

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