Flexibility Overview

Sept publication set out priorities areas for Ofgem:

1. Encourage DNOs to take a more active role in network management, moving to future DSO roles and engaging effectively with the SO

2. Clarify the role of aggregators

3. Clarify the legal and commercial status of storage

4. Explore how to support more large I&C customers to participate in providing flexibility

5. Examine and feed into European discussions on how future distribution charges may need to evolve.

Encouraging the transition from DNO to DSO roles

– Providing clarity on the role of the DSO, including interactions with the SO

– Removing barriers to, and identifying steps to facilitate, the transition to DSO roles

Exploring how to support I&C participation

– Gathering information on the flexibility potential in the I&C market

– Raising awareness of the opportunities and understanding the concerns and needs of I&C customers

Enabling new business models

Clarifying the role of aggregators

- Including clarifying their role in markets and their relationship with other industry participants
- Exploring the need for policy intervention and regulatory oversight

Clarifying the legal and commercial status of storage

- Clarifying the legal and commercial status of storage
- Exploring whether changes to the regulatory and commercial framework are needed

DCC/Flexibility overlap

- Ofgem will continue to provide updates to relevant flexibility work streams regarding DCC implementation developments