

Decision

Market facilitator policy framework decision

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This document sets out our decision on the detailed policy framework for the market facilitator, following a consultation we ran from 10 December 2024 to 11 February 2025.

This decision outlines our expectations for Elexon in fulfilling the market facilitator role. This includes defining the scope of the market facilitator function, the enduring roles and responsibilities of Elexon and other key stakeholders, as well as the expected deliverables and performance arrangements.

We explain our consultation position and summarise the responses from a range of stakeholders which have helped inform our decision.

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Foreword

Flexibility is essential to the energy system because it allows us to balance supply and demand more efficiently, especially as we integrate more intermittent renewable energy sources like wind and solar. It reduces the need for costly infrastructure upgrades, lowers system costs, and enhances resilience during peak demand or system stress. Most importantly, it empowers consumers to play an active role in the energy transition — shifting their usage in ways that benefit both the grid and lowers energy bills. But to unlock the full potential of flexibility, we must address the fragmentation that currently exists across local and national markets.

That is why the role of the market facilitator is so important. In appointing Elexon, we have chosen an experienced, neutral body with the capability to align market rules, standards, and processes across the system. This alignment is not just a technical necessity—it is a strategic enabler. It will reduce friction for participants, improve market access, and help build the trust and confidence needed to scale flexibility services.

This decision sets out the governance framework that will guide Elexon in this role. It provides the clarity and accountability needed to ensure that the market facilitator can deliver on its mandate—supporting a more coherent, efficient, and inclusive market landscape. Ensuring a level playing field for flexibility markets is essential. To do this I encourage NESO, DSOs and market participants to work with Elexon as the market facilitator to remove the frictions that are blocking flexibility from reaching its maximum potential.

Marzia Zafar

Deputy Director - Digitalisation, Innovation and Decentralisation

Executive Summary

The energy system in Great Britain is changing as we work towards Clean Power 2030 and transition to a net zero economy. Coordinated local flexibility markets are essential to manage that transition. As more electricity comes from intermittent renewable sources flexibility will help minimise constraints and balance the grid.

The market facilitator will support this by helping to grow, develop and align local and national flexibility market arrangements - contributing to a smarter energy system.

This decision sets out the policy framework for establishing the market facilitator based on our December 2024 consultation and incorporates stakeholder feedback to help inform our decision.

Key decisions

Setting up the market facilitator

We have decided that Ofgem will retain responsibility for the overarching policy framework while Elexon leads the development of detailed governance arrangements, subject to Ofgem's approval. These arrangements will be implemented through a Governance Framework Document and new licence conditions for NESO and DNOs, which Ofgem will consult on.

We will continue to work closely with Elexon and stakeholders to ensure the market facilitator is in place by the end of 2025.

The market facilitator function

During the first delivery plan period (January 2026 to March 2028), the market facilitator's scope will include:

- All DNO flexibility services
- Most NESO commercial ancillary services (excluding stability and reactive power)
- The Balancing Mechanism (with some limitations)

The scope will expand in the second delivery plan period (April 2028 to March 2030) to include the Wholesale Market.

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The Capacity Market will not be in scope for either the first or second delivery plan period however we will work with DESNZ and other key stakeholders to determine whether it should be brought into scope after that.

We have decided not to include Active Network Management (ANM) and innovation in scope.

Market facilitator deliverables

We have confirmed that Elexon will publish a two-year delivery plan with an annual delivery schedule, with stakeholder engagement expected throughout. While Ofgem will not sign off these documents, we will maintain oversight through our performance assessment. We have also decided that 'flexibility market rules' (previously referred to as 'technical outputs'), an implementation tracker, and strategic advice should all be included as key market facilitator deliverables.

The budget and flexibility market rules will be subject to consultation and a formal appeals process. Ofgem will be the final decision-maker for appeals. Stakeholder oversight will also be strengthened through a Stakeholder Advisory Board, an annual stakeholder survey, and wider industry consultation.

Market facilitator performance arrangements

Ofgem will assess Elexon's performance annually under a reputational incentive framework, with no financial incentives or revenue at risk. The assessment criteria will include 'plan delivery and ambition' and 'stakeholder evidence'. Additional work will be undertaken to finalise the enduring objectives and further consider performance metrics.

Next steps

We are holding licence drafting working groups this month and intend to consult on draft licence conditions in early July. We then intend to publish the draft Governance Framework Document, statutory licence consultation, and draft impact assessment in September 2025. Elexon is expected to submit its detailed governance proposals by July with a delivery plan outlining core activities to follow in autumn. Final governance arrangements will be confirmed by December 2025.

1. Introduction

Section summary

In this section, we provide an overview of distributed flexibility and position the market facilitator within the broader context. We outline the structure of our decision, explain our decision-making process, summarise the market facilitator policy journey, and set out how stakeholders can provide feedback.

Context

- 1.1 The energy system in Great Britain is undergoing significant changes to support the transition to net zero. A crucial aspect of this transition is the growing importance of electricity generation from renewable sources, such as wind and solar power, to support the UK government's ambition for Clean Power 2030 (CP2030).
- 1.2 As the volume of renewable energy increases, supply will become more variable due to intermittency. This will require a more flexible energy system to help balance supply and demand, reduce system costs, and optimise the use of existing infrastructure.
- 1.3 Greater coordination and alignment across local flexibility markets are necessary to fully realise the benefits of flexibility. This will help remove barriers that prevent the potential of achieving a smarter, flexible, and digitally enabled local energy system.
- 1.4 In [April 2022](#), a review of local energy institutions revealed inconsistent practices among Distribution Network Operators (DNOs), unequal access to information, and limited coordination between local and national flexibility markets.
- 1.5 To address these issues, we proposed the development of a new market facilitator role in [November 2023](#).
- 1.6 Elexon was appointed as the [delivery body in July 2024](#) with a mandate to grow and develop local flexibility markets, and align local and national flexibility market arrangements.
- 1.7 This policy framework decision follows our [December consultation](#) setting out our key proposals. Since we published our consultation, Elexon has been working with the Energy Network Association's (ENA) Open Networks programme to ensure a

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smooth handover from the current arrangements. They published a draft and final [handover plan](#) in March and May 2025, respectively.

1.8 Elexon has been leading on developing the detailed governance arrangements through stakeholder workshops and a [consultation](#). They include:

- Cost recovery (budgeting and finance)
- Market coordination delivery plan
- Implementation monitoring
- Enduring change management
- Stakeholder Advisory Board
- Structure of flexibility market rules

Our decision-making process

1.9 [In December 2024](#), we consulted on the detailed policy framework for the market facilitator.

1.10 We sought input from stakeholders on our proposals for:

- The market facilitator function, which includes its scope, enduring roles, enduring responsibilities, and those of other key stakeholders.
- The market facilitator deliverables
- Performance arrangements

1.11 We received 24 responses (including three confidential responses) representing all major stakeholder groups. These included network operators, trade associations, suppliers, generators, software platforms and market operators.

1.12 Overall, there was broad support for our proposals. Respondents expressed a range of views that we have considered. Stakeholder views have been summarised in the relevant sections below. We have used stakeholder feedback to help inform our decision.

Structure of decision

1.13 This decision document is structured as follows:

- Chapter 1 introduces the background and context to this decision

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- Chapter 2 sets out our consultation position, stakeholder views, our decision, rationale on the transitional roles and responsibilities, and the forward workplan for setting up the market facilitator
- Chapter 3 sets out the consultation position, stakeholder views and our decision and rationale on the market facilitator function. This includes its scope, enduring roles and responsibilities and those of other key stakeholders
- Chapter 4 sets out the consultation position, stakeholder views, our decision and rationale on the market facilitator deliverables
- Chapter 5 sets out the consultation position, stakeholder views, our decision and rationale on the market facilitator performance arrangements
- Chapter 6 sets out the next steps

General feedback

1.14 We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this decision. We would also like feedback on the following questions:

1. Do you have any comments about the overall quality of this document?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Are its conclusions balanced?
5. Did it make reasoned decisions?
6. Any further comments?

1.15 Please send any general feedback comments to stakeholders@ofgem.gov.uk

2. Setting up the market facilitator

Section summary

In this section, we set out and explain our decision on setting up the market facilitator, including the transitional roles and responsibilities, and our forward workplan.

Background

- 2.1 We are adopting a phased approach to establishing the market facilitator role, to enable it to be fully operational by the end of 2025. Elexon is leading on early design work, while Ofgem provides policy oversight to support a smooth and effective transition from the Open Networks programme.
- 2.2 In our consultation we proposed a forward workplan outlining key milestones and responsibilities for Ofgem and Elexon to clarify roles and responsibilities and upcoming stakeholder engagement opportunities for successful implementation.

Consultation position

- 2.3 In our consultation we proposed a transitional approach for establishing the market facilitator to ensure a seamless handover from the Open Networks programme with no loss of momentum.
- 2.4 The key elements of our proposal included:
- Elexon leading on developing proposals for the detailed governance arrangements for the market facilitator role. This would involve processes for Elexon to follow in delivering the market facilitator role, including change management processes for flexibility market rules (referred to as technical outputs in the consultation) and the development and documentation of the delivery plan.
 - Ofgem remaining responsible for the policy framework and signing off Elexon's proposals for detailed governance arrangements.
- 2.5 In our consultation we also proposed that we would:
- Publish the requirements that we fed into Elexon as part of their detailed design stakeholder workshops, to improve transparency - set out in paragraph 2.14 in this document.

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- Include priorities and objectives for the transition period in this decision, which will set expectations of what is required to be delivered and enable Ofgem to assess Elexon's performance as the market facilitator, which we have confirmed in paragraph 5.14 in this document.

2.6 We set out that the transitional phase will be structured around a forward workplan for Ofgem and Elexon's key activities, milestones, and decisions necessary to establish the market facilitator function by the end of 2025.

Stakeholder views

2.7 Stakeholders welcomed the proposed high-level structure for setting up the market facilitator. Respondents were generally supportive of Ofgem's role in developing the policy framework, with Elexon responsible for producing the detailed governance arrangements, subject to Ofgem's approval. It was felt that this provided an appropriate balance between delivery and oversight.

2.8 Respondents highlighted some unclear roles and responsibilities, suggesting this could cause delays. Some respondents recommended a clear matrix of roles and responsibilities while others requested a detailed roadmap with key milestones to enhance coordination among delivery partners, including between NESO and Ofgem.

2.9 Other key themes in consultation responses included:

- General support for bringing forward the go-live date to the end of 2025, with suggestions for earlier informal operation by Elexon. However, some respondents questioned whether even the earlier go-live date was consistent with meeting CP2030, suggesting that making substantive progress in 2025 would also be essential.
- The importance of transparency and engagement during the transition period, particularly in defining how flexibility service providers (FSPs) would be involved.
- The importance of a clear handover and transition plan from Open Networks.

2.10 NESO stated that the market facilitator's two-year delivery plan will impact their regulatory planning from April 2026 and suggested effective collaboration to avoid licence breaches.

Our decision

- 2.11 We have decided to proceed with our proposed set of roles and responsibilities, whereby Elexon develops proposals for the market facilitator detailed governance arrangements which will be submitted to Ofgem for approval.
- 2.12 Ofgem, in turn, will be responsible for setting the overarching policy framework, the key components of which are confirmed in this decision document. Further detail will then be set out in the 'Governance Framework Document' and through new licence conditions for NESO and DNOs (see table 2 and chapter 6 for more information). We will be issuing consultations for both pieces of work in the coming months.
- 2.13 We will continue to work at pace over the rest of 2025, including working closely with Elexon to ensure the market facilitator is established by the end of 2025. We have provided indicative months for upcoming Ofgem publications in Table 2 below.
- 2.14 In terms of key requirements that we have fed into Elexon's detailed design workshops, after considering Elexon's initial proposals on cost recovery we set out a position for the market facilitator costs to be recovered from all BSC parties. We presented our thinking at the relevant workshop and Elexon subsequently incorporated it into its consultation.

Table 1 - recent Ofgem & Elexon publications

Publication	When?	Who?
Provisional handover plan	24 March 2025	Elexon
Elexon's detailed governance arrangements consultation	28 April - 30 May 2025	Elexon
Final handover plan	22 May 2025	Elexon
Policy framework decision	4 June 2025	Ofgem

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Table 2 - forward workplan

Publication	When?	Who?
Non-statutory licence consultation	July 2025	Ofgem
Decision on Elexon's detailed governance arrangements	July 2025	Ofgem
Draft Governance Framework Document consultation	September 2025	Ofgem
Draft impact assessment	September 2025	Ofgem
Statutory licence consultation	September 2025	Ofgem
Draft detailed governance arrangements documents	Autumn 2025	Elexon
The first enduring delivery plan	By December 2025	Elexon
Final detailed governance arrangements documents	By December 2025	Elexon
Governance Framework Document	December 2025	Ofgem
Final impact assessment	December 2025	Ofgem
Licence conditions decision	December 2025	Ofgem

Our rationale

2.15 We believe this allocation of roles and responsibilities balances delivery at pace with effective oversight. We recognise the concern that unclear roles and

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responsibilities could cause delays however we are working closely with Elexon and the ENA to deliver at pace, providing a steer and advice as required.

- 2.16 We recognise the appetite among stakeholders for Elexon to begin delivering the market facilitator role as soon as possible however we believe that developing and implementing robust governance proposals, including carefully thought-through processes is critical for the long-term success of the market facilitator.
- 2.17 We believe the current forward workplan is ambitious and will be challenging to deliver, so do not think it is realistic to accelerate delivery even further without compromising on the quality and robustness of the governance arrangements.
- 2.18 That said, we agree that Elexon can begin delivering aspects of the market facilitator role in an informal capacity before the end of 2025. It has already started to do so in taking over the Open Networks workstreams. By July 2025, Elexon will be leading all relevant Open Networks workstreams.
- 2.19 Recognising the desire for greater certainty on the timing of Ofgem publications, in Table 2 above we have set out when we intend to publish key market facilitator publications.

3. Market facilitator function

Section summary

In this section we outline our decision on the market facilitator scope and roles and responsibilities, including for Elexon, NESO, DNOs and other key actors. We also summarise the consultation position and stakeholder responses.

Background

- 3.1 To ensure that the market facilitator can operate effectively, deliver tangible outcomes and avoid duplication of effort, it is essential to define a clear and appropriately scoped role.
- 3.2 The market facilitator's role must be comprehensive enough to support coordination at both local and national levels of flexibility markets. However, it should also be sufficiently focused to prevent overload and ensure that the market facilitator provides meaningful benefits in priority areas.
- 3.3 We proposed a set of enduring roles and responsibilities for Elexon as the market facilitator, alongside defined roles for other key stakeholders, in our consultation. These arrangements will be supported by mechanisms for stakeholder input and external scrutiny to ensure transparency.

Consultation position

Market facilitator scope

- 3.4 In our [consultation](#) we proposed that the market facilitator scope includes:
 - All DNO flexibility services
 - Most NESO ancillary services, defined as all service types under the "commercial ancillary services" heading in NESO's [procurement guidelines](#), apart from stability and reactive power
 - The Balancing Mechanism, excluding operations but including procurement and reporting, particularly regarding entry requirements and registration processes

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- 3.5 We also suggested exploring the idea of bringing the Capacity Market (CM) and Wholesale Market (WM) within scope for the second delivery plan period (2028 - 2029).
- 3.6 For DNO flexibility services and applicable NESO ancillary services, we proposed that the market facilitator considers the full end-to-end flexibility process.
- 3.7 We proposed that Active Network Management (ANM) and innovation are out of scope, beyond ensuring the market facilitator is aware of key developments and interdependencies impacting its work.

Enduring roles and responsibilities for the market facilitator

- 3.8 As in our previous publications, we included three key functions for the market facilitator: strategic leadership, market coordination, and implementation monitoring.
- 3.9 We explained that the market facilitator would not deliver flexibility services or operate the system but instead coordinate and align local flexibility markets to support effective functioning across DNOs, NESO and other market participants.
- 3.10 For DNO flexibility, we proposed that the market facilitator leads the design of common processes, services, rules, and standards for the full end-to-end flexibility journey.
- 3.11 We proposed that NESO retains responsibility for the design of new or existing services and the operational activities for the Balancing Mechanism while Elexon defines flexibility market rules (referred to as technical outputs in the consultation). This would cover the full end-to-end flexibility journey for ancillary services within scope that NESO must adopt, such as primacy rules and a common dispatch Application Programme Interface (API).
- 3.12 We proposed that the market facilitator should align asset registration processes for DNO and NESO markets, collaborate on a common digital infrastructure for asset data, and potentially manage that infrastructure.

Enduring roles and responsibilities: other actors

- 3.13 We proposed roles and responsibilities for key actors (DNOs, NESO, DESNZ, Ofgem and wider market participants), including that NESO and DNOs would be

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required to adopt the market facilitator's flexibility market rules (referred to as technical outputs in the consultation).

3.14 We proposed that stakeholder scrutiny is incorporated into the market facilitator's activities to ensure transparency and accountability in its operations through:

- Industry consultation (eg working groups, public consultations, webinars)
- An annual stakeholder survey
- A Stakeholder Advisory Board
- An appeals process (for flexibility market rules and the budget)

3.15 We proposed that Elexon develops further detailed proposals on the Stakeholder Advisory Board and that we would work with Elexon on an appeals process.

Stakeholder views

3.16 Stakeholders expressed a range of views but broadly supported the proposed scope and enduring roles of the market facilitator and other actors.

3.17 On the market facilitator's scope:

- There was strong support for including all DNO flexibility services and most NESO ancillary services in the scope
- There was also support for including the CM and WM. Many flexibility service providers (FSPs) in fact argued for their inclusion for the first delivery plan period to enable Elexon to address barriers holistically
- NESO however raised a concern that including the CM could interfere with their role and risk security of supply and that it is a DESNZ policy area. They also suggested that the WM should remain out of scope at this stage, though supported the market facilitator having regard to WM developments and aligning its technical outputs accordingly
- There were mixed views on including ANM: while DNOs supported excluding ANM from scope, several FSPs opposed this, warning it could limit participation and stacking
- Most respondents supported including the Balancing Mechanism but called for clearer boundaries particularly between operational and non-operational activities

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- Similarly some DNOs called for clearer scope and boundaries in relation to innovation, with some also suggesting that innovation should be in scope
- 3.18 On the market facilitator's enduring roles and responsibilities, respondents supported a role for Elexon to input into NESO and DNO performance assessment processes. However, the Energy Networks Association (ENA) and some DNOs cautioned that this should be through existing mechanisms to avoid a conflict of interest as DNOs may also need to appeal the market facilitator's decisions.
- 3.19 How Elexon would interact with NESO was another important theme in consultation responses:
- There was specific support for the market facilitator inputting into service design and market design framework. Stakeholders suggested that the market facilitator would need visibility of NESO's decision-making process to do so
 - There was recognition however that NESO should continue to lead the design process for its own services with the market facilitator acting as a critical friend, inputting and challenging where appropriate
 - Elexon highlighted a risk of increased complexity and potential delays to amending NESO services. NESO echoed this, explaining that its existing obligations outlined in special condition C9 of the NESO licence and [Article 18](#) could cause issues with implementation timeframes. NESO suggested exploring whether processes could be streamlined to avoid duplication and expedite decision-making and delivery
- 3.20 Stakeholders expressed broad support for including structured mechanisms for stakeholder engagement and oversight. There was strong backing for the principle of external scrutiny and establishing the Stakeholder Advisory Board. Respondents welcomed the Stakeholder Advisory Board's proposed dual role in governance, noting that it would enhance transparency and accountability.
- 3.21 Several stakeholders also recognised the value of consistent stakeholder feedback channels for stakeholder feedback and formalised oversight.
- 3.22 Despite general support, some stakeholders raised concerns about the Stakeholder Advisory Board and the broader stakeholder engagement structure, however. A key issue was the potential for increased stakeholder fatigue/burden.

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- 3.23 Stakeholders suggested that the Stakeholder Advisory Board membership should have diverse representation, including smaller market participants and NESO. They also suggested that the Stakeholder Advisory Board's composition should remain flexible to evolve with industry changes.
- 3.24 Regarding the appeals process, stakeholders emphasised the importance of establishing a clear and legally robust mechanism that balances stakeholder interests.
- 3.25 It was suggested that appeals should only be enabled where substantive concerns exist and that the process must promote equity while avoiding processes that may unintentionally favour larger organisations or prevent delivery at pace.

Our decision

Market facilitator scope

- 3.26 For the first delivery plan period (January 2026 - March 2028), we have decided that the market facilitator scope will include:
- All DNO flexibility services
 - Most NESO ancillary services, defined as all service types under the "commercial ancillary services" heading in NESO's procurement guidelines, apart from stability and reactive power
 - The Balancing Mechanism, subject to some limitations which will be further defined in conjunction with NESO and Elexon, as explained in paragraph 3.36 below
- 3.27 For the second delivery plan period (April 2028 - March 2030), we will then extend the scope to include the WM. This will not involve any new powers for the market facilitator or further governance changes, as explained in paragraph 3.39 below.
- 3.28 We have decided not to include the CM for the first or second delivery plan period however we will work with DESNZ and other key stakeholders to determine whether it should be brought into scope after that.
- 3.29 We have also decided not to include ANM or innovation in the market facilitator's scope.

Enduring roles and responsibilities: Elexon as market facilitator

3.30 We have decided to implement the functions and activities largely as proposed in the consultation, however we have identified areas for further work from consultation responses:

- We will work with Elexon and NESO to define how Elexon will input into the NESO service design process and market design framework, including specifying at which points in the decision-making process Elexon should be involved, what role we expect Elexon to perform and clarifying our expectations for NESO
- We will develop robust, transparent appeals processes for flexibility market rules and for the market facilitator budget. These will be published and incorporated into the market facilitator governance arrangements, either as part of the governance framework document or as part of Elexon's governance documentation. Ofgem will be the decision-maker for any appeals. If an appeals process is also implemented for code manager budgets (as proposed in the recent joint [DESNZ / Ofgem Energy Code Reform consultation](#)), we will look to align the market facilitator appeals process with this where possible.

3.31 We have also decided that Elexon should input into the DSO incentive assessment process through existing channels, rather than changing the existing DSO incentive arrangements.

Enduring roles and responsibilities: key stakeholders and the role of stakeholder and external scrutiny

3.32 We have decided to embed the following elements to allow stakeholders to input into and scrutinise the market facilitator's outputs and performance:

- A Stakeholder Advisory Board - detailed proposals for which Elexon has recently consulted on and which Ofgem will review in due course
- A stakeholder survey - which is discussed further in chapter five on the performance arrangements
- Industry consultation
- An appeals process - for the budget and flexibility market rules only.

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- 3.33 Elexon should seek to align its Stakeholder Advisory Board arrangements (relating to the market facilitator role) with stakeholder advisory forum (SAF) arrangements (being developed as part of [Energy Code Reform](#)) where beneficial.
- 3.34 We have decided to implement the other roles and responsibilities as set out in the consultation, subject to further work setting out how Elexon and NESO will work together on NESO service design and defining appeals processes, as per paragraph 3.30 above.
- 3.35 NESO and DNO obligations will be set out in their licences, which we will further engage with stakeholders on and consult upon shortly.

Our rationale

Market facilitator scope

- 3.36 There was strong support for including DNO flexibility markets, commercial ancillary services and the Balancing Mechanism in the market facilitator's scope. It was clear from consultation responses however that our proposed distinction between operational and non-operational activities was not fit for purpose. The intent behind this wording has not changed, but in line with stakeholder feedback we recognise the need to clarify how we define the boundaries. We will do so in collaboration with NESO and Elexon as part of our next steps, and set out further detail in subsequent publications. As indicative clarification, we consider that operational aspects would include the processes relating to dispatch and procurement of volumes through the Balancing Mechanism.
- 3.37 With regards to including the WM and CM, while we understand the strong desire from respondents for the market facilitator to tackle barriers in all markets from day one, a more focused scope in the first instance will help set Elexon up for success. We believe a phased approach is therefore most suitable, starting with the areas where alignment will have the greatest impact, and then moving on to the WM, where we believe there are also important opportunities.
- 3.38 As referenced in paragraph 3.27, in including the WM in the market facilitator's scope for the second delivery plan period, we are not allocating new powers to Elexon or making any governance changes. Unlike for NESO and DNO flexibility markets, where Elexon will drive change through flexibility market rules that NESO and DNOs will be required to comply with, for the WM, Elexon as market

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facilitator will work within the existing institutional arrangements. This will involve proactively working with industry to identify and remove barriers to flexibility through changes to the Balancing and Settlement Code (BSC). We will continue to consider the market facilitator's scope in relation to the WM carefully in advance of any changes.

- 3.39 For the CM, the institutional arrangements are more complex, meaning Elexon may struggle to have an impact, unless wider ranging changes are made. We have also considered NESO's concerns about including the CM within the market facilitator's scope. As such, we will work with DESNZ to consider at a later date whether it is appropriate and beneficial for the CM to be included within the market facilitator's scope.
- 3.40 Similarly, we think adding ANM and innovation could distract from an already challenging brief. Under its strategic leadership function, where non-market barriers are identified (for instance relating to ANM or innovation) Elexon should inform the relevant body. That said, we will keep our position on ANM under review and will work closely with Elexon to understand whether excluding it is having a material impact.

Roles and responsibilities: market facilitator

- 3.41 The market facilitator roles and responsibilities have been iterated over the course of several consultations and through stakeholder workshops. As such we are confident they address the key issues identified in our local governance review and will empower Elexon to deliver the market facilitator role effectively.
- 3.42 That said, we recognise the need for further work to ensure roles and responsibilities are clear for the NESO service design process, where there is the greatest risk of confusion. If left unresolved this would undermine the effectiveness of the market facilitator.
- 3.43 NESO must be able to change its services and markets to ensure they are fit for purpose so that it can continue to meet its legal obligations. The market facilitator should be involved in the change process from an early stage however. Elexon will be well-placed to identify further alignment opportunities or flag coordination risks that NESO may have missed. We agree with respondents that this input should minimise duplication of effort, allow for as agile as possible service

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development, but ensures the right level of involvement of the market facilitator as a key stakeholder.

- 3.44 As such we will work with NESO, Elexon and where appropriate, DESNZ, to agree clear ways of working that enable NESO and Elexon to perform their respective roles effectively.

Roles and responsibilities: other actors

- 3.45 Effective external scrutiny will be key to the market facilitator's success. We believe that different approaches will be important to leveraging industry expertise effectively, including both to shape the market facilitator's deliverables and to hold Elexon to account. We agree that minimising stakeholder fatigue and burden will be of paramount importance. We will be scrutinising Elexon's detailed design governance proposals closely with this in mind, to ensure its processes are fit for purpose.
- 3.46 We also strongly agree with respondents that appeals should only be enabled where substantive concerns exist and that the process must promote equity while avoiding processes that may unintentionally favour larger organisations or prevent delivery at pace. As such we will set out clear processes and criteria for the appeals process with that aim.
- 3.47 We will also seek to align them (so far as possible) with the appeals process for the code manager budget (if implemented) to avoid dual governance and minimise complexity.
- 3.48 With regards to the Stakeholder Advisory Board, Elexon has recently consulted on proposals. We are grateful for stakeholder views that will inform our assessment of Elexon's submission to us.
- 3.49 We recently published our [second implementation consultation for energy code reform](#), which includes detailed proposals for the code manager Stakeholder Advisory Forums (SAFs).
- 3.50 Given the similarities between the SAFs and Stakeholder Advisory Board, we believe there is value in aligning processes. We therefore propose that Elexon explores alignment opportunities between the Stakeholder Advisory Board arrangements with the incoming SAF requirements.

- 3.51 We recognise this will not always be practical or beneficial (for instance due to differences in the market facilitator and code manager timelines or due to differences in the roles) however where feasible, it would enable Elexon to streamline its processes, minimise duplication, and reduce complexity for industry.

4. Market facilitator deliverables

Section summary

In this section we set out and explain the requirements we will set for the market facilitator in relation to the delivery plan and budget, along with other key deliverables. We also summarise the consultation position and stakeholder responses.

Background

- 4.1 To ensure the efficient operation of local flexibility markets and overall system coordination, we expect the market facilitator to produce a defined set of core deliverables.
- 4.2 These deliverables must be adaptable to potential future changes in the market facilitator role and allow Elexon to respond to changing policy requirements and market needs. Deliverables must also be easily accessible and produced in a way that enables transparency, effective stakeholder input and robust scrutiny.

Consultation position

Delivery plan and plan assessment

- 4.3 In our consultation we set out our proposals on the delivery plan which included:
- The market facilitator developing its own delivery plan without ex-ante assessment by Ofgem, allowing for stakeholder input during a public consultation
 - A two-year delivery plan timeframe, covering the period from 1 January 2026 to 31 December 2027, to be published before the start of 2026
 - A requirement to publish a draft delivery plan and invite stakeholder comments, which must be considered in the finalisation process
 - A delivery schedule to be published each year to provide greater visibility into the market facilitator's activities, integrating it into the delivery plan when applicable. We proposed that there would not be a requirement to consult on the delivery schedule.

Budget setting and scrutiny

4.4 We set out the following proposals in relation to the market facilitator budget:

- Elexon sets its own market facilitator budget ahead of each year, including a requirement to consult on a draft budget before finalising it
- A requirement for the budget to be cost reflective and for costs to be set out in a clear and transparent manner
- Costs should not be demonstrably uneconomical, wasteful or inefficient
- The final budget is subject to an appeals process based on agreed criteria

Flexibility market rules and other key deliverables

4.5 In addition to the budget and delivery plan we proposed additional key deliverables for the market facilitator, specifically:

- 'Flexibility market rules' (which we referred to as technical outputs in the consultation) - these will include the common processes, rules, services, standards and IT digital tools for adoption by DNOs and NESO
- An implementation monitoring report or tracker
- Strategic advice to Ofgem and DESNZ

4.6 Apart from an ability for stakeholders to appeal a flexibility market rule, we did not propose specific requirements for these deliverables.

Stakeholder views

4.7 There was broad support for our proposals on the delivery plan and budget. Respondents were supportive of the requirement for Elexon to publish draft versions and welcomed the opportunity for stakeholder feedback to enhance transparency. That said, some stakeholders challenged us on the level of detail we provided in the consultation.

4.8 For the delivery plan, respondents recognised the benefits of combining long-term planning with a flexible annual delivery schedule to optimise resources across the sector. However, many stated that the proposed calendar year schedule would not align with industry planning cycles and suggested that adopting a regulatory/financial year timeline may be more appropriate.

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- 4.9 It was suggested that high-impact deliverables should be prioritised and jointly approved by the affected parties and any licence conflicts referred to Elexon and Ofgem.
- 4.10 Some stakeholders raised concerns about potential conflicts between the delivery plan and broader regulatory commitments, highlighting the absence of an appeals process for the delivery plan and delivery schedule, despite potential budget and flexibility market rule impacts.
- 4.11 In contrast, some respondents expressed concerns about the proposed appeals process for the market facilitator's budget noting it could be time-consuming and risked introducing a dual governance regime. They also highlighted the potential inconsistencies in challenge rights compared to other higher-cost budgets for Elexon's projects and raised concerns about allowing non-BSC party stakeholders to contest the market facilitator budget. Stakeholders called for clear, proportionate appeals criteria limited to only material costs.
- 4.12 For the other key deliverables, while there were no major concerns some respondents said that proposals lacked sufficient detail. In particular there were calls for greater clarity on timing, prioritisation and the impact of the market facilitator's outputs and how they will align with other flexibility initiatives.
- 4.13 The implementation tracker was seen as critical for effective oversight and transparency. Many stakeholders suggested prioritising the Flexibility Market Asset Register (FMAR) but there but there were mixed views for strategic advice. While some respondents were supportive, suggesting that the advice should be published unless sensitive, others were concerned it could divert focus away from delivery.

Our decision

- 4.14 For the market facilitator delivery plan we have decided that:
- Elexon will be required to publish a two-year delivery plan and an annual delivery schedule,
 - The delivery plan and delivery schedule will be aligned to the regulatory year (rather than the calendar year as proposed) with the first delivery plan starting on 1 January 2026. This means the first delivery plan period will be 1

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January 2026 - 31 March 2028, and the second delivery plan period will then be 1 April 2028 - 31 March 2030.

- There will be a requirement to publish a draft delivery plan and respond to stakeholder feedback
- There will be no requirement to publish a draft delivery schedule however we expect Elexon to engage with stakeholders in its development, in keeping with the 'inclusive and collaborative' design principle we set for the market facilitator
- Elexon will set its own delivery plan and delivery schedule, with no sign-off by Ofgem
- Neither the delivery plan nor the delivery schedule will be subject to an appeals process

4.15 For the market facilitator's budget we have decided that:

- Elexon will set its own market facilitator budget ahead of each year, with no sign-off by Ofgem
- There will be a requirement to publish a draft budget and respond to stakeholder feedback
- The budget must be cost reflective and costs must be set out in a clear and transparent manner. They must also not be demonstrably uneconomical, wasteful or inefficient
- The final budget will be subject to an appeals process, allowing stakeholders to dispute it based on agreed criteria. Ofgem will be the decision-maker on appeals. We will seek to align this process (so far as possible) with the [code manager budget appeals process](#), if implemented.

4.16 We have also decided that flexibility market rules, an implementation tracker and strategic advice should all be included as part of Elexon's key deliverables. Flexibility market rules will be subject to an appeals process.

Our rationale

4.17 Overall we are confident the requirements we have set out will allow Elexon to deliver at pace and make tangible progress in growing local flexibility and aligning

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national and local flexibility market arrangements, while embedding transparency and effective scrutiny and oversight.

- 4.18 The two-year delivery plan, combined with a shorter delivery schedule for the year ahead, balances the need for longer term certainty while ensuring Elexon can remain agile and deliver at pace.
- 4.19 We have decided to align the delivery plan and delivery schedule to the regulatory year rather than calendar year. Several respondents, including Elexon, suggested doing so and we agree that this will be beneficial. We still want the first delivery plan to start 1 January 2026 however in line with our consultation proposals and run until 31 March 2028, meaning the first delivery plan will include an additional three months at the start.
- 4.20 We do not think an appeals process is required for the delivery plan or schedule. While both important documents, neither the delivery plan nor the delivery schedule are binding decisions, instead they are a set of proposals and outcomes that Elexon intends to deliver. We believe the requirement for Elexon to consult and incorporate stakeholder feedback, including from the Stakeholder Advisory Board, is therefore more appropriate and proportionate.
- 4.21 We appreciate stakeholder concerns about the risk of creating dual governance for Elexon's budget. In the recent joint DESNZ / Ofgem consultation on energy code reform, an appeals process for code manager budgets is being considered. If a decision is taken to implement appeals as proposed, then we will seek to align the market facilitator processes with code manager requirements where possible, to minimise duplication and complexity.
- 4.22 We also recognise the desire for greater clarity and detail on the market facilitator's deliverables. This is being developed through Elexon's detailed design work, where proposals for the governance arrangements were recently [consulted on](#). These processes will then be formalised as part of the market facilitator's governance arrangements, providing transparency and accountability. Further detail on Elexon's plans for 2025 was set out in the market facilitator handover plan.

5. Market facilitator performance arrangements

Section summary

In this section we set out and explain our decision on performance arrangements for the market facilitator, including how performance will be incentivised, assessed and monitored over time. We also outline the consultation position and summarise stakeholder views.

Background

- 5.1 We expect the market facilitator to operate at a high standard, deliver effectively, remain responsive to stakeholder and system needs, and seek continuous improvements.
- 5.2 To achieve this, effective performance arrangements must be in place that embed effective oversight and clear governance. This requires clear accountability measures and mechanisms to scrutinise decision making, enhance transparency and uphold industry confidence.

Consultation position

Financial incentives

- 5.3 We proposed no financial incentives or direct link between Elexon's performance as the market facilitator and its revenues. Instead we suggested that Elexon's senior management performance-related remuneration should be linked to market facilitator performance.

Performance assessment

- 5.4 We proposed an annual assessment of Elexon's performance, considering:
- 'Plan ambition and delivery', including an assessment of Elexon's performance based on its two-year delivery plan and annual delivery schedule
 - 'Metric performance assessment', which would involve evaluating Elexon's performance against the market facilitator's quantitative performance measures and targets
 - 'Stakeholder evidence', including feedback received through a stakeholder survey and formal input from the Stakeholder Advisory Board

Performance expectations

- 5.5 We proposed that by the end of 2027, Elexon should have aligned market arrangements across all in scope DNO and NESO services unless there is a clear justification (eg, a legal, technical or regulatory requirement). We referred to this as the '2028 target'.
- 5.6 We also proposed overarching objectives for the transition period relating to setting up the market facilitator role by the end of 2025 and delivering a smooth transition from the current arrangements.

Stakeholder views

- 5.7 Stakeholders were broadly supportive of:
- The proposal not to include financial incentives or putting revenue at risk for the market facilitator, with many agreeing that this approach aligns with Elexon's not-for-profit status
 - Using reputational levers rather than financial incentives to drive accountability and performance. Most respondents agreed that Elexon's reputation is an appropriate and adequate lever, although some questioned whether reputational levers alone would be strong enough to incentivise robust performance over time
 - Formal engagement mechanisms, including industry scrutiny of Elexon's performance as market facilitator
 - The proposed direction of travel with many respondents welcoming the goal of aligning market arrangements by 2028. They believe this approach will allow flexibility to contribute meaningfully to the CP2030 target
 - An annual public assessment of Elexon's performance as market facilitator
- 5.8 Some respondents suggested aligning the assessment framework with NESO and DNO performance regimes and proposed that success be evaluated through pace of delivery and standardisation progress.
- 5.9 Many respondents supported the use of both qualitative and quantitative performance measures but warned against the application of rigid metrics. Instead, respondents emphasised the need to consider broader contextual factors

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outside the market facilitator's direct control, calling for agility in how success is measured to allow for interdependencies and changing priorities.

- 5.10 Stakeholders suggested establishing clear milestones, setting specific success measures or even minimum performance thresholds, but on metrics specifically, some respondents raised concerns that the level of detail provided was insufficient to assess their feasibility, particularly in relation to dispatch and interoperability.
- 5.11 Despite general support for the 2028 target some respondents expressed concern that the proposed pace of implementation may not be sufficient to meet the 2028 target, with some noting the risk of long lead times for key deliverables.
- 5.12 Respondents highlighted the need to maintain momentum and ensure a seamless transition from the Open Networks programme, with clearly-defined roles for the market facilitator.

Our decision

- 5.13 We have decided that the market facilitator's performance arrangements will be made-up of the following components:
- A reputational incentive framework with no financial incentives or revenue at risk
 - A requirement for Elexon to link its senior management performance-related remuneration policy with the market facilitator performance assessment
 - An annual, evaluative assessment undertaken by Ofgem
 - 'Plan delivery and ambition' and 'stakeholder evidence' to be included as assessment criteria, with further work to be done on performance metrics, as discussed in paragraphs 5.15 and 5.20 below.
- 5.14 In the first half of 2026 we will undertake an assessment of Elexon's performance during the transition period (up until the end of 2025) against the following objectives:
- Undertake all necessary work to ensure the market facilitator is fully operational by the end of 2025 including, through:
 - (a) Supporting Ofgem in designing the market facilitator role
 - (b) Leading the required BSC changes to set-up the market facilitator role

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- (c) Producing a delivery plan for the transition period up until go-live
 - (d) Working collaboratively with industry stakeholders through workshops and consultations to agree any required aspects of the market facilitator arrangements
 - Deliver a smooth transition from current arrangements without any loss in momentum by:
 - (a) Working with the Open Networks project and its members to take over key workstreams in 2025
 - (b) Taking over as Chair of the Open Networks Challenge Group (which took place in September 2024)
 - (c) Start delivering market facilitator activities over the course of 2025, for instance taking over Open Networks workstreams as part of the handover plan
- 5.15 Further to stakeholder feedback, we have decided that additional work is required on:
- The 'metric performance' criterion – to assess whether appropriate quantitative metrics exist or can be developed within the available time
 - The market facilitator's enduring objectives - to ensure that there are clear milestones and success measures in place against which to measure Elexon's performance

Our rationale

- 5.16 As Elexon is a not-for-profit entity we believe reputational incentives are more appropriate and proportionate. That said, we believe that introducing a requirement for Elexon to link its senior management performance-related remuneration policy with our annual performance assessment is a practical and pragmatic way to incentivise high performance. This is consistent with the approach we have taken for NESO.
- 5.17 We agree with consultation respondents that it will be important to consider the wider industry and policy landscape when assessing Elexon's performance. An evaluative assessment allows us to factor in these differing considerations.

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- 5.18 This was widely supported in consultation responses, where stakeholders supported using both qualitative and quantitative and cautioned against rigidly applying quantitative performance metrics.
- 5.19 As such we have decided to include 'plan delivery and ambition' and 'stakeholder evidence' as performance criteria:
- The market facilitator delivery plan and delivery schedule will be key documents where Elexon sets out how it will meet its objectives, and the delivery plan will be subject to a high level of industry scrutiny. Measuring progress against the delivery plan will, therefore, be important.
 - Elexon will need to bring together buyers and providers of flexibility to create effective solutions that remove barriers to the growth of flexibility. Capturing stakeholder views will, therefore, be vital in understanding the impact Elexon is having.
- 5.20 The third criterion we proposed - 'metric performance' - requires further work, as reflected in consultation responses. We will need to assess whether appropriate quantitative metrics exist or can be developed. Metric development can be extremely challenging, as seen in the development of quantitative metrics for the DSO incentive and we agree with respondents that only metrics that are within Elexon's gift to achieve should be included.
- 5.21 Similarly we have decided to undertake further work to refine the market facilitator's enduring objectives ahead of the market facilitator go-live. While the intent remains the same - aligning arrangements across DNO and NESO flexibility markets by 2028 - we recognise the need for further work to clearly define market facilitator objectives, against which Elexon's performance can be measured. This will be critical to its success as market facilitator.
- 5.22 We will consider market facilitator objectives and quantitative metrics in tandem, to ensure there are clear milestones, deliverables and outcomes against which to measure Elexon's performance.

6. Next steps

Section summary

In this section, we set out our next steps.

Areas for further work

- 6.1 In this decision document we have outlined several areas for further work, including:
- Clarifying the market facilitator's scope in relation to the Balancing Mechanism
 - Elexon's role inputting into NESO service design
 - Measuring Elexon's success as market facilitator, including considering quantitative performance metrics and the enduring objectives for Elexon as market facilitator
- 6.2 We will progress work, including further stakeholder engagement where required, and put forward further proposals in our upcoming consultation on the Governance Framework Document.

Upcoming Ofgem publications

- 6.3 In [Table 2](#) we have set out our forward workplan, including the key publications and the months we intend to publish them. Our key upcoming Ofgem publications are explained below.

New NESO and DNO licence conditions

- 6.4 As previously set out, we plan to amend the Distribution licence and NESO's Electricity System Operator licence to require NESO and DNOs to adopt the market facilitator's flexibility market rules. We intend to hold stakeholder workshops in June 2025 to gather initial stakeholder views, ahead of publishing a non-statutory consultation on our draft licence conditions in early July.
- 6.5 In the second half of 2025 we will then carry out a statutory consultation on the proposed new licence conditions, before modifying the licences before the end of the year.
- 6.6 We intend to publish the statutory consultation in September and will aim to publish it alongside the draft Governance Framework Document, and draft impact

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assessment. We hope this will enable stakeholders to consider our key market facilitator governance documents in the round.

Ofgem decision on Elexon's detailed governance arrangements

- 6.7 Elexon will submit proposals for its detailed governance arrangements to us this summer. This follows the workshops Elexon hosted between November 2024 and March 2025 and the recently closed consultation.
- 6.8 Depending on when exactly Elexon submits its proposals to us, we intend to review then publish our decision in July or August.

Governance framework document

- 6.9 This decision document will form the basis of the draft 'Governance Framework Document', which we will publish in late summer for consultation, alongside the statutory licence consultation and draft impact assessment. Elexon will be required to comply with the governance document which will list the key requirements of the market facilitator role.
- 6.10 We will then publish the final governance framework document by December 2025.

Impact assessment

- 6.11 We intend to publish a draft impact assessment in September alongside the draft Governance Framework Document and statutory licence consultation. We will then publish our final impact assessment by December 2025.

Appendices

Appendix 1 – Related Publications

Ofgem

[Call for Input: Future of local energy institutions and governance - Ofgem](#)

[Consultation: Future of local energy institutions and governance - Ofgem](#)

[Decision: Future of local energy institutions and governance - Ofgem](#)

[Consultation: Market facilitator delivery body - Ofgem](#)

[Decision: Market facilitator delivery body - Ofgem](#)

[Consultation: Market facilitator policy framework - Ofgem](#)

[Call for Input: The Future of Distributed Flexibility - Ofgem](#)

[Consultation: Flexibility Market Asset Registration - Ofgem](#)

[Decision: Flexibility Market Asset Registration - Ofgem](#)

NESO

[Clean Power 2030 - National Energy System Operator](#)

DESNZ (GOV.UK)

[Transitioning to a net zero energy system: smart systems and flexibility plan 2021 - GOV.UK](#)

[Clean Power 2030 Action Plan - GOV.UK](#)

[Delivering a smart and secure electricity system: implementation - GOV.UK](#)

Elexon

[P481 Enable Elexon to be the Market Facilitator Delivery Body - Elexon BSC](#)

[Final handover plan from Open Networks to market facilitator - Elexon](#)

[Consultation: Governance Arrangements for the Market Facilitator - Elexon](#)

Appendix 2 – Glossary

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Term	Definition
ANM	Active Network Management is the use of DNO control systems to monitor network limits and provide signals to control DER operation in line with these limits.
Balancing and Settlement Code (BSC)	The Balancing and Settlement Code contains the rules and governance arrangements for electricity balancing and settlement in Great Britain. This code is administered by Elexon.
CP2030	Clean Power 2030 is the UK government's ambition to establish a clean power sector by 2030 to promote sustainability and reduce carbon emissions
Deliverables	Refers to the outputs of delivery bodies. In the context of the market facilitation of flexible resources, the deliverables may include the 'flexibility market rules' that are developed by the market facilitator to be adopted by DNOs and the NESO.
Department for Energy Security and Net Zero (DESNZ)	This is a ministerial department focused on delivering the energy portfolio.
Distributed flexibility	The ability for DERs and CERs, connected to a distribution network, to modulate their operation in response to an external signal to deliver a flexibility service. CER – Consumer Energy Resources is the collective term for consumer owned energy system assets. These can include demand, storage, and generation assets, such as electric vehicles, heat pumps, white goods, batteries, and rooftop solar or wind. DER – Distributed Energy Resources is the collective term for business-owned small scale power generation or storage devices connected to the distribution network, located close to where energy is consumed. Their purpose is to provide energy system services or business services. Examples include medium sized solar farms, wind farms or batteries, commercial electric vehicle fleet charging, and industrial and commercial demand side response from equipment or buildings.
Distribution Network Operator (DNO)	A DNO is a company that operates the electricity distribution network, which includes all parts of the network from 132kV down to 230V in England and Wales. In Scotland 132kV is a part of transmission rather than distribution so their operation is not included in the DNOs' activities. There are 14 DNO licensees that are subject to RIIO price controls. These are owned by six different groups.
Distribution system	The system of low voltage electric lines and low-pressure pipelines providing for the transfer of electricity and gas within specific regions of Great Britain.

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Term	Definition
Distribution System Operation (DSO)	The set of activities that are needed to support the transition to a smarter, flexible, and digitally enabled local energy system. DNOs have been building capabilities in planning, operating and market facilitation of flexible resources to drive more efficient development and use of the decarbonising electricity system. This differs from the more traditional responsibility of a DNO, which is to take power from the transmission network and deliver it at safe, lower voltages to homes and businesses.
Distribution System Operation incentive	This is a Distribution System Operation (DSO) Output Delivery Incentive (ODI) introduced in the RIIO-ED2 final determinations that aims to encourage licensees to develop and utilise their networks more efficiently, considering flexible alternatives to network reinforcement.
Energy Networks Association (ENA)	The Energy Networks Association represents the companies which operate the electricity wires, gas pipes and energy system in the UK and Ireland.
Flexibility	Modifying generation and/or consumption patterns in reaction to an external signal (such as a change in price) to provide a service within the energy system.
Flexibility markets	Flexibility market refers to the arena of flexibility service procurement processes across various market operators within GB. This includes DNO local flexibility markets, ESO Frequency and Ancillary services, Balancing Mechanism, Wholesale Market, Capacity Market, P2P services (ie Power Purchase Agreements (PPAs) etc).
Flexibility services	Using on-network or customer-owned equipment to control power and energy flows across network infrastructure, leading to more efficient and cost-effective outcomes.
Flexibility Market Asset Registration (FMAR)	The Flexibility Market Asset Register is an Ofgem policy proposing digital infrastructure where data is collected once, stored as a single source of truth by a trusted entity, and can be accessed by multiple users who need it. Ofgem appointed Elexon (as the market facilitator) as the FMAR delivery body in March 2025.
Flexibility Service Provider (FSP)	Flexibility Service Provider is an umbrella term for the party who takes delivery and other contractual risks when providing flexibility services. This may be the asset owners, asset operators, aggregators, Virtual Lead Parties, and Demand Side Response Service Providers.
Governance	A framework overseeing and directing changes in the energy sector, through mechanisms underpinned by democracy.

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Term	Definition
Market facilitation	Creating accessible and coordinated markets which enable the full value of flexibility to be realised.
Market facilitator	In the context of the local governance review, it is a new role we are defining with responsibility for delivering more joined up flexibility markets.
Market participants	These are actors in the markets who are involved in the trade, generation and supply of energy.
National Energy System Operator (NESO)	NESO is the publicly owned body that took on all the main roles and responsibilities of National Grid ESO and the longer-term planning, forecasting and market strategy functions with respect to gas. NESO was established on 1 October 2024.
Open Networks programme	The Open Networks programme is a project led by the ENA and supported by DNOs and the ESO to support the development of local flexibility markets. It was launched in 2017 in response to the Smart System and Flexibility Plan.
Revenue	The ability to earn from a service provided.
Strategic leadership	Monitoring developments across policy, regulation, innovation, and energy markets to proactively identify upcoming challenges, opportunities and risks that may require intervention.