



ElectraLink



# ElectraLink's Response to Ofgem's Market Facilitator Policy Framework Consultation

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ElectraLink Ltd.

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*Decentralised Energy Systems Team  
Ofgem  
10 South Colonnade,  
Canary Wharf  
E14,  
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To Mr Cosier and the Decentralised Energy Systems Team,

ElectraLink welcomes the opportunity to respond to Ofgem's 'Market Facilitator Policy Framework' consultation, which sets out proposals in relation to the setting up of the Market Facilitator role, its scope, roles and responsibilities and the deliverables of the role. ElectraLink is supportive of Elexon taking up this role and believe that it will have significant positive effects on the blockers and frictions currently in place around local and national UK flexibility market arrangements.

ElectraLink supports the proposals for the policy framework behind the Market Facilitator, including the enduring roles and responsibilities, scope, delivery plan, and performance arrangements. We would be pleased to support Elexon in its transition into the role and as part of its enduring responsibilities after, utilising our experience and data in Flexibility markets.

We would be delighted to discuss our response and views in more detail. Please contact [stefan.leedham@electralink.co.uk](mailto:stefan.leedham@electralink.co.uk) for further information.

Yours sincerely,

Stefan Leedham  
Director of Future Markets

## Question 1:

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### Do you agree with the proposed forward workplan and roles and responsibilities for setting up the Market Facilitator?

ElectraLink agrees with the proposed forward workplan and roles and responsibilities for setting up the Market Facilitator. We believe that allowing Elexon to have a role in developing detailed governance arrangements, subject to Elexon signoff, will allow for a well-crafted set of arrangements, whilst allowing the Market Facilitator to be set up at pace and allowing for appropriate regulatory scrutiny.

## Question 2:

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### Do you agree with the proposed scope of the market facilitator, in particular in relation to the Balancing Mechanism? If not, what would you change and why?

ElectraLink agrees with the proposed scope of the Market Facilitator, as well as the inclusions relating to the balancing mechanism. We believe that the phased introduction of additional scope across the two delivery plan cycles (2026-27 and 2028-29) will allow the Market Facilitator to ensure that it is bringing value across the entire scope.

The Market Facilitator should have scope across the entire Flexibility market space to ensure that it can co-ordinate market activity effectively, and this includes access to the balancing mechanism in the procurement and reporting spaces. If the Market Facilitator does not have this then they risk not being able to effectively co-ordinate activity.

## Question 3:

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### Do you agree with the proposed enduring roles and responsibilities for Elexon as market facilitator, in particular on working with NESO and inputting in NESO and DNO performance assessment? If not, what would you change and why?

ElectraLink agrees with the proposed enduring roles and responsibilities for Elexon as the Market Facilitator, including working with NESO and inputting on NESO and DNO performance assessment. As stated in our response to question 2, the Market Facilitator must have a scope that reaches across all aspects of the Flexibility space to allow for full cross-system optimisation.

NESO and the DNOs are key aspects of the flexibility system that will drive the growth required in demand side response and vehicle to grid to 70GW in 2050, and as such it is appropriate that the Market Facilitator should have a scope that covers their performance, and in NESO's case, inputting on service design and the market design framework to ensure that flexibility alignment is built in. This will help ensure that the Flexibility market is delivering the required results to hit net-zero and reduce costs to consumers.

We agree with Ofgem's proposal for the Market Facilitator to have a role in the Flexibility Market Asset Registration (FMAR) to align asset registering processes in NESO and DNO markets and coordinate with industry to design a suitable, scalable and future proof infrastructure. We support the Market Facilitator to procure or develop that digital infrastructure, and greatly encourage the involvement / collaboration of SME organisations with vast expertise in this area, particularly for the delivery of the ongoing operation.

An aspect we would like to raise is that the proposed delivery timelines may be too long for the pace required and believe that the delivery plan work should commence before 2026 to enable change at the required rate. A considerable amount of groundwork has already been done in the foundational layers, including the interactions between consumer flexible assets and the various aggregators managing them. Given this, it would be beneficial to build on existing efforts rather than start from scratch or reinvent the wheel. We encourage making use of established frameworks and mechanisms where possible or adapting them as needed to achieve the desired outcomes efficiently. It is also important to draw on the detailed thinking and expertise that many organisations, with a deep understanding of these interactions, have already contributed.

Regarding the market coordination role to: *"Design and develop new / update existing common rules, market processes, services, standards, in line with the delivery plan published in the form of technical outputs. This could include digital infrastructure or IT tools (e.g. application programming interfaces (APIs))"* we greatly encourage a thorough engagement with SIF and other innovation projects, such as Fractal Flow looking at these aspects in detail, that have hands-on experience with implementation challenges and can provide useful insights to avoid unnecessary missteps.

## Question 4:

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**Do you agree with our proposed roles and responsibilities for key actors and on stakeholder and external scrutiny, in particular in relation to including a stakeholder survey, a stakeholder advisory board and an appeals process? If not, what would you change and why?**

ElectraLink agrees with the proposed roles and responsibilities for key actors and in relation to stakeholder surveys, advisory board and an appeals process. Market Facilitator performance must be adequately reviewed to ensure that industry has faith in the accountability of the role, and Ofgem can continue to evaluate both Market Facilitator and wider flexibility market performance.

## Question 5:

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**Do you agree with our proposals on the market facilitator delivery plan, in particular in relation to the two-year timeframe, adding an**

## annual delivery schedule and Ofgem's role? If not, what would you change and why?

ElectraLink agrees with the proposals on the delivery plan. We believe that a two-year timeframe makes sense in the fast-moving world of Flexibility, allowing for more changes in focus if swift changes in technology or market composition occur, whilst not requiring a yearly planning cycle that could become burdensome, taking focus away from delivery. We also agree with Ofgem's proposal for no ex-ante assessment or sign-off by Ofgem, helping maximise the use of both Ofgem and the Market Facilitator's resources.

### Question 6:

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## Do you agree with our proposals on the market facilitator budget, in particular in relation to Ofgem's role and the proposed requirements? If not, what would you change and why?

ElectraLink agrees with the proposals on the Market Facilitator budget. Clear expectations have been set for Exelon's performance, and minimising Ofgem's role in the budget setting process will allow for less burden on the market facilitator.

### Question 7:

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## Do you agree with our proposals on the other key market facilitator deliverables? If not, what would you change and why?

ElectraLink agrees with the proposals on other key market facilitator deliverables. We believe that their scope is appropriate for the initial business plan phase.

### Question 8:

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## Do you agree with our proposal not to include financial incentives and instead require Exelon to link its senior management performance related remuneration policy with our performance assessment? If not, what would you change and why?

ElectraLink has no views on the proposal to not include financial incentives, and instead to link Exelon's senior management performance related remuneration to Market Facilitator performance.

## Question 9:

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Do you agree with our proposals on performance assessment, in particular do you have views on the quantitative metrics we should consider? If not, what would you change and why?

ElectraLink agrees with the proposals on performance assessment. We agree that the three proposed criteria provide a comprehensive picture of Elexon's performance, and with Ofgem's overall assessment that a light touch approach is required to avoid overly burdensome requirements on all parties involved.

## Question 10:

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Do you agree with our proposals on performance expectations, in particular in relation to our proposed 2028 objective? If not, what would you change and why?

ElectraLink agrees with the set-out proposals on performance expectations, and in particular with the proposed 2028 objective. If we are to achieve clean power by 2030 then swift action must be taken to ensure that Flexibility markets are aligned, accessible and liquid. ElectraLink believes that Elexon as the Market Facilitator can hit these targets, and that they provide an appropriate focus.