

**Ofgem Market facilitator policy framework consultation<sup>1</sup>**  
**Piclo Response**

Dear Ofgem,

Thank you for the opportunity to respond to Ofgem's framework consultation on electricity distribution price control (ED3). We are happy for this response to be published.

**Q1. Do you agree with the proposed forward workplan and roles and responsibilities for setting up the market facilitator?**

Yes. Faster implementation would be ideal, but we recognise the need to balance pace with consultation.

**Q2. 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?**

Yes - we broadly agree with the proposed scope. We are strongly in favour of aligning as many revenue opportunities as possible for flexibility service providers to access - not just DSO Local Flexibility Markets - and therefore welcome the widening of scope to include NESO Ancillary Services and the Balancing Mechanism. We note the scope boundaries on which specific Ancillary Services to be within remit.

Whilst we welcome Ofgem's suggestion for the market facilitator to explore bringing the Capacity Market and Wholesale Market in scope from 2028, we would prefer that the market facilitator still has the ability to take action in the first delivery plan if resources allow.

**Q3. Do you agree with the proposed enduring roles and responsibilities for Elexon as market facilitator, specifically, working with NESO and inputting in NESO and DNO performance assessment? If not, what would you change and why?**

We broadly agree with the proposed roles and responsibilities for Elexon.

On one specific area - market coordination function - we would again stress that the market facilitator should seek to design market processes focussed on an outcome, rather than designing a solution itself, which should be left to innovative market players to create.

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<sup>1</sup> <https://www.ofgem.gov.uk/consultation/market-facilitator-policy-framework-consultation>

This includes aspects of Flexibility Market Asset Registration where we remain sceptical of the need for or ability to quickly implement a single Asset registry; other solutions could better deliver the outcome of common registration process to avoid double registration.

**Q4. 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?**

The only aspect we feel may have drawbacks is that of a stakeholder advisory board. If this is a static, fixed membership, it will inevitably raise questions as to who is on that board and how they are selected. We would favour a more flexible structure perhaps such as the current

**Q5-10.**

We broadly agree with the proposals set out, and therefore will not provide substantive comment.