

NESO's ESO Licence

Non-statutory consultation – draft licence condition for market facilitator

Section C: Strategic and operational functions

Condition XX. Market Facilitator

Introduction

XX.1

The purpose of this condition is to set an obligation on the licensee to engage and comply with the Market Facilitator in its role to align and standardise flexibility markets and flexibility market arrangements and processes.

Part A: Flexibility Market Rules

XX.2

The licensee must comply with the Flexibility Market Rules.

XX.3

The Market Facilitator will issue and amend the Flexibility Market Rules. The licensee shall have the right to appeal the issuing or amending of the Flexibility Market Rules solely in circumstances where:-

[INSERT CIRCUMSTANCES IN WHICH APPEAL ARISES]

XX.4

Nothing in this condition replaces, overrides or limits: (a) any statutory duty imposed on the licensee; or (b) any other obligation of the licensee under the licence or any industry code.

Part B: Implementation monitoring

XX.5

The licensee must, within a reasonable timeframe, provide Market Facilitator Intelligence to the Market Facilitator as and when requested by the Market Facilitator.

XX.6

The Market Facilitator Intelligence must be provided by the licensee in sufficient quality and format as the Market Facilitator may reasonably request.

Part C: Market facilitator input into NESO service design

XX.7

The licensee must fully engage and consult with the Market Facilitator from an early stage in the service design for new and existing NESO Services prior to implementation decisions being made and allowing for formal consultation (required under Condition C9 of this licence and Article 18 of the Electricity Balancing Regulation) by the licensee, for NESO Services.

XX.8

The licensee must, in collaboration with the Market Facilitator, jointly establish and maintain the NESO-Market Facilitator Ways of Working Document.

XX.9

The licensee must comply with the terms of the NESO-Market Facilitator Ways of Working Document.

XX.10

The NESO-Market Facilitator Ways of Working Document, must contain at least:

[XX]

XX.11

The licensee must provide a copy of the NESO-Market Facilitator Ways of Working Document to the Authority no later than the date on which this condition comes into effect, or another date agreed with the Authority.

Interpretation and definitions

To be added to Condition A1 Definitions

Defined Term	Definition
Electricity Balancing Regulation	means Commission Regulation (EU) No 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing as it had effect immediately before IP Completion Day as read with the modifications set out in both SI 2019/532 and SI 2024/706.
Flexibility Market Asset Registration	means common digital infrastructure enabling the collection, storage and access of asset registration data for NESO and DSO flexibility markets, covering technical asset data and flexibility service data.
Flexibility Market Rules	means the set of rules of that name (inclusive of rules in respect of Flexibility Market Asset Registration) owned by the Market Facilitator and developed in collaboration with the licensee.

Market Facilitator	means the role created by the Authority with a mandate to standardise local flexibility markets and align with national flexibility markets.
Market Facilitator Governance Framework Document	means the document of that name that is published by the Authority and amended from time to time.
Market Facilitator Intelligence	means such information (other than information subject to legal privilege) to be provided by the licensee to the Market Facilitator which: (a) Relates to the Transmission System; (b) Is in the possession or control of the licensee; and; (c) the Market Facilitator considers necessary for its implementation monitoring function.
NESO-Market Facilitator Ways of Working Document	means the document of that name to establish a framework for coordination between the licensee and Market Facilitator relating to the design of the NESO Services and other matters.
NESO Services	means the services which are deemed to be in scope of the Market Facilitator as set out in the Market Facilitator Governance Framework Document.