

# Market Facilitator Governance Consultation Response Form

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Publication date: 18 September 2025

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Please use this response form to respond to the Market Facilitator Governance Consultation which was published on Thursday 18 September 2025.

Please submit your response to [flexibility@ofgem.gov.uk](mailto:flexibility@ofgem.gov.uk) by 5pm on Thursday 16 October 2025.

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| <b>Respondent details</b>  |
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| Role title: Network Planning Policy Manager                                    |
| Company name: SSEN Transmission  |
| Company type (e.g. DNO, flexibility service provider): Transmission Owner (TO) |
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| Date of submission: 16 <sup>th</sup> Oct 2025                                  |

### Confidentiality

We will publish non-confidential responses on our website. However, You can ask us to keep your response, or parts of your response, confidential.

Do you want all or part of your response treated as confidential? If yes, please confirm if all or part of the response should be treated as confidential and if so, which part

No

### Questions

#### Annex A – Draft Governance Framework Document

Q1. Do you agree that the Draft Governance Framework Document clearly defines the scope, roles & responsibilities and deliverables of the Market Facilitator? If not, what would you change and why?

We agree that the Governance Framework clearly sets out the scope, roles and deliverables for the Market Facilitator. However, we note that Transmission Owners (TOs) are not referenced, despite the reliance on National Energy System Operator (NESO) outputs for network planning. A key deliverable is the Flexibility Market Asset Register (FMAR), and its success depends on providing NESO with accurate and granular data on the type, capacity and location of flexibility assets. To maximise FMAR's value, it is important that this visibility also supports transmission planning, enabling robust reinforcement decisions and efficient investment for the whole system.

Q2. Do you agree with the appeals process and the proposed performance arrangements for Elexon as the Market Facilitator? If not, what would you change and why?

No comment.

Q3. Do you have any other comments on the Draft Market Facilitator Governance Framework Document?

No comment.

## **Annex B – Draft Market Facilitator Impact Assessment**

Q1. Do you agree that we have, to a reasonable extent, identified and understood the potential costs and benefits of implementing the Market Facilitator?

We note the assumption that the costs incurred by NESO and Distribution Network Operators (DNOs) would not materially differ between the preferred option and the counterfactual. However, the preferred option introduces new mandatory license obligations on NESO (Condition C20) covering compliance with Flexibility Market Rules (FMRs), implementation monitoring, and engagement on service design. These obligations go beyond the current voluntary Energy Networks Association (ENA) Open Networks arrangements and are likely to require additional resources. It may therefore be useful for Ofgem to seek further evidence to confirm whether the increased scope can realistically be delivered within existing cost assumptions.

Q2. Do you agree that we have, to a reasonable extent, identified and understood the potential impacts of the introduction of the Market Facilitator? Are there any unintended consequences of implementing the Market Facilitator that we have not identified?

We recognise the positive intent of moving from voluntary to mandatory Flexibility Market Rules. However, an unintended consequence could arise if the transition is not carefully managed. For example, where a flexible asset such as a battery is contracted by both a DNO and NESO, the rules around which service takes priority must be clear and consistently applied. Without effective governance arrangements,

there is a risk of conflicting signals regarding how flexibility assets interact with the electricity network. This could in turn undermine the assumptions used in transmission planning. We encourage Ofgem and the Market Facilitator to ensure these rules are developed in a way that maintains whole-system consistency, planning certainty and system security and resilience.

Additionally, it may be important to consider the risk that differing stakeholder views could delay implementation. While Condition C20.4 ensures that FMRs do not override NESO's statutory duties, care will still be needed to avoid any misalignment or overlap between the FMRs and the planning and system security obligations that underpin transmission operations.

### **Annex C – Licence Changes**

Q1. Do you agree with the updated proposed Definitions to be added to the Standard Conditions of the Electricity Distribution Licence and the ESO Licence? Are any changes required?

No comment.

Q2. Do you agree with the updated proposed licence condition clauses for Flexibility Market Rules to be added to both licences? Does the current drafting deliver the policy intent? Do you have any suggested changes?

We agree with the proposed licence clauses for Flexibility Market Rules. We support the mandatory requirement for NESO to comply with the Flexibility Market Rules (C20.2), as this mandate is essential to achieving the policy intent of greater market alignment. We also welcome the inclusion of clause C20.4, which ensures that FMRs

do not replace, override, or limit statutory duties or other obligations under the licence. This safeguard is important for TOs, as it maintains the primacy of system security and regulatory obligations that underpin transmission planning and operation.

Q3. Do you agree with the updated proposed licence condition clauses for implementation monitoring to be added to both licences? Does the current drafting deliver the policy intent? Do you have any suggested changes?

No comment.

Q4. Do you agree with the updated proposed licence condition clauses for Market Facilitator input into NESO service design to be added to the ESO Licence? Does the current drafting deliver the policy intent? Do you have any suggested changes?

No comment.

Q5. Do you have any additional comments or suggestions?

No comment.

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