Report to Ofgem from the Market Facilitator Stakeholder Advisory Board

27th May 2026

Introduction

The Stakeholder Advisory Board (SAB) is required to produce a report annually, to provide Ofgem with its views on Elexon's performance as Market Facilitator. This report was finalised in May 2026 and primarily reflects on the period from January to April 2026. The report is based on discussions at the April 2026 SAB meeting and a questionnaire completed by SAB members in late April / early May. A final draft of the report was discussed and approved at the May 2026 SAB.

The SAB first met in January 2026, and has met monthly since then. Hence this report covers a period of set up and settling in, and it is therefore not surprising that it contains quite a number of suggestions for improvement as well as reflections on what has gone well to date.

Appendix A includes advice, in the form of a number of key questions for Elexon to reflect on. This is offered to help Elexon in their thinking about the areas for improvement.

Appendix B provides a list of SAB Members.

Elexon's performance as Market Facilitator

What is going well

The transition from Open Networks

We think that Elexon has managed the transition of initiatives from Open Networks very well, hiring an excellent and experienced team and instilling a high degree of confidence among stakeholders in its capabilities and standards. After handover in July 2025, Elexon accelerated the delivery of long-standing Open Networks proposals for inclusion in the Market Facilitator Day 1 rules, building credibility for delivery with industry.

Governance and processes

Elexon has established a sensible governance framework and developed and implemented processes that are robust, independent and can be trusted. It has developed an initial delivery plan and is making progress in executing it, as well as responding to emergent change proposals from industry. It is working collaboratively with DNOs to allow space for innovation alongside market rule compliance.

Initial industry engagement

Elexon has demonstrated a good intent to engage the industry across all types of actors and a focus on transparency, including in documentation. It has also demonstrated a very constructive response to feedback, being transparent where things have not gone well and implementing robust review and change processes to avoid recurrences.

Areas for improvement

We think that there are opportunities for improvement in the following areas: strategy; the delivery plan; ways of working; stakeholder engagement, and communications.

Strategy

We think that Elexon needs to demonstrate more understanding of the strategic direction of its work and be more proactive in taking a leadership role on topics that are important to flexibility market development, both within and outside their core scope.

We need to see more clarity on what success looks like. At present, there is too much focus on process and too little on strategy and eventual outcomes. The Delivery Plan outlines measures of success and further work on defined outputs and measurable outcomes is planned for 2026. However, this work needs to be completed urgently as without clarity on what success looks like it is difficult to make decisions on strategic priorities.

Having said this, we are mindful that the strategy team has only recently been recruited and we look forward to working with them to ensure that these matters are successfully addressed.

The Delivery Plan

SAB members have expressed mixed views on the level of ambition in the Delivery Plan: 40% think the level of ambition is about right; 40% think it is insufficient; and 20% think the plan is too ambitious. In general, those who consider it not ambitious enough are concerned about the lack of strategic overview whilst those who think it is too ambitious are concerned about volumes of work and deliverability. There is no clear pattern in this variation across the different stakeholder groups in SAB.

Despite labelling their views differently, SAB members do have a number of common concerns relating to the delivery plan. The volume of work in the plan is considered to be ambitious, with some concerns expressed around deliverability and the significant level of recruitment that is planned to enable this.

Where the plan is seen as insufficiently ambitious, it is in terms of whether or not it will deliver the change needed to meet Clean Flexibility Roadmap goals and whether the right actions within the plan are being prioritised. This links to the points about strategy, made above.

The Delivery Plan has been discussed and approved by industry and hence it may be inappropriate to make major changes. It includes many activities (such as the alignment of processes) which, although not high impact in themselves, are needed as part of a wider package that will drive meaningful change. However, the environment in which the Plan is being delivered, including the perceived need - and level of support - for flexibility has increased significantly since the Plan was consulted on in 2025. Therefore some degree of change or reprioritisation may be appropriate to ensure a focus on the things that drive the most value. This may include deprioritising some actions that will deliver less impact.

Ways of Working

Fully achieving the Delivery Plan aims and/or increasing the level of ambition may depend on adjustments to the Market Facilitator team's ways of working. In particular, the low level of maturity in flexibility markets relative to other areas in which Elexon works may require higher levels of agility from the organisation than has been needed previously. This could include a willingness to reprioritise Delivery Plan tasks and the development of alternative methods for stakeholder engagement.

Stakeholder engagement

SAB members expressed a number of concerns about the extent of stakeholder engagement that the Market Facilitator seems to be expecting and the potential for this to result in overwhelm and apathy, particularly amongst smaller market participants. This links to the need for more agile ways of working, as less rigid processes for engagement will be needed to ensure that the right level of input, from the right stakeholders, can be gathered as and when needed. This will also free up time for the Market Facilitator to focus on other activities.

Communications

Market Facilitator team members have a tendency to focus communications on the details of an issue, without setting it in the context of overarching goals or explaining its importance to the audience. This is improving but needs to change further to ensure that stakeholders understand the importance of the work and can direct their limited resources to engaging where this is most important and useful. Without this framing and understanding of potential impacts, it is likely that we will continue to see low engagement from industry actors.

Elexon's performance in delivering the Flexibility Market Asset Register

SAB oversight of the FMAR development process

To date, we have had limited exposure to the development of FMAR, although regular updates are now scheduled. As a result, there is relatively little we can say as a group about this topic. The reflections that follow are based largely on the views of those members who have individually engaged with the process.

Going forward, we wish to understand any impacts of FMAR progress on other elements of the Delivery Plan and on the overall progress on market liquidity. We feel that we are not well placed to engage at a more technical level in the development of the Register and that this form of oversight must sit elsewhere.

Reflections on performance to date

SAB members who are engaged with the FMAR development process note that stakeholder engagement has been positive, with good workshops, open discussions and a willingness to take onboard stakeholder feedback.

However, they express a number of significant concerns, many of which echo the areas for improvement in wider Market Facilitator work.

Strategic vision and clarity

There seems to be a lack of strategic cohesion, with different answers from different people working on FMAR to the question of what is and what isn't in scope. There is limited visibility of short or long term objectives and it is unclear what the Minimum Viable Product will look like and what the timescale for delivery will be. This lack of clarity creates tangible operational risks for DSOs and technology providers. These key actors need a definitive direction to allow them to commit to long-term investment roadmaps.

A small number of SAB members also raised concerns about the added value of FMAR, asking for more clarity on its use cases and, possibly, an interim CBA focused on the new, reduced scope.

Stakeholder engagement

Going forward, there is a need to streamline industry involvement: the current cadence of a two-hour weekly workshop is onerous for everyone and a significant barrier to participation for smaller businesses and innovators. Stakeholder engagement needs to focus on validating a mature proposal rather than helping to define the fundamental problem space. In addition, there has been some feedback that a few of the meetings could have been more focused and delivery-oriented, with discussions moving more quickly towards practical implementation; and that there could be better communication of the rationale for decisions when these do not fully reflect what has been said in the working groups.

Operation of the Stakeholder Advisory Board

What is going well

We are very happy with the administration of the Board, and have not identified any areas for improvement with this.

There are mixed views on whether Elexon is making full use of SAB's expertise, although a majority of SAB members note that the period covered by this report was one of set up and settling in, and consider that we are moving in the right direction in Elexon's asks of the Board.

Looking ahead

Going forward, we would like the balance between the more administrative and the more strategic aspects of SAB's role to tilt further towards the strategic.

The Market Facilitator team could usefully ask more of the expertise of SAB members for strategic guidance and a wider industry perspective, and reduce the time spent on lower value, more administrative issues like simple change proposals.

We would also like to play a better defined role in supporting the development of FMAR, including ensuring alignment between FMAR and the wider Market Facilitator strategy. For this to happen, there needs to be a clearer definition of the governance structure for FMAR and how this overlaps with or complements SAB responsibilities, and we need a better understanding of how FMAR impacts other Elexon activities within its Market Facilitator role.

Final Comments

Whilst this report contains some criticism of the Market Facilitator and the development of FMAR, we appreciate the work that has been done so far and recognise that the inception of any role is challenging. Elexon have demonstrated that they take this role seriously and have always responded well to advice and suggestions for change in the way things are done.

We continue to be confident that the Market Facilitator can have a big impact on the growth and value of flexibility markets and we are fully committed to supporting the team to deliver this.

We would very much welcome feedback from Elexon on *our* performance to date, and on the suggestions that we have made in this report.

Appendix A: advice on potential actions to drive improvement

Market Facilitator

Strategy

We need to be a lot clearer about what flexibility markets can deliver. Can you define your vision for these markets and communicate this in language that is understandable to a wide range of audiences?

Should you carry out a strategic review of your goals and objectives, based on this vision?

How can you describe more clearly what success looks like? What should be measured to determine the effectiveness of past changes to market rules and estimate the likely effectiveness of proposed future changes?

Should you facilitate broader ownership of your vision for flexibility, including by NESO, DESNZ and Ofgem, as part of your strategic leadership role?

To what extent should/could you feel empowered to provide support and strategic direction on topics that are blockers to the development of flexibility even when these sit with other delivery bodies (e.g. the impact of Final Consumption Levies on demand turn up, which sits within DESNZ)?

Should the consideration of bigger, strategic questions about unlocking the full value of flexibility (e.g. whether system balancing is best managed centrally, by NESO, or in a more decentralised way with local management by DSOs) fall within the remit of the Market Facilitator?

The Delivery Plan

Are you too focused on meeting delivery plan deadlines at the expense of stepping back and thinking about what will really make a significant difference to market liquidity?

Do you know which deliverables are most valuable to the wider market and stakeholders? How can you ensure that you prioritise these actions and/or things that risk actively blocking or damaging the market?

- Should you balance your focus on DNO markets with more focus on NESO markets, and coordination of the two, sooner than is planned?
- Do you have enough focus on how different markets are coordinated?
- Should you have more focus on constraint management products?
- Should the plan include markets other than SO and wholesale (e.g. peer to peer trading and energy communities, or imbalance hedging markets)?

- Should the rationalisation of DNO markets be brought forward?
- Should there be more urgency in sorting out the issue of duplicate MPAN registrations?

What does a bold FSP-centred approach to improved market data look like?

Do you understand well enough how your programme of work affects, and is affected by, other areas of policy, process and systems? Do you understand potential unintended consequences? (In essence, do you need to review dependencies, inter-dependencies and risks?)

Ways of Working

Can you speed up / simplify some aspects of the delivery plan whilst maintaining sufficient stakeholder engagement?

How can you minimise working group time commitments so that smaller FSPs can engage?

When can you employ a sprint approach?

Can you use shorter surveys for consultation for small or uncontroversial changes (e.g. just YES/NO plus a free text box for comments)?

Can you make more use of trade associations to reach groups of less well-resourced stakeholders, gathering their views verbally during existing meetings rather than expecting responses to consultations?

Are there other circumstances where partnership working will improve speed, feasibility, and relevance to industry?

Stakeholder Engagement

Should you redesign your engagement processes to be the most efficient from a stakeholder perspective rather than from the Market Facilitator's perspective?

When could taking the time to meet stakeholders on their terms, including in one to one sessions, provide the insight you need more effectively than a series of working groups?

Can you reduce the volume of documentation that you are asking people to read, including by having simple summaries with key points or questions upfront?

Are any of the suggestions for improvement of the FMAR process also potentially useful here?

Will your current stakeholder survey give you a robust and comprehensive view of the success of your stakeholder engagement? Who might you be missing?

Communications

How can you best ensure that all communication is clear and uses plain English?

How can you ensure that communications with stakeholders always focus on the intent and desired outcome of work, and on the implications to the stakeholders?

Do the team understand what is an appropriate level of detail to include in conversations with stakeholders? If not, how can this be changed?

Who will be responsible for ensuring that the whole team understand the work of the strategy team, and are able to use it to provide context in their communications?

How will measurement of outcomes feed in to stakeholder communication?

Do you need a dedicated communications and engagement resource?

Flexibility Market Asset Register

Can you set up a technical expert group that will scrutinise FMAR development and help you to come to stakeholders with a mature proposal?

Can you define a series of use cases for FMAR, explaining clearly what will work better once FMAR is in place?

Could you prioritise asynchronous participation and milestone-led interaction over rigid, calendar driven sessions?

Could you consider using existing productivity tools such as Slack, Notion or Monday.com? These could potentially transform the engagement model from an administrative burden into a streamlined, inclusive dialogue that captures a truly representative cross-section of the industry.

Operation of the Stakeholder Advisory Board

Can you develop amended processes that enable SAB to approve smaller / non-contentious changes outside meetings, to free up time for more strategic work?

How can we help you to work on strategy and prioritisation without compromising Delivery Plan deadlines?

How can we best help you find the balance between more agile ways of working and ensuring that you maintain the trust, transparency and robustness that you are known for?

How can we be a critical friend ahead of quarterly Roadmap advisory board scrutiny?

To what extent should you be using SAB as part of your engagement with the wider market design processes? For example, should we be aiming to challenge and provide feedback to DESNZ and NESO on big topic issues?

How can we best leverage our networks to bring you fresh insights on the development of flexibility?

Appendix B: Stakeholder Advisory Board Members

(at end April 2026)

Voting Members

- Claire Addison — Seller
- Swetta Coopamah — Enabler
- Steve Crabb — Independent
- Alex Howard — Buyer
- Nick Huntbatch — Enabler
- Robert Hull — Independent, Vice Chair
- Alex Munnery — Buyer
- Iona Penman — Seller
- Doerte Schneemann — Buyer
- Nick Sillito — Seller
- Dr Joanne Wade OBE — Independent, Chair
- Howard Wright — Enabler

Non-voting members

- Citizens Advice (Tom Lowe)
- National Energy System Operator (Becky Hart)
- Ofgem (Joseph Cosier) *not involved in the development of this report*
- The Association for Decentralised Energy (Michelle Fryzuk)
- The Department of Energy Security and Net Zero (Ruby Holmes)
- The Energy Networks Association (Helen Järva)