

# Market Facilitator: Elexon Performance Assessment Report

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ELEXON

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# Executive Summary

This report sets out Elexon's progress in the regulatory year to March 2026 towards achieving its flexibility objectives set out in Ofgem's [market facilitator Governance Framework](#). There have been significant achievements in the last year with the mobilisation of **Elexon as market facilitator successfully delivered into live operation, on time at the end of 2025**.

As part of our work to date, we have successfully:

- Planned and executed the handover from the Energy Networks Association (ENA) Open Networks Project
- Mobilised operational functions, people, and processes to manage the market facilitator function
- Established Flexibility Market Rules, which are now managed within formal change management procedures, and which are working well
- Recruited and established an expert Stakeholder Advisory Board which is already providing advice and feedback to critical market facilitator developments and changes
- Progressed changes and new developments in line with Elexon's [market facilitator delivery plan 2026-2028](#)
- Progressed the work to design, develop and deliver the Flexibility Market Asset Register (FMAR).

We recognise that there is still development work to do to in improving market facilitator operational arrangements for industry, for example developing enduring, automated data ingestion for Implementation Monitoring and taking more of a forward look to prepare for future developments to support Market Rules. However, given the status of market facilitator operations and development, underpinned by the two-year delivery plan, we are confident that we are on target to deliver Ofgem's Objective 1 for Elexon to identify and implement service alignment opportunities.

We are also making progress towards Ofgem's Objective 2 for Elexon to deliver FMAR and Elexon remains committed to delivering phase one of FMAR in September 2027.

In 2025, Elexon undertook early work on FMAR content and industry engagement methods, and progressed Use Cases and models for registering and storing data. At the beginning of 2026, the design work was accelerated, and as of 31 March 2026, we had high-level solution architecture options to take through further stakeholder engagement and consultation. In March 2026, the FMAR programme delivery team was significantly enhanced to build on the experience and capabilities from recent industry programmes (such as Market-wide Half-Hourly Settlement), resulting in a much clearer view of the delivery plan and focus, and a structure to deliver against that plan.

At this point, the activities and logical critical path for the FMAR programme are well understood, but there are a number of uncertain delivery conditions and risks that we need to gather further information for to be able to add dates to later activities in the plan. We are now focused on delivering the design to a point where it can be considered stable, as this is the early driver of the Programme's critical path. Once the design is stable, we can confirm the dependencies on industry for delivery of systems, for example, the Data Sharing Infrastructure (DSI), and assess the timings for the remaining industry and Elexon activities in the end-to-end plan. Elexon remains committed to delivering FMAR in September 2027 and we are following a process to evidence this through programme planning with projected timelines and key dependencies defined in an end-to-end plan and informed by industry.

We have made considerable strides towards the delivery of Elexon's objectives as market facilitator, and it has been fantastic to see our market facilitator service successfully operating in live. For the next year, we are focused on continuous improvement of that service, providing certainty on the timetable for FMAR and delivering to our commitments.



**Peter Stanley**

CEO, Elexon

# Introduction

Ofgem set out in its [market facilitator governance framework document 2026-2028](#) that they will undertake an annual performance assessment of Elexon as market facilitator on the basis of plan delivery, ambition, and stakeholder evidence. As part of that assessment, Elexon must submit a self-assessment report to Ofgem for the prior regulatory year to March 2026, setting out its progress against its delivery plan, and this is that report.

Ofgem will consider Elexon's self-assessment report, responses to a stakeholder survey that Ofgem will conduct, and a report from the market facilitator's Stakeholder Advisory Board in forming a view to assess the market facilitator's performance. In its performance assessment report, Ofgem will set out both successes and areas for improvement. Ofgem will maintain oversight of the two-year Elexon Delivery Plan and Annual Delivery Schedule through the performance assessment process. The assessment at the end of the first year for each two-year delivery plan will indicate how likely it is that the plan will be delivered.

## Assessment report scope and content

The scope and content of the report are set out in Section 5 of the market facilitator governance framework document:

- This report will set out progress against the milestones in Elexon's delivery plan and schedule and against its objectives, including the dedicated plan for FMAR.
- The report should include factual reporting information of interest to Ofgem and stakeholders. This could include, for example, the number of workgroups held, consultations published, and the number of changes to Flexibility Market Rules implemented.
- The report should be no longer than 20 A4 pages (excluding cover pages, content pages, and blank pages) and should be submitted to Ofgem by 31 May, or sooner if possible.

## Market facilitator objectives

Ofgem included clear performance objectives for the market facilitator within the next delivery period:

- 1. By 31 March 2028, Elexon should:**
  - 1.1. Identify and implement alignment opportunities across Distribution Network Operator (DNO) flexibility services, National Energy System Operator (NESO) ancillary services, and the Balancing Mechanism where it offers system value, including by:**
    - 1.1.1. Designing and delivering common and coherent market arrangements that simplify market access and participation while maintaining the integrity of the service**
    - 1.1.2. Facilitating market coordination of NESO and Distribution System Operator (DSO) flexibility markets, such that value can be stacked.**
  - 1.2. Clearly set out and justify instances where alignment is not being pursued (for instance, due to a technical or legal barrier, system security, or efficiency).**
- 2. By 30 September 2027, Elexon should deliver the Flexibility Market Asset Registration (FMAR) digital infrastructure**

This report will be split into sections aligned with the objectives and reporting period:

- Transition period to end 2025 to demonstrate the mobilisation of the market facilitator to deliver Objective 1
- Operation and ongoing development of the market facilitator in Q1 2026 to demonstrate progress towards delivering Objective 1
- Assessment of the progress of the delivery of FMAR to demonstrate the status against Objective 2 above.

# Assessment of transition period to end 2025

## Framework for Assessment

The Ofgem [market facilitator policy framework decision](#) set out in Section 5.14 the objectives against which Ofgem will undertake its assessment of Elexon's performance during the transition period (up until the end of 2025); therefore, we are structuring our own assessment in line with those objectives in the sections below.

5.14 In the first half of 2026, we will undertake an assessment of Elexon's performance during the transition period (up until the end of 2025) against the following objectives:

- Undertake all necessary work to ensure the market facilitator is fully operational by the end of 2025, through:
  - (a) Supporting Ofgem in designing the market facilitator role
  - (b) Leading the required BSC changes to set up the market facilitator role
  - (c) Producing a delivery plan for the transition period up until go-live
  - (d) Working collaboratively with industry stakeholders through workshops and consultations to agree on any required aspects of the market facilitator arrangements
- Deliver a smooth transition from current arrangements without any loss in momentum by:
  - (a) Working with the Open Networks project and its members to take over key workstreams in 2025
  - (b) Taking over as Chair of the Open Networks Challenge Group (which took place in September 2024)
  - (c) Start delivering market facilitator activities over the course of 2025, for instance, taking over Open Networks workstreams as part of the handover plan

## Successful launch of market facilitator operations by end 2025

### Summary

Elexon set out a handover plan for the ENA's Open Networks project and successfully delivered the market facilitator into live operation at the end of 2025 in line with this plan. This included:

- Establishing the Flexibility Market Rules Framework and a set of Day 1 Flexibility Market Rules for governance
- Establishing the Stakeholder Advisory Board
- Creating the 2026/27 Delivery Plan and Schedule
- Mobilising the Elexon team to manage and operate the market facilitator.

There are ongoing development activities that will continue to improve the Flexibility Market Rules and the breadth of activities within the market facilitator.

### Supporting Ofgem in designing the market facilitator role

Elexon provided proactive support to Ofgem and the industry on key analytical and strategic work to design the market facilitator role, including numerous bilateral discussions, significant input to several industry processes where additional capability was required, and transparent input into policy development consultations. In addition to market facilitator-specific consultations, we contributed to a range of wider flexibility policy discussions, including Ofgem's RIIO ED3 consultations and the DESNZ's consultation on engaging consumers in consumer-led flexibility.

### Leading the required BSC changes to set up the market facilitator role

We led the development of the necessary changes to the Balancing and Settlement Code (BSC) to establish the market facilitator role. As Elexon cannot raise Modifications directly, we drafted two BSC Modifications, which the BSC Panel subsequently raised. One enabled Elexon to undertake the market facilitator role, including interim funding arrangements, and a second established the associated budget and funding arrangements. Both changes secured BSC Panel support, majority stakeholder support through consultation, and final approval from Ofgem on time, enabling the market facilitator role to be implemented on schedule.



Producing a delivery plan for the transition period up until go-live

Elexon set out a handover plan for Open Networks to ensure that the market facilitator was ready for Go-Live at the end of 2025, as below. In addition to the enduring governance and processes in 2025, Elexon also continued developing the required Flexibility Market Rules. These rules (in purple below) drive the market facilitator's primary value, and its delivery in 2025 was the primary focus of the plan.

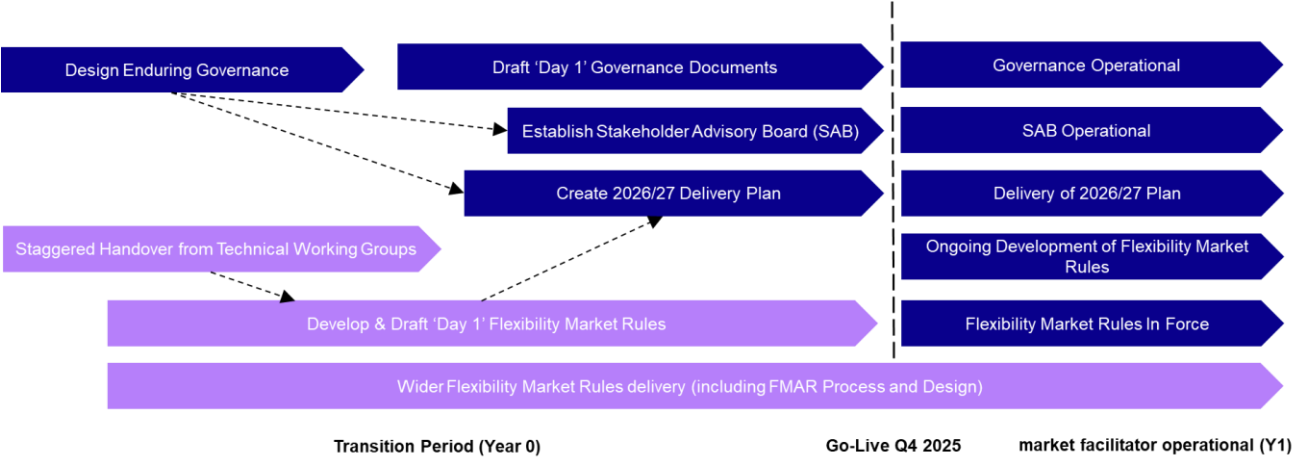


Figure 1: Open Networks Handover plan on a page.

The delivery of the Flexibility Market Rules was then broken down further into specific market rules as below. Related Market Rules were batched together to facilitate a smooth handover from Open Networks.

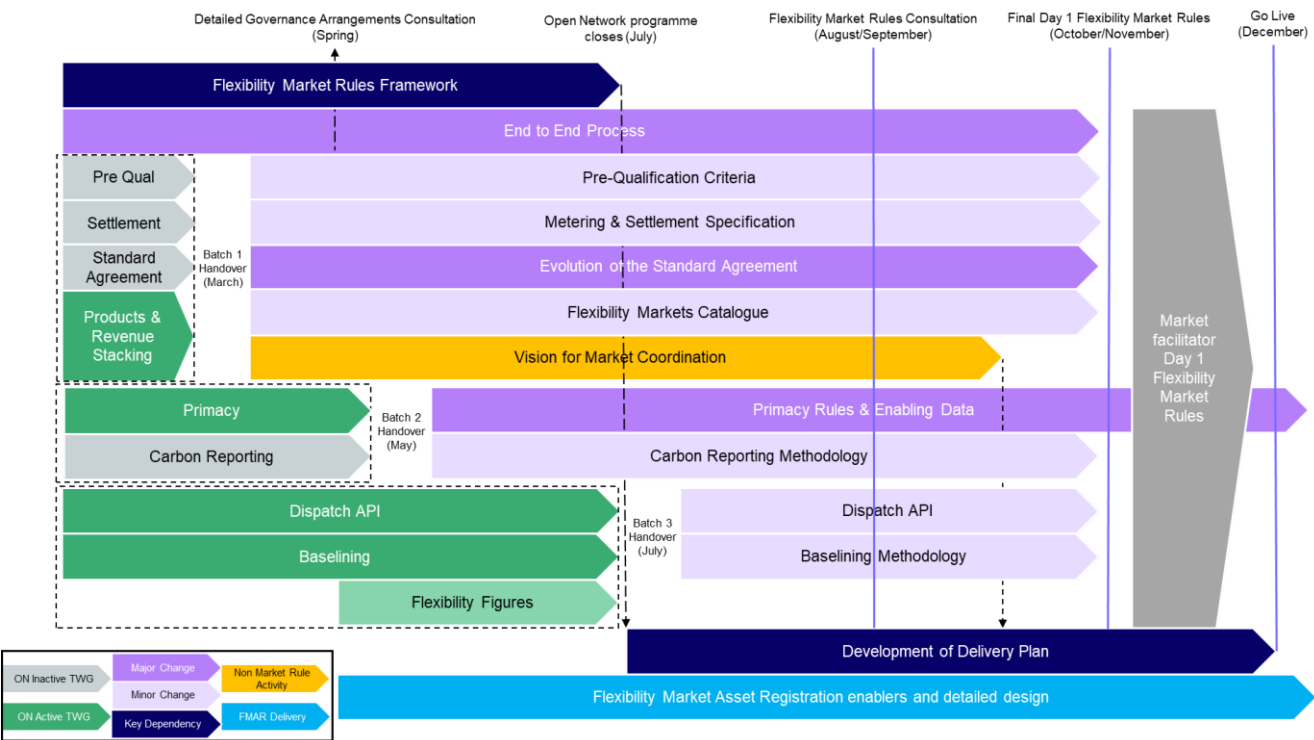


Figure 2: Market Rules development plan on a page.

Working collaboratively with industry stakeholders

We worked collaboratively with industry stakeholders to develop the market facilitator governance arrangements, using a structured programme of engagement. This included seven stakeholder workshops (30–60 participants per workshop) held between November 2024 and March 2025, which explored key aspects of the governance framework, such as cost recovery, the delivery plan, change management, implementation monitoring, and the structure of the Flexibility Market Rules.

We complemented this workshop programme with a consultation in April and May, followed by a formal consultation sent in September 2025 on the detailed design (18 responses) and the enduring governance documents (13 responses), receiving responses from a wide range of stakeholders, including suppliers, DNOs, generators, market platforms, NESO and trade bodies, helping ensure the design reflected a broad range of industry perspectives. Feedback was broadly supportive and informed refinements to the final governance design and governance documents. These were uploaded to the Elexon website on 1 December 2025, deliberately earlier than the formal Go-Live on 12 December 2025, to give industry participants more time to review them and get ready for compliance.

Throughout the transition period, we maintained consistent, proactive engagement with stakeholders to ensure they remained informed, involved, and able to influence the development of the market facilitator. Following the market facilitator announcement, we organised and delivered a dedicated roadshow with NESO and the DSOs, visiting their offices to engage directly with teams and leadership. We used a wide range of engagement channels, to ensure stakeholders had clear visibility of progress and multiple opportunities to contribute their views. Feedback from industry indicated that it could be challenging to track developments given the parallel design activity being led by Ofgem and Elexon. In response, we focused on simplifying engagement and making information easier to access and follow.

## **FMAR early development**

Elexon initiated early exploratory work on FMAR content and industry engagement methods in 2025. Upon receiving the FMAR mandate in April 2025, we promptly began resourcing the handover and commenced scoping, collaborating closely with Ofgem. We also trialled innovative engagement approaches, including the use of GitHub, to support early engagement with the End-to-End process rule, the Dispatch API handover, the Standard Agreement Issues log, and the FMAR enablers artefacts.

The April 2025 launch webinar – available with associated [FAQs](#) – proposed four key modules: Assets, Service Providers, Product Qualification and Grid Interaction and Constraints, with initial focus on the first two for the 2027 launch. These four modules were subsequently expanded into 24 market-facing System Use Cases, which formed the basis for discussion with Industry across three open workshops held between July and November 2025. The System Use Case catalogue is published on GitHub. The workshop series addressed FMAR's role within the wider policy landscape and its alignment with the market facilitator programme, supporting its positioning as a shared system of record and coordination layer for flexibility.

Running in parallel, four closed Industry Expert Committee (IEC) workshops ran from June to September 2025. The terms of reference from these sessions are available [here](#). These sessions explored centralised and federated system-of-record models, with discussion moving towards centralised models to support the coordination layer. The IEC work focused on dissecting the core functionality that maximised market and system value, with a strong emphasis on the importance of a data quality framework, event-driven architecture, and standard data models. Comparative analysis was also drawn from the Norwegian Flexibility Information System proof of concept and the European Data Space literature.

## **Smooth transition from Open Networks**

### **Working with the Open Networks project and its members to take over key workstreams in 2025**

There was a structured collaboration with ENA Open Networks to enable a smooth transition as set out in the Open Networks handover plan. We established fortnightly bilateral sessions with ENA Open Networks immediately after Elexon's appointment in September 2024, which strengthened alignment. Elexon representatives were integrated directly into key technical working groups, and we reused existing ENA templates to track working group progress and outputs thereby strengthening engagement between network operators and Elexon. This collaborative approach ensured that industry knowledge, progress and relationships built through Open Networks were effectively carried forward into the market facilitator framework.

## **Taking over as Chair of the Open Networks Challenge Group**

Elexon stepped into the Challenge Group Chair role in September 2024 and took full ownership of its governance and delivery. We developed and implemented the terms of reference under Elexon/market facilitator, ensuring the group had a clear purpose, structure, and direction. We managed the full engagement cycle, ensuring no loss of momentum during the transition period and that valuable stakeholder insights continued to shape the market facilitator's development. Through chairing the Challenge Group, Elexon also secured a seat on the Open Networks Steering Group, enabling direct alignment between industry discussions and strategic decision-making.

From September 2024 to March 2025, Elexon chaired 6 Challenge Group meetings under Open Networks and then convened the group 7 times under Elexon ownership to November 2025, effectively running as a precursor to the Stakeholder Advisory Board (SAB). This forum was heavily used to shape thinking and maintain strong industry engagement. Average feedback from participants was 90% or higher for communications, usefulness, and facilitation of the Elexon-chaired Challenge Group sessions.

The SAB was established in 2025 as a critical component of the successful initiation of the market facilitator in 2026. We designed clear terms of reference and then completed the recruitment processes and induction for the independent SAB Chair and SAB members. Due to the timely availability of the SAB Chair, she was able to select SAB members, as set out in enduring governance, rather than Ofgem selecting members as a one-off set-up activity.

## **Starting to deliver market facilitator activities over the course of 2025**

Elexon delivered against the Open Networks Handover Plan as set out above, working with the Open Networks project and its members to take over key workstreams in 2025. Open Networks workstreams and products were handed over to Elexon to enable the ENA Open Networks project to be closed.

Thirteen proposed Day 1 Flexibility Market Rules went out for consultation with the industry, and with extensive engagement and feedback received. In addition to the work handed over from Open Networks, new rules were developed as part of market facilitator activities, including the End 2 End process, which was key to increasing visibility of how markets operate. Following analysis and updates to the proposals, 10 Flexibility Market Rules were implemented into the market facilitator for Day 1, and the following Flexibility Market Rules were agreed for further development:

- Metering Specification – the Metering Specification from Open Networks has not been incorporated as a rule at this point, as the market facilitator is awaiting wider work from the Smart Secure Electricity Systems Programme (SSES) to ensure that appropriate standards are captured in any Market Rule.
- Standard Agreement – this has been adopted by Elexon, but further improvements were identified from consultation. These are being taken forward in our delivery plan work to reduce the number of contractual changes imposed on the market.
- Dispatch API – the handover of this work from the ENA was delayed due to needing further refinement and additional assurance, which delayed our start-up work. This is now included in the 2026-2028 Delivery Plan and Schedule.
- Primacy Rules & Enabling Data - Increment 1 was translated into a Market Rule and is live, but further discussions have been required on the framework. This is now progressing within issue groups through the market facilitator Change Management process (FLX Issues 001 and 002).

Flexibility Figures are expected to be reported in a dashboard at the end of the first phase of the “Develop a market data portal” activity due in September 2026. We will also formally take on the associated Ofgem actions from the [Clean Flexibility Roadmap](#) (action 35A) on 01/04.

The Delivery Plan includes an activity to increase the frequency of DNO procurement and dispatch data, and this will be further developed through Change Proposal FLX CP005 and implemented by the end of Q1 2027. Elexon has taken actions from the Ofgem Clean flexibility roadmap with data visualisations to be shown on the Elexon data portal. Timings are not yet known as the actions are to be ratified in April 2026.



# Progress against Delivery Plan and Schedule for Q1 2026

## Developing the 2026-Q1 2028 Delivery Plan and 2026 Schedule

Elexon's market facilitator delivery plan 2026-2028 was developed to align with the scope defined by Ofgem's policy framework and to allow stakeholders to plan their contribution to the market facilitator. Two key priorities were set out in the plan: simplifying access and enabling coordination and stacking. We have translated this into four key objectives to provide clarity on the strategic direction for flexibility market development:

- Delivering aligned and frictionless market entry
- Aligning market operations
- Developing robust definitions of markets
- Enhancing the revenue stacking and coordination schemes across markets.

Each objective has a set of individual activities that outline the aims, outputs, and timings for their implementation. There was extensive stakeholder engagement on the content of the delivery plan, with a four-week consultation period to 31 October 2025, supported by a webinar on 15 October 2025 and a dedicated drop-in session on 21 October 2025 to address follow-up questions and respond to initial views and feedback. We also ran three working groups on the longer-term vision for market coordination to ensure we took that strategic view.

From the delivery plan, Elexon has further developed an annual delivery schedule, which shows what we will focus on in the current year, while the delivery plan sets the longer-term direction. Because the delivery schedule is more detailed than the plan and shows the focus for 2026, we have used it to demonstrate our delivery in Q1 2026, as set out in the table later in this section.

## Stakeholder Advisory Board in operation

The SAB, which provides independent advice to the market facilitator from across the industry, has been operational since the start of 2026. Elexon must seek their input on delivery plans, change proposals, and escalations of failures to comply with the Market Rules. The SAB is convened monthly, and in Q1 2026, the SAB advised and provided feedback on five Change Proposals and has been an invaluable sounding board for Elexon.

We have shared a first version of success measures for the market facilitator with the SAB, and we will continue to develop these in collaboration with the SAB to hold ourselves to account for successful delivery. We are also actively engaging with SAB on how best to use their expertise and strengthening our strategic focus.

## Change Management Procedure

The Change Management Procedure is defined in the Flexibility Market Governance arrangements and sets out the end-to-end process for progressing Change Proposals and Issues. We have raised the Change Proposals scheduled for the Delivery Plan and accommodated Change Proposals raised by external parties. We can have confidence that the right mechanisms are there to raise changes and issues.

Elexon publishes a flexibility markets [Change Register](#), which provides an up-to-date overview of all active and closed flexibility market Change Proposals and Issues. As of 31 March 2026, there are three issues and four Change Proposals currently in progress, with one Change Proposal approved.

By the end of March 2026, the Elexon change decision committee had held its first meeting and approved CP002 Housekeeping. The housekeeping change was implemented within three weeks of being raised, therefore Elexon has demonstrated that it can move at pace and well within its SLAs. Attendance at all workgroups has exceeded the mandated five participants, and we have seen strong engagement from the industry.

## Implementation Monitoring

Implementation Monitoring is defined in the Flexibility Market Governance and describes how we will check and report that System Operators are implementing the rules, how effective the rules are and how stakeholders are engaged. There are five key components of Implementation Monitoring, and the status is set out below.

| Title                                                          | Description                                                                                                                                                              | Position as of 31 March 2026 and latest status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Implementation Tracking and Reporting</b>                   | Validating whether Flexibility Market Rules have been implemented in accordance with their specified timelines and requirements, and identifying risks of non-compliance | As of 31 March, Elexon were performing compliance checks against the data submitted by the System Operators in February and subsequently May. These are now complete and subject to refinement through the analysis of results. Twelve derogation and self-derogation requests have been reviewed and accepted. We have published a <a href="#">tracker</a> summarising the latest implementation and compliance statuses, as well as all accepted derogations.                                                                                                                           |
| <b>Escalation and Resolution Management</b>                    | Managing the process for addressing risks of non-compliance                                                                                                              | Implementation Monitoring has designed and built out the escalation process across different tiers to manage potential instances of non-compliance and produced supporting documentation to aid the development of resolution plans. No escalations have occurred to date.                                                                                                                                                                                                                                                                                                                |
| <b>Effectiveness Monitoring</b>                                | Evaluating whether Flexibility Market Rules are achieving their intended outcomes                                                                                        | We have not collected any data required to assess the effectiveness of the rules at this time. The data from SLC31E, which will be used to measure some of the effectiveness monitoring metrics within the rules, will be extracted in May with any activities to resolve issues planned.                                                                                                                                                                                                                                                                                                 |
| <b>Flexibility Market Catalogue Development and Management</b> | Maintaining and updating the Flexibility Market Catalogue information                                                                                                    | Initial solution was developed to enable the collection, processing, and presentation of data for day one. We collected and processed the data submissions provided by the System Operators in February 2026. Standardised datasets, and filtering capabilities, have been published in the <a href="#">Flexibility Market Catalogue</a> to enable this data to be shared with industry and used in working groups as part of delivery plan activities. Requirements for an enduring solution are advanced with stakeholder engagement planned to improve operability through automation. |
| <b>Additional Market Information Gathering</b>                 | Collecting quantitative and qualitative Flexibility Market Information                                                                                                   | We are currently collecting additional data under certain provisions of the Rule, such as Reference Baseline Calculations. There are also additional data requests associated with measuring effectiveness for the Standard Baseline Methodologies Flexibility Market Rule. This data is not due to be submitted until May. We intend to build further frameworks and collect additional data as part of compliance activities.                                                                                                                                                           |

*Table 1: Implementation Monitoring progress*

We have identified a need to establish additional processes to better tackle instances where flexibility products cannot achieve compliance (frequently products that completed innovation trials) or require longer-term exemption from the Market Rules, and Issue Group FLX Issue 004 was convened to develop this further. In addition, Elexon is currently designing an enduring solution to collate and present data associated with the governance of the Flexibility Market Rules for future compliance activities, automating and improving the industry experience.

## Market facilitator successes and areas for improvement

. As part of our quarterly reporting to Ofgem on 31 March 2026, we identified a set of key successes and areas of improvement identified in our market facilitator work to date:

| Strategic leadership                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Market coordination                                                                                                                                                                                                                                                                                                                               | Implementation monitoring                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• SAB established and gaining momentum</li> <li>• Roadmap for Coordination: engaged with Ofgem and NESO. Industry workshop planned in April</li> <li>• Actively contributing to Digital Coordination work</li> <li>• Engagement through Clean Flexibility Roadmap such as transferring Data Portal Action</li> <li>• Several high profile presentations: Global Market Facilitator's Forum, Innovation Zero World Congress and Distribution Energy Show</li> </ul> | <ul style="list-style-type: none"> <li>• Change procedure and working groups up and running. Progress being made.</li> <li>• Additional activities raised: <ul style="list-style-type: none"> <li>• CP003 – NPG proposal on product variants</li> <li>• Issue 004 - Changes to enable effective derogations and exemptions</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Reviewed and approved 12 Derogations and Self-Derogations</li> <li>• Processed data submissions from SOs and published Flexibility Market Catalogue on the website</li> <li>• Designed the Issue Group to better tackle some of the identified edge cases, first meeting late April 2026</li> <li>• Made significant progress in designing the Enduring Solution to support Implementation Monitoring Activities</li> </ul> |

*Table 2: Market Facilitator Successes*

| Strategic leadership                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Market coordination                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Implementation monitoring                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>What could have gone better</b> <ul style="list-style-type: none"> <li>• To be able to drive cohesive industry positions in flexibility Elexon a full delivery body in CLF Roadmap</li> </ul> <b>Issues/Blockers/Risks</b> <ul style="list-style-type: none"> <li>• Issues – limited dedicated resource – recruitment underway</li> <li>• Risks – <ul style="list-style-type: none"> <li>• Elexon are not fully recognised as a key decision maker in industry fora.</li> <li>• Interactions between Roadmap for coordination and RNP</li> </ul> </li> </ul> | <b>What could have gone better</b> <ul style="list-style-type: none"> <li>• Management of groups with SO only attendance – perception of closed groups.</li> <li>• Project planning, management and tracking processes – limited to start with. Being built up.</li> </ul> <b>Issues/Blockers/Risks</b> <ul style="list-style-type: none"> <li>• Issues – <ul style="list-style-type: none"> <li>• CP005 - Consultation clash with key C31E deadline.</li> <li>• Internal assurance delays for Dispatch API.</li> <li>• Delays getting primacy Data Sharing Agreement signed.</li> </ul> </li> <li>• Risks – Consultancy onboarding to support work</li> </ul> | <b>What could have gone better</b> <ul style="list-style-type: none"> <li>• Communication with stakeholders for Rules with more complex data requirements (i.e.E2E Process)</li> </ul> <b>Issues/Blockers/Risks</b> <ul style="list-style-type: none"> <li>• Issues – parallel needs for development of interim and enduring solutions</li> <li>• Risks – Resourcing requirement to support enduring solution and compliance activities – recruitment underway</li> </ul> |

*Table 3: Market Facilitator Areas for Improvement*

We presented the above successes and areas for improvement to Ofgem and identified further observations and actions to take with identified owners within Elexon, which are being progressed within Elexon.

| Ofgem Observations                                                                                                                                      | Actions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Our focus has been more on the details and tactical development, rather than targeting strategic outcomes with intermediate deliverables                | <p>The focus to date has been on transferring existing rules and building solid foundations. Many of the larger topics come out later in the Delivery Plan, which does set out a more strategic view, but this doesn't always flow into all our communications.</p> <p>Actions:</p> <ul style="list-style-type: none"> <li>- Recruitment of strategic leadership lead – underway at the end March (now completed)</li> <li>- Refocus of SAB on more strategic elements – underway: agendas being arranged from April</li> <li>- Improved communications on value and consider increased communications resourcing.</li> <li>- Lean into key topics (market coordination, asset re-allocation...)</li> </ul> |
| Elexon can be more forthright in our approach to setting the market. We do not need 100% consensus to make decisions and set direction.                 | <p>We expect this to come as we start making decisions on new rules and deliverables, rather than elements handed over.</p> <p>Actions:</p> <ul style="list-style-type: none"> <li>- Embody being more forthright and not needing 100% consensus in decision-making</li> <li>- Remind leads and decision makers to ensure we continue to progress at pace</li> </ul>                                                                                                                                                                                                                                                                                                                                        |
| Current approach may be too onerous for some smaller participants, and a lighter/ more efficient engagement plan may be needed for smaller participants | <p>The points above should help, and we can seek to refocus our communications efforts</p> <p>Actions:</p> <ul style="list-style-type: none"> <li>- Review of communications (newsletters, change summaries, consultations) to ensure simple summaries of key points are available</li> <li>- Investigate the value of additional comms channels for smaller providers</li> <li>- Use trade body organisations to reach smaller groups and were appropriate bilateral meetings</li> </ul>                                                                                                                                                                                                                   |

*Table 4: Market Facilitator Ofgem Observations and Elexon Actions*

In addition to the points above, the SAB noted that stakeholder engagement is an area for improvement, particularly by drawing on the examples from manufacturers and smaller FSPs and aggregators. The SAB suggested that engagement activities should be focused on where they add the most value and that the Theory of Change could be a useful reference point to link work and benefits. We will take these points on board.

We will continue to work on these points amongst continuous improvement activities, and we are strengthening our programme management and associated strategic RAID management to identify actions early to focus on delivery.

## Execution of activities within the delivery schedule as of 31 March 2026

| Activity                                                                                  | Jan-26             | Feb-26          | Mar-26             | Apr-26          | May-26               | Jun-26              | Update                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------|--------------------|-----------------|--------------------|-----------------|----------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Align the legal framework                                                                 | Working groups     |                 | Impact Assess ment | Working groups  |                      | Consult             | CP001- On track. Issues to be addressed agreed. Minded to positions for all proposals shared wit-h participants. Next step is developing red-lining against those minded to positions. Formal Impact Assessment pushed back to Consultation to reduce burden of formal reporting. Working group providing good initial input on impacts. |
| Develop a market data portal                                                              |                    |                 |                    | Initial Scoping | Engage ment          | Elexon develop ment | We have taken on Action 35A on the Clean Flexibility Roadmap from Ofgem. This will be delivered via this activity. Work to start in the next quarter.                                                                                                                                                                                    |
| Increase the frequency of DNO procurement and dispatch data                               |                    | Initial Scoping |                    | Consult         | Decide               | Impleme nt          | CP005 - Consultation delayed till May to avoid clash with DNO annual C31E reporting deadline Decision expected in Mid July, 2 weeks later than initial Delivery Plan commitment.                                                                                                                                                         |
| Implement the common Dispatch API for DNOs<br>Include NESO within the common Dispatch API | Initial Scoping    |                 | Issue groups       |                 |                      |                     | Delays with Elexon assurance of Open Networks outputs due to resourcing constraints. These are being escalated. Re-baselining of the plan expected.                                                                                                                                                                                      |
| Develop a roadmap for market coordination                                                 | Initial Scoping    |                 | Workshops          |                 | Elexon Development   |                     | Initial mapping of as-is process complete. Preparing for industry workshop in April                                                                                                                                                                                                                                                      |
| Enable capacity release                                                                   | Initial Scoping    |                 |                    | Issue groups    |                      |                     | Issue 003 - Issue raised. First issue group to focus on scale and value of sub-issues.                                                                                                                                                                                                                                                   |
| Implement "Risk of Conflict" reporting                                                    | Issue groups       |                 |                    |                 |                      |                     | Issue 001 - Trial of new Risk of conflict reporting delayed by issues signing Data Sharing Agreement across SOs. Reviewing options to extend the trial period to maximise learning                                                                                                                                                       |
| Managing system conflicts and improving access for flexible connections                   |                    |                 |                    |                 |                      |                     | Issue 002 - Work initiated. Dependent on onboarding of NESO support to progress work.                                                                                                                                                                                                                                                    |
| Deliver Flexibility Market Asset Registration (FMAR)                                      | Worksho ps         | Consulta tion   | Decision           | Detailed design |                      |                     | See later section                                                                                                                                                                                                                                                                                                                        |
| Define markets more accurately to support stacking                                        | Initial Scoping    |                 | Working groups     |                 |                      |                     | CP004 - On track. First working group help                                                                                                                                                                                                                                                                                               |
| Input into NESO service design                                                            | Continuous         |                 |                    |                 |                      |                     | Input provided into Demand for Constraints project. Awaiting response from NESO                                                                                                                                                                                                                                                          |
| Enhance the Market Facilitator Repository                                                 | Elexon Development |                 |                    |                 | Testing and Feedback |                     | Partner onboarded. Discovery phase complete. Development due to start in April                                                                                                                                                                                                                                                           |
| Monitor Implementation                                                                    | Continuous         |                 |                    |                 |                      |                     | Key data collected and trackers online                                                                                                                                                                                                                                                                                                   |
| Scan horizon and identify barriers.                                                       | Continuous         |                 |                    |                 |                      |                     | Engaging with industry on potential barriers and routes to solutions. This includes feeding into industrv discussions such as flex in ED3.                                                                                                                                                                                               |

| Level of stakeholder engagement required |       |        |      |
|------------------------------------------|-------|--------|------|
| None                                     | Light | Medium | High |

Figure 3: Delivery Schedule 2026 – Timings

Note that this table represents the position as reported to Ofgem in quarterly reporting on 31 March 2026, so we have included this as a matter of record at the time and not amended this with any later observations or updates.

# Progress of FMAR delivery

## Deliverables and Acceptance Criteria

Appendix 1 of the Ofgem [market facilitator governance framework document 2026-2028](#) sets out the deliverables and acceptance criteria to be demonstrated by 31 March 2026 as part of the Ofgem assessment, therefore this is what we will report against in this section. The enabling activity undertaken for FMAR in 2025 is described in the earlier section, Assessment of transition period to end 2025, so this section will cover the activities and positions in 2026.

## FMAR Resource enhancement and reporting

We have significantly enhanced our FMAR delivery team in Q1 2026 by mobilising programme management, planning, and design resources, although there is more to do. This has resulted in a step change in programme planning and structure, a much clearer view of the activities and deliverables required, and the status against the plan. We are reporting the latest position to provide the most up-to-date view of FMAR's status, but we will also report the position as of 31 March 2026 to align with the assessment window.

## FMAR Delivery Plan

Ofgem Defined Deliverables and Assessment Criteria:

| Deliverables                                                               | Assessment Criteria                                                                                                                                                                                       |
|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. FMAR delivery plan that includes key activities, milestones, and budget | Is the plan robust with sufficient risk assessment and mitigation in place?<br>Is the plan consistent with FMAR decision scope and final delivery target of end of Q3 2027?<br>Is the programme on track? |
| 6. Digital infrastructure initial delivery plan                            | Is the initial delivery plan robust with sufficient risk assessment and mitigation for timely delivery of the digital infrastructure?<br>Does it include appropriate piloting and testing windows?        |

We have combined Deliverables 1 & 6 to avoid duplicating reporting, as the FMAR delivery plan includes all aspects required to deliver the FMAR service, including the FMAR system, digital infrastructure, registration processes, and business operations to support FMAR.

## FMAR delivery plan as of 31 March 2026

As of 31 March 2026, there were several key activities in progress from the enhanced team:

- Identifying and closing resource gaps to further strengthen delivery, especially in design
- Improving planning on a clear product (deliverable) basis, to increase confidence in planned timelines
- Improved governance and risk-based decision-making are being put in place to accelerate the delivery pace.

We established a logical overview of the delivery plan without dates, shown below as of 31 March, with the logic built in for the critical path. At the time, we were in the process of developing a date-driven plan via design completion, consultation and procurement, and there were several risks and dependencies that added uncertainty to the delivery plan:

- Delivery scope order and approach are still being clarified based on the readiness of dependent systems and industry responses.
  - Day 1 features will be established as part of the delivery plan because of Consultation
- Delivery schedule relies on SOs, DSI and FSPs and timely responses and delivery.



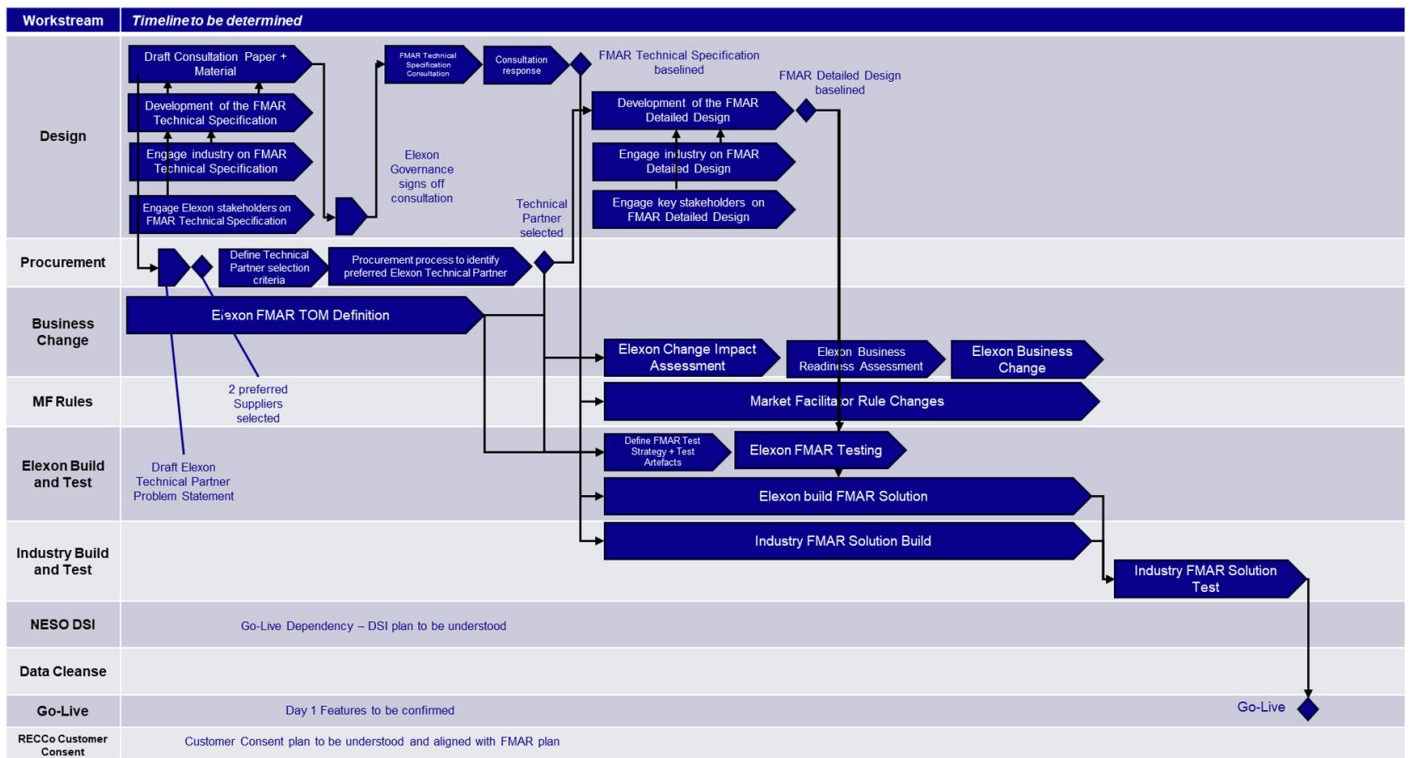


Figure 4: FMAR Critical Path Logic as of 31 March 2026

## FMAR delivery plan as of 18 May 2026

The overview and logical critical path have been developed further into the following iteration:

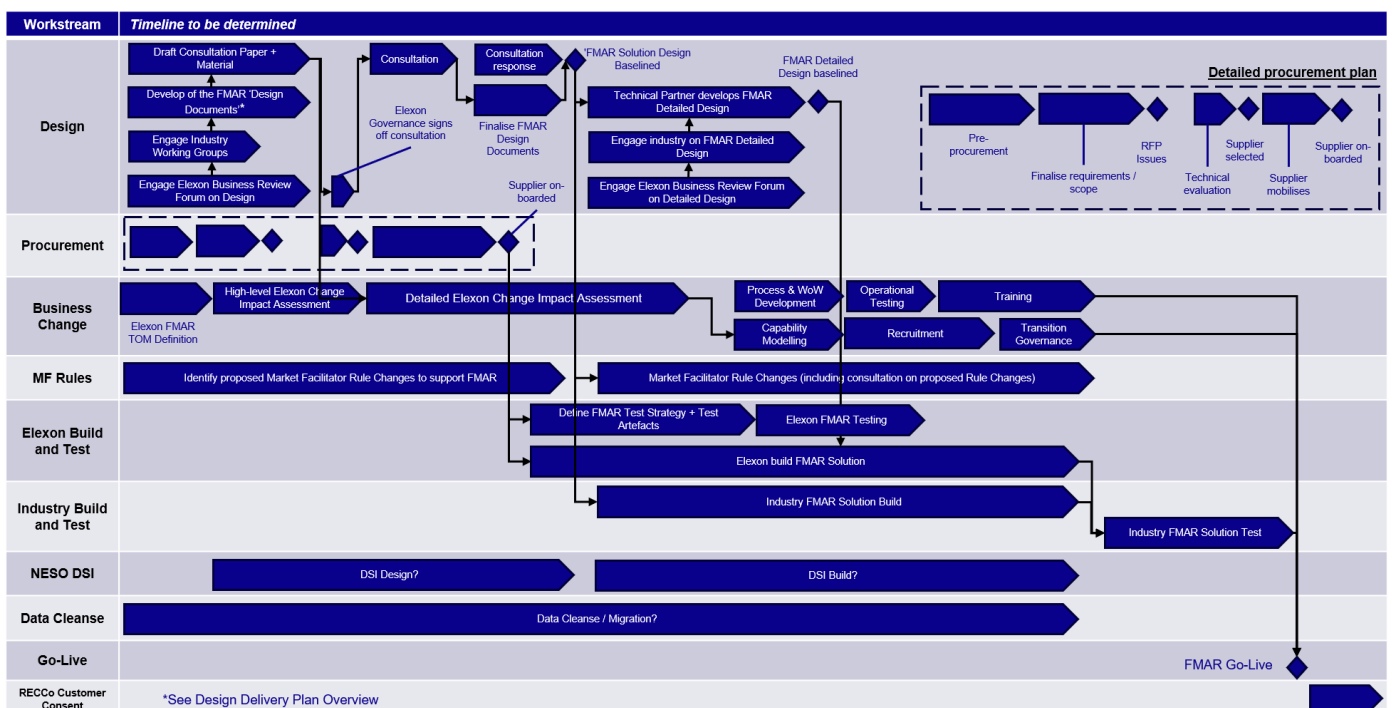


Figure 5: FMAR Critical Path Logic as of 18 May 2026

The Programme focus has been on the robust planning of the design phase, as this is the early driver for the critical path for the Programme as a whole. The design has been broken down into constituent elements to progress with stakeholder review and input through working groups, supplemented by workshops and bilateral engagement, through the development process. The outcome of the design development process is an open consultation on all elements of the design in September 2026, followed by consideration of responses and baselining the design in November 2026.

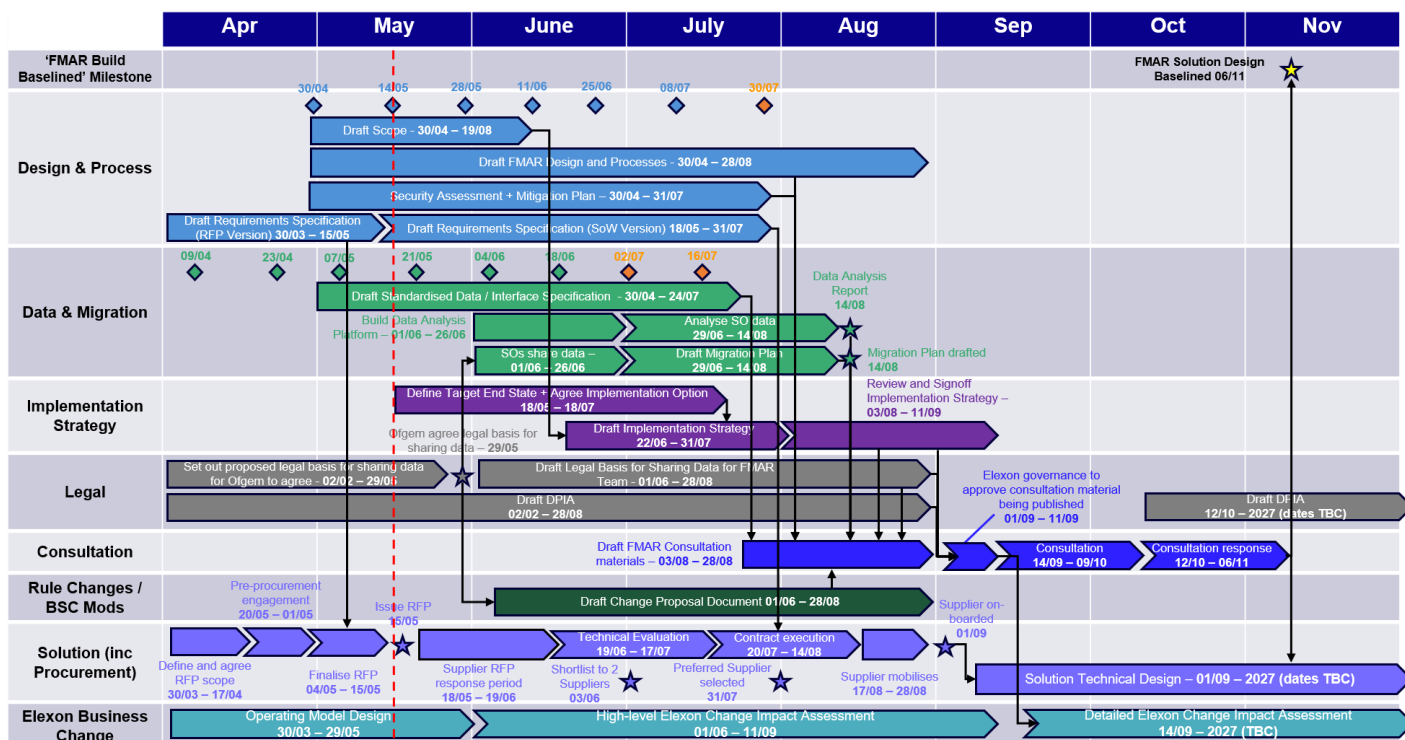


Figure 6: Design Delivery Plan Overview as of 18 May 2026

## Consistency with FMAR decision scope and Q3 2027 delivery date

Ofgem's [FMAR decision document in March 2025](#) set out the solution data scope, asset scope, design principles, and functional outcomes (including high-level non-functional requirements). This is being further developed through the design development process, and the latest position on the design is presented later in the report.

At this point, we cannot put dates to the critical path as we need to assess the following conditions:

- Confirm the day 1 solution through the design process to a point where it can be considered stable
- Determine how long it will take for the solution supplier to deliver the system for the day 1 solution
- Consult with industry parties and Elxon on their delivery timescales to be ready for day 1 Go-Live
- Define the broad scope of industry testing, and therefore, what timing assumptions can be made for testing.

There are windows set aside for testing within the end-to-end plan, as per the acceptance criteria for Deliverable 6 from Ofgem, and the timings for these windows will be defined once the conditions above are better understood.

Elxon remains committed to delivering FMAR in September 2027 and we are following a process to evidence this through programme planning with projected timelines and key dependencies defined in an end-to-end plan. To deliver the end-to-end plan with committed timelines, we are addressing the points above by:

- Delivering the plan for the design, as defined above
- Engaging potential suppliers early and iteratively to estimate FMAR system delivery timings
- Developing a request for information to industry parties to reflect their delivery timescales
- Having planned test strategy activities to inform timing assumptions for testing.

## Is the programme on track?

We have established progress tracking within the FMAR Programme to monitor the delivery of the design delivery plan against the dates set out above and budget through internal governance and to our FMAR Programme Board. As at the time of publication, we have identified a number of delivery risks set out in a section below. We continue to:

- Plan with the best information we have at the time and revise the plan with improved assumptions
- Proactively manage risks, assumptions, issues, and dependencies to maintain progress and take appropriate mitigation and resolution action to stay on track.

We are not currently tracking progress against dates in the end-to-end plan, as we need the conditions set out above before we can set dates in the end-to-end plan. We know the logic and the critical path end-to-end, but it would not be prudent at this point to set dates into that plan until we have a higher degree of certainty about the timescales.

## Registration processes and alignment

Ofgem Defined Deliverables and Assessment Criterion:

| Deliverables                                                                                                             | Assessment Criteria                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| 2. Design key steps of common Flexible Market Asset Registration processes for DSOs and alignment with NESO requirements | Does the common process support both DSO and NESO asset registrations and support FMAR digital infrastructure design? |

### Proposed common registration process as of 31 March 2026

We engaged with all DNOs/DSOs, their platform providers, NESO and selected FSPs DSOs to document the current registration processes and the challenges and issues with those processes. A proposed common registration process, as set out below, was an output from that work which supports both DSO and NESO asset registrations. The proposal includes:

- New steps to support FMAR digital infrastructure (shown by blue boxes in the process diagram)
- Updating and separating existing Pre-Qualification Criteria (PQC) criteria into a common set of standard FSP data (PQC commercial) and asset data (PQC technical)
- A new activity for asset reallocation.

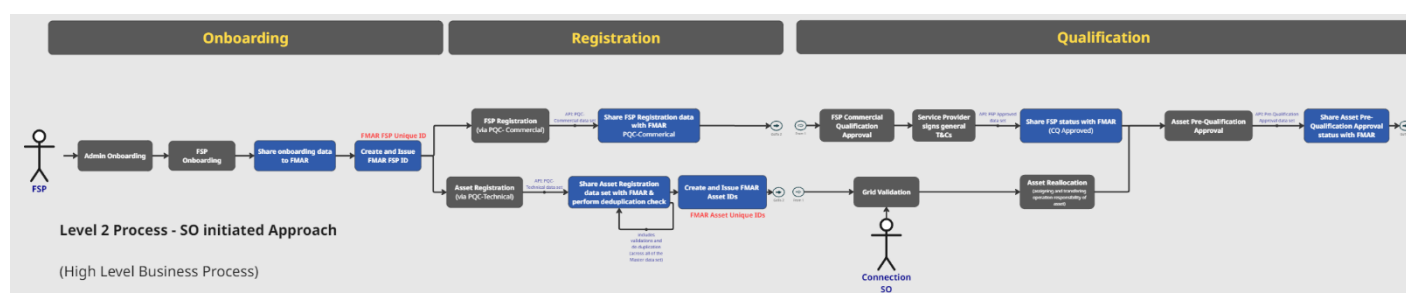


Figure 7: Proposed Common Registration Process as of 31 March 2026

### Further development of the common registration process

The common registration process proposal above was reviewed with FSPs, DNOs and platform providers in April before review in the April design working group. This process received support from participants and will now form part of the design content to be further progressed to industry consultation, as per the design delivery plan above.

The data to support this process has been defined and reviewed with the Data Working Group, including common data definitions, a conceptual data model, data life cycles, and editable data and data mastership for all DNO and NESO data in scope of FMAR. A Request for Information (RFI) was issued to give the working group more time to review the documents and provide feedback, and this will form part of the development of the standardised data design document.

A proposal for NESO Alignment was sent to NESO in May 2026 for review and feedback as part of the development process and alignment is being progresses with NESO.

### FMAR scope refinement and meeting stakeholder needs

Ofgem Defined Deliverables and Assessment Criterion:

| Deliverables                                                                                                                          | Assessment Criteria                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. Refining of scope for markets, data, and assets, and of design principles, functional requirements and non-functional requirements | Do the refined scope, design principles, functional requirements and non-functional requirements meet stakeholder needs and the latest sector developments? |

## Statement of refined scope as of 31 March 2026

The scope of markets, data, assets, and activities was refined through a discovery phase in Q1 2026 that included bilateral meetings with all DNOs, all platform providers, NESO, selected FSPs, and other stakeholders.

|                                                                                                                  |                                                                                                                                                                           |                                                                                                                                        |                                        |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Data Standard and Governance                                                                                     | FMAR Digital Infrastructure to store/share data                                                                                                                           | Aligned SOs Registration Business Processes                                                                                            |                                        |
| Standardised Data Specification, including data catalogue, interface catalogue, and data governance requirements | <ul style="list-style-type: none"><li>One single source of truth that enables data de-duplication and data sharing</li></ul>                                              | A common market entry process that support both DSO and NESO FSP and asset registration and support FMAR digital infrastructure design |                                        |
| Scope of registration activities                                                                                 |                                                                                                                                                                           |                                                                                                                                        |                                        |
| Onboarding                                                                                                       | FSP registration                                                                                                                                                          | Asset Registration                                                                                                                     | Visibility of FSP/Assets relationships |
| Scope of Markets and Assets                                                                                      |                                                                                                                                                                           |                                                                                                                                        |                                        |
| Markets                                                                                                          | NESO                                                                                                                                                                      | Assets:                                                                                                                                |                                        |
| DNOs – All                                                                                                       | <ul style="list-style-type: none"><li>SMP: BM: Secondary and additional supplier unit (wider access)</li><li>SMP: NBM Reserve, Response</li><li>DFS</li><li>LCM</li></ul> | <ul style="list-style-type: none"><li>All assets in the scope of services that are DNO connected</li></ul>                             |                                        |

Figure 8: Scope refinement as of 31 March 2026

## Meeting stakeholder needs and latest sector developments

Through the discovery phase of FMAR, including research and the workshops and engagement activities highlighted above, Elexon identified which flexibility markets are suitable for small assets, how the existing process in each market works, what future developments might affect these markets and what pain points exist in the current processes.

| 1- Lack of data/process standard                                                                                                                                                                                                                                 | 2- Duplication of the data entry                                                                                                                                                  | 3- Integration with different platforms                                                                                                                              |                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Each DNO/platform uses different forms, fields and formats</li><li>• Integrations must be rebuilt from scratch for each DNOs</li><li>• Process is different per DNO</li></ul>                                            | <ul style="list-style-type: none"><li>• Same asset must be registered multiple times per market.</li><li>• Duplication of the same FSPs and assets on the same platform</li></ul> | <ul style="list-style-type: none"><li>• Integration with many different platform</li><li>• Frequent platform changes by DNOs → forces full re-integration,</li></ul> |                                                                                                                                                       |
| 4- Unreliable Platforms and APIs                                                                                                                                                                                                                                 | 5- Customer Journey                                                                                                                                                               | 6- Scalability                                                                                                                                                       | 7- Visibility of FSP/Assets Relationship                                                                                                              |
| <ul style="list-style-type: none"><li>• Bulk upload processes unreliable — CSV failures</li><li>• Inconsistent template rules</li><li>• Unreliable data exchange: takes over an hour to load assets", "system crashes",</li><li>• Lack of reliable API</li></ul> | <ul style="list-style-type: none"><li>• High manual effort</li><li>• Entire-batch rejection</li><li>• Rate limits</li></ul>                                                       | <ul style="list-style-type: none"><li>• Some of the existing platforms are not designed for millions of assets</li></ul>                                             | <ul style="list-style-type: none"><li>• No current visibility of asset owner</li><li>• Disputes takes a long time due to lack of visibility</li></ul> |

Figure 9: Stakeholder pain points

These stakeholder-identified pain points have been key in driving the further development of the design.

In terms of latest sector developments, liaison continues with the DSI team and wider industry to understand the dependencies and links to FMAR.

## Further development of refined scope

Refined versions of the design principles and requirements (functional and non-functional) are in internal development within Elexon and will be subject to further development, stakeholder review, and iteration within the design development process to the point where they will form part of the design consultation and design baseline.

## FMAR high-level design

Ofgem Defined Deliverables and Assessment Criterion:

| Deliverables                                                                                                                                | Assessment Criteria                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. High-level design of digital infrastructure, including machine interfaces for collection and access to data, and a data storage solution | <p>Does the high-level design fulfil the design principles, functional requirements and non-functional requirements as refined in Deliverable 3 outlined above? High-level design should include reference architecture, overarching enterprise architecture and key FMAR processes.</p> <p>Is the high-level design developed in close collaboration with NESO, to fulfil any requirement as a DSI use case, and align with the most recent update of the DSI governance framework?</p> <p>Has an initial trust framework policy or process been developed for FMAR?</p> <p>Has the high-level design been formally signed off by Ofgem?</p> |

### Progress and Status of High-Level Design as of 31 March 2026

As of 31 March, Elexon was considering two high-level design options set out below and was continuing to examine these options with stakeholders:

- SO Market Led option
- FSP-led option including DSI integration.

Original proposals on how FMAR could work with DSI were communicated in late January 2026, and further refinement of proposals has been developed in both documentation and technical sessions. The integration of DSI into the options set out above has been a key consideration in selecting a preferred high-level design option.

### Further Development of High-Level Design and Digital Infrastructure

Following an assessment of the options at Elexon, the proposed High-Level Design is to integrate FMAR via SO market platforms and to provide direct access to FMAR for FSPs via API only. Under this design, FSPs can access FMAR directly via API only and those FSPs without API will access FMAR through the SO platforms using a User Interface (UI). The proposed asset registration process is implemented separately by each SO platform (with the SO platform integrating with FMAR to retrieve and update FMAR data).

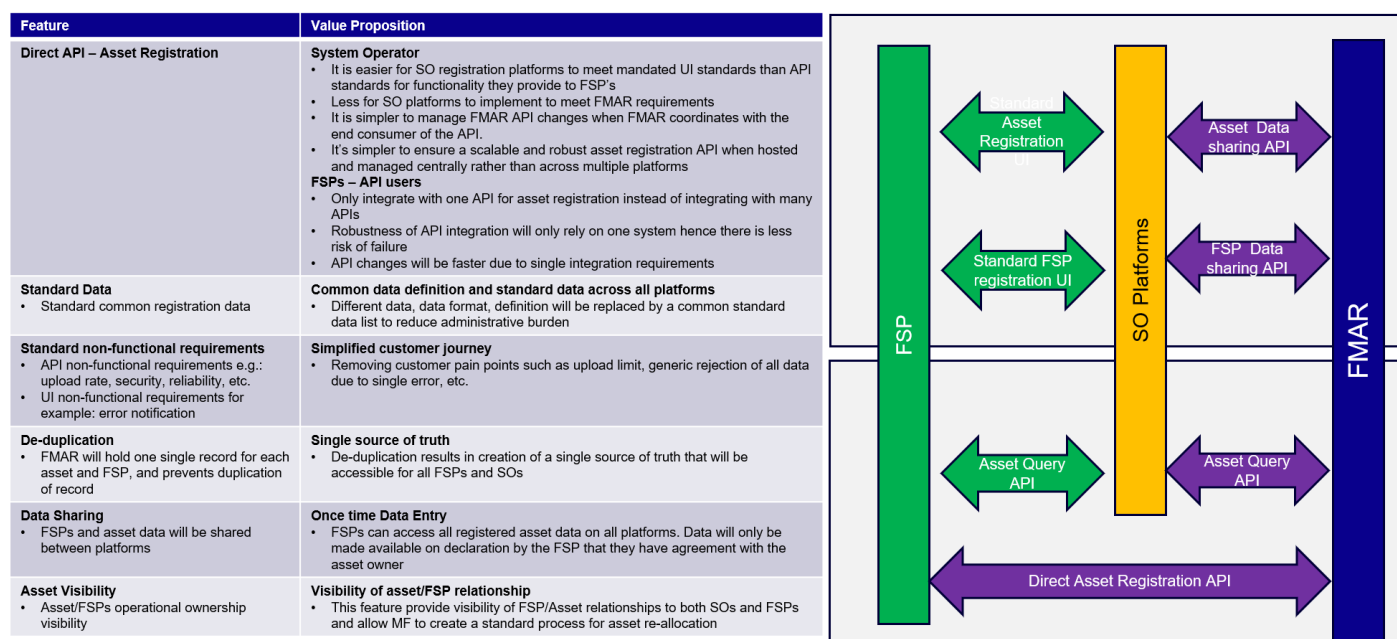


Figure 10: Proposed Digital Infrastructure High-Level Design

This proposed high-level design is to be reviewed, challenged and further developed through the Design and Process Working Groups defined in the design delivery plan.



The DSI teams have been working on aligning the FMAR and DSI roadmaps and timelines in April and May 2026 based on a proposal provided by the Elexon FMAR team, including a jointly developed trust framework. Elexon intends that DSI is responsible for establishing and managing trust between any party integrating with FMAR. This is facilitated through all parties, including FMAR, being trusted by DSI. This model needs to be reviewed through the design development process set out above, and DSI infrastructure delivery is likely to be a key dependency for FMAR.

The current high-level design has not been signed off by Ofgem and will be subject to more development through the design process before it is ready. Elexon will sign off the FMAR design after consultation and will keep Ofgem informed throughout the development process to ensure alignment with Ofgem expectations and desired outcomes.

## Design principles fulfilment

Below is an assessment of how the design principles set out by Ofgem are fulfilled by the proposed high-level design:

| Design Principle                                              | How High-Level Design Options Meet Design Principles to meet stakeholder needs and market developments                                                                                                                               |
|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Design Principle 1 – Quality Performance and Usability        | User experience will be considered as part of design development and consultation. FMAR will implement secure, robust, and performant APIs.                                                                                          |
| Design Principle 2 – Timely and Pragmatic Delivery            | The procurement approach and end-to-end plan logic supports timely and pragmatic delivery. The use of DSI in the proposed design aids future extensibility, as all parties' systems can gain access to FMAR via DSI integration.     |
| Design Principle 3 – Cost-Effectiveness                       | Cost effectiveness will be considered as part of the design development and consultation.                                                                                                                                            |
| Design Principle 4 – Scalable and Flexible                    | Designs will include extensibility in data and performance. Future performance will be designed without incurring initial high operational costs. This can be achieved by leveraging the scalability of Cloud-hosted infrastructure. |
| Design Principle 5 – Secure, Resilient, and with Data Privacy | Security controls need to be established and threat modelling conducted so that the appropriate level of security can be implemented at the appropriate time.                                                                        |
| Design Principle 6 – Competitive and Innovative               | Elexon works with several providers capable of building and supporting either of the current options, in line with the procurement approach.                                                                                         |

*Table 5: How FMAR Design Principles are met*

As highlighted above, refined design principles and requirements are subject to further development during the design process, thereby demonstrating traceability of those deliverables to the high-level design.

## Consultation and change request for common processes

Ofgem Defined Deliverables and Assessment Criterion:

| Deliverables                                                                                                                                                                  | Assessment Criteria                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. Consultation and publication of the DSO/NESO common elements of Flexibility Market Asset Registration processes and Change Proposal raised in the Flexibility Market Rules | Is the consultation and publication conducted in appropriate manner, with sufficient feedback opportunity from stakeholders?<br>Is stakeholder feedback sufficiently taken into account? |

## Consultation, stakeholder feedback, and publication as of 31 March 2026

The discovery phase in Q1 2026 included several workshops and bilateral meetings to share proposals and gather feedback from stakeholders. The main driver through the discovery phase was to refine scope and design, understand and capture existing processes and pain points, and gather future development opportunities for flexibility markets.

This included engagement with:

- DNOs and market platforms providers in bilateral meetings and workshops
- Fortnightly meetings with NESO, particularly their SMP and DFS teams.
- Bilateral meetings with selected FSPs
- Meetings with the DSI team.

## Further stakeholder engagement

Extensive stakeholder engagement has been planned through the design development plan above through the Design and Process Working Groups, Data Working Groups, workshops, and bilateral stakeholder engagements, followed by an open consultation before the FMAR design is baselined. The step-up in formal governance groups and planning provides the optimum opportunity for stakeholder input to developments.

Development work within the Working Groups has been planned to populate the constituent elements of the deliverables that will form the design; therefore, stakeholder input is targeted and outcome driven. After consultation, all stakeholder feedback will be considered as part of the final process to baseline the design. A Change Proposal to incorporate processes into the Flexibility Market Rules is planned, but this will follow baselining of the design so that the Flexibility Market Rules reflect the baselined design.

## FMAR successes and areas for improvement

As for market facilitator, as part of our quarterly reporting to Ofgem on 31 March 2026, we identified a set of key successes and areas of improvement identified in our FMAR development work to date:

### FMAR successes

What went well:

- The design team was created, and governance and resources were set up
- Two working groups have been created, one on Data Standards and one on Digital Design / common business processes
- DSI feasibility study was carried out, and we are now looking at creating a proposal together with the DSI team
- Two rounds of engagement with all SOs, market platform providers and FSP (the second one open to all FSPs)
- Design phase planned timeline was set out (and is being verified through further detailed planning)
- Pain points and priorities were investigated with stakeholders
- The scope of user, markets, and assets was defined (to be approved in consultation).

### FMAR areas for improvement

What could have gone better:

- A better definition of the detailed plan and of engagement opportunities
- Clarifying overarching design and delivery options has been more complex than anticipated but is now stabilising.

Issues/Blockers/Risks:

- Issues – resourcing challenges have impacted short-term activities
- Risks – response time from SOs (especially DNOs) is very long, which can put the delivery plan at risk
- The delivery scope order and approach are still being clarified based on the readiness of dependent systems and industry responses.
- Day 1 features will be established as part of the delivery plan because of Consultation
- Delivery schedule relies on SOs, DSI and FSPs

## FMAR Ofgem observations, Elexon actions and progress to date

We presented the above successes and areas of improvement to Ofgem and identified further observations with actions to take with identified owners within Elexon, which are being progressed within Elexon as below:

| Observation                                                                                                                                      | Actions                                                                                                                                                                                                                                                                                                                                                                           | Progress to Date                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Quality of reporting and information fed to Ofgem needs to improve, not at the standard of MF                                                    | Use increased PMO capability to prepare for Ofgem FMAR fortnightly meetings with comprehensive updates and artefacts.                                                                                                                                                                                                                                                             | PMO capability increased. Reporting template to Ofgem updated with comprehensive updates.                                                                                                                                                                                                                                                                                             |
| Until recently, it has not been clear that adequate capability / capacity was being assembled for the delivery of FMAR                           | Onboard additional Architecture, BA roles to overcome existing bottlenecks and accelerate progress. Drive an accelerated procurement approach.                                                                                                                                                                                                                                    | Some additional design resources were deployed but more are required. Accelerated procurement plan approach and plan in place.                                                                                                                                                                                                                                                        |
| Awaiting clarity on scope / value proposition                                                                                                    | Prepare a clear statement of the overall scope, the proposed value proposition for Sept 2027, and the assumptions on industry progress to support the preferred scope.                                                                                                                                                                                                            | Scope and value propositions were reviewed in the working group, but further work is required. Implementation strategy work initiated.                                                                                                                                                                                                                                                |
| Yet to see E2E plan demonstrating confidence in Sept 2027 date                                                                                   | Detailed, evidence-based plan for reaching Design completion and consultation with key risks and assumptions by the end of April. Assumptions-based E2E plan outlined by the end of May.                                                                                                                                                                                          | Design delivery plan in place with key RAID. E2E plan still requires key assumptions and conditions to be met to add dates with confidence.                                                                                                                                                                                                                                           |
| If full scope will not land on Sept 27, clarify the plan and the expected dates for the remainder of the scope                                   | Assumptions-based E2E plan: some key assumptions will be tested as Design Working Groups are conducted, while others will only begin to be addressed as external parties respond to the Design consultation and conduct their own impact assessments. We will build out the phasing of the E2E plan as assumptions are tested, and provide a roadmap as part of the consultation. | Implementation strategy work initiated to consider FMAR end state and staggered implementation options and approach.                                                                                                                                                                                                                                                                  |
| Given Ofgem do not have technical capability, set up a technical Industry Oversight capability to oversee design and delivery                    | Set up additional FMAR industry advisory governance using industry experts and key stakeholders                                                                                                                                                                                                                                                                                   | Technical Advisory Group established with the first meeting on 18 May, with Terms of Reference distributed with agenda and key discussion items.                                                                                                                                                                                                                                      |
| Initial feedback on engagement with industry was that it was not well coordinated, and that recent FSP / SO engagements have been an improvement | Additional PMO to support Design working groups and consultations. Publish a forward plan for the working group and consultation scope and content to stakeholders to provide clarity on expectations in advance.                                                                                                                                                                 | Structural change to Programme governance has been established (including two-weekly working groups), and an enhanced engagement resource has been deployed to improve engagement. Internal Elexon Business Review Forum has been set up and is operating, which allows Elexon functional leads an opportunity for challenge and endorsement of materials being shared with industry. |

*Table 6: Market Facilitator Ofgem Observations, Elexon Actions and Progress to Date*

We will continue to work on continuous improvement activities, and we are strengthening our programme management and associated strategic RAID management to identify actions early to focus on delivery.

## Key FMAR Risks, Assumptions, Issues and Dependencies (RAID)

### Strategic RAID

Based on detailed identification and management of individual RAID items, we are also taking a top-down approach to RAID management, in accordance with good practice, and the key strategic themes of RAID are described below.

| Theme                                                | Risk statements                                                                                                                                                                                                                                                                                                                                                                              | Programme actions                                                                                                                                                                                                                                                                                                                                   | RAG (Trend)                                                                                        |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| <b>Design Maturity and Design Governance</b>         | <ul style="list-style-type: none"> <li>There is a risk that the FMAR solution design is not sufficiently mature, documented, or consistently agreed across Elexon, Ofgem, and industry in time to support consultation and downstream delivery, resulting in late rework, challenge during consultation, or misalignment between intended outcomes and the solution delivered.</li> </ul>    | <ul style="list-style-type: none"> <li>Strengthen end-to-end internal Elexon design governance through the Business Review Forum.</li> <li>Ensure Working Group materials are drafted to be directly transposable into design documents</li> <li>Actively track progress of design components against consultation readiness milestones.</li> </ul> | <br>(Improving) |
| <b>Planning Confidence and Critical Path Control</b> | <ul style="list-style-type: none"> <li>There is a risk that FMAR planning does not provide sufficient confidence in delivery timelines because assumptions, dependencies, and sequencing are not yet fully evidenced, reducing the programme's ability to control progress to consultation. Clarity on the impact of data plan on the critical path (incl DPIA) is also required.</li> </ul> | <ul style="list-style-type: none"> <li>Reset planning around evidence-based milestones</li> <li>Explicitly surface assumptions and dependencies</li> <li>Align design, engagement, and governance activities to a single integrated critical path with clear ownership.</li> </ul>                                                                  | <br>(Improving) |
| <b>Industry and Internal Stakeholder Readiness</b>   | <ul style="list-style-type: none"> <li>There is a risk that internal Elexon teams and external industry parties do not have the capacity to consistently engage or sufficiently prepare for FMAR, resulting in low-quality design input, reduced implementation readiness, and increased resistance or challenge during consultation and delivery.</li> </ul>                                | <ul style="list-style-type: none"> <li>Improve stakeholder mapping and engagement cadence</li> <li>Track Working Group attendance and follow-up proactively</li> <li>Use the FMAR roadmap as a consultation tool to test industry capacity, capability, appetite and readiness rather than as a committed delivery plan.</li> </ul>                 | <br>(Improving) |
| <b>Procurement and External Dependency Alignment</b> | <ul style="list-style-type: none"> <li>There is a risk that FMAR procurement and key external dependencies (including DSI and customer consent arrangements) are not sufficiently aligned with design maturity and programme timelines, leading to procurement challenge or supplier misalignment.</li> </ul>                                                                                | <ul style="list-style-type: none"> <li>Engage potential technical partners early</li> <li>Clearly communicate the rationale for the procurement approach</li> <li>Actively manage dependencies with NESO and RECCo to understand and mitigate impacts on FMAR milestones.</li> </ul>                                                                | <br>(Improving) |

Figure 11: FMAR strategic RAID themes as of 18 May 2026

We will continue to manage RAID with senior stakeholders on a proactive basis from a top-down strategic perspective, as well as bottom up, to ensure progress and take appropriate mitigation and resolution actions to stay on track.