Market Facilitator and Flexibility Market Asset Registration (FMAR) annual performance assessment report 2025-26

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The Market Facilitator role and FMAR have been created to align local and national flexibility markets to reduce barriers to entry and friction and unlock the full value of flexibility.

Performance arrangements are a key part of the Market Facilitator and FMAR governance framework. Ofgem formally assesses Elexon's performance on Market Facilitator and FMAR on an annual basis and publishes a report by 31 July each year.

This is Ofgem's first performance assessment report covering the period of transition from the previous arrangements and the first few months of Market Facilitator operations from 12 December 2025 to 31 March 2026.

Our assessment has been informed by a stakeholder survey, a report from the Stakeholder Advisory Board (SAB) and a self-assessment report from Elexon.

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Foreword

Flexibility will play a critical role in delivering a clean, secure and affordable electricity system. However, these benefits will only be realised if the sector can move beyond ambition and deliver the market arrangements, governance and digital infrastructure needed to support flexibility at scale. The Market Facilitator and FMAR were established to help provide these foundations and are therefore important enablers of the broader vision set out in the Clean Flexibility Roadmap.

This performance assessment places particular emphasis on deliverability. We have seen encouraging progress in the establishment of the Market Facilitator role and in the development of FMAR. However, the next phase must be characterised by delivery confidence, clear prioritisation and demonstrable progress against key milestones. FMAR is not simply another programme within the flexibility landscape. It is a critical piece of market infrastructure that underpins transparency, coordination and the efficient operation of flexibility markets. Success will ultimately be measured not by the quantity of engagement undertaken or the robustness of the governance processes established, but by whether the intended outcomes are delivered and whether industry can have confidence in the plans, decisions and milestones required to get there.

The Market Facilitator was deliberately designed to support alignment and progress where competing interests and differing views exist. Stakeholder engagement remains essential and decisions should continue to be informed by evidence and industry expertise. However, the objective is not consensus. The objective is delivery. As flexibility markets mature and FMAR moves towards implementation, difficult choices will inevitably be required. We therefore expect Elexon to continue operating in an open, transparent and collaborative manner while also providing leadership, making timely decisions and maintaining momentum. Delivering flexibility at the pace required for Clean Power 2030 demands both effective engagement and the confidence to act.

Marzia Zafar

Deputy Director - Digitalisation, Innovation and Decentralisation

Energy Systems Design and Development

Executive summary

As part of the Market Facilitator and FMAR performance arrangements, Ofgem undertakes an annual assessment of Elexon's performance.

This first performance report assesses the period of transition from the previous arrangements and live operations from 12 December 2025 up to and including 31 March 2026.

Market Facilitator performance

1	2	3	4	5
Very Poor	Poor	Average	**Good**	Very Good

We have assessed Elexon's performance delivering Market Facilitator (not including FMAR) as **4 out of 5** which is classified as **Good**.

Elexon has performed well in establishing the Market Facilitator role, delivering a smooth transition from previous arrangements and building constructive relationships with industry stakeholders. However, stakeholders consistently highlighted opportunities for the Market Facilitator to strengthen its strategic leadership role, focus more explicitly on outcomes and priorities, and reduce the burden placed on stakeholders through engagement activities.

Ofgem recommendations

1. **Recommendation 1: Strengthen strategic leadership and articulate a clearer vision for success.** We want the Market Facilitator to embrace its strategic leadership function, ensuring it is meeting its objective to reduce barriers to flexibility market entry and participation. It needs to clearly set out its vision and take stakeholders with them.
2. **Recommendation 2: Shift from process-led delivery towards outcome-led prioritisation.** We want the Market Facilitator to undertake a mindset shift and remember that we have empowered it to be a decision-maker. The Market Facilitator must focus on outcomes over process and outputs. We note the Market Facilitator is currently carrying out reprioritisation of its two-year delivery plan. This is important to ensure that changes and workstreams which deliver the most impact are prioritised, and amendments to the plan and schedule are communicated to stakeholders.
3. **Recommendation 3: Reduce stakeholder burden through more targeted and proportionate engagement.** We want the Market Facilitator to consider how to make better use of stakeholder resources, from both smaller and larger organisations, to support agility and delivery at pace. Although

collaboration is important, the level of stakeholder input needs to be proportionate, and the Market Facilitator should consider the best approach, particularly for non-contentious issues.

FMAR performance

1	2	3	4	5
Very Poor	**Poor**	Average	Good	Very Good

We have assessed Elexon's performance in delivering FMAR as **2 out of 5**, which is classified as **Poor**.

While Elexon has taken steps to strengthen programme governance, resource capability and delivery structures, and has made progress in areas such as scope refinement, common registration processes, data standards and high-level architecture development, this progress has not yet translated into sufficient delivery confidence. Several key deliverables remain incomplete, important elements of the Day 1 solution are still under development, and stakeholder confidence in the programme remains low.

Our assessment identified recurring concerns regarding the lack of a clear and compelling vision for FMAR, weaknesses in delivery planning, ongoing uncertainty around key design and implementation decisions, and limited transparency regarding how stakeholder feedback influences programme outcomes. These concerns were consistently raised across stakeholder survey responses, the SAB report and Elexon's self-assessment, giving us confidence that they represent substantive delivery challenges rather than isolated viewpoints. Without addressing these issues, there is a significant risk that stakeholder confidence, industry readiness and overall delivery effectiveness will continue to be undermined. We recognise that some progress on these areas has been made since 31 March 2026. However, this falls outside the scope of the present assessment.

Ofgem recommendations

1. **Recommendation 1: Strengthen strategic leadership and articulate a clearer vision for FMAR delivery**. Elexon should adopt a more strategic and outcome-focused approach to FMAR, clearly setting out the intended end-state, Day 1 scope, expected benefits and how delivery decisions support programme objectives. This should provide stakeholders with greater confidence in FMAR's direction and the value it is intended to deliver.
2. **Recommendation 2: Improve the pace and effectiveness of delivery.** Elexon should move more quickly from design and engagement activities into

tangible delivery outcomes. This includes demonstrating clearer progress against milestones and providing greater confidence that FMAR remains on a credible path to delivery by 30 September 2027.

3. **Recommendation 3: Improve transparency around decision-making and stakeholder engagement outcomes.** Elexon should improve transparency by clearly communicating how stakeholder feedback has informed decisions, the rationale for key design choices and the trade-offs considered. This should help build confidence in both the programme and its governance.

Performance assessment process

The process and arrangements are set out in the Market Facilitator Governance Framework Document.

Our assessment was informed by feedback provided in responses to our stakeholder survey, a report from the SAB and a self-assessment report submitted by Elexon.

We also held an in-person performance review meeting at Ofgem's London offices on 18 June 2026 with senior representative from Elexon's Market Facilitator and FMAR teams. This was to discuss feedback received and to provide Elexon with an opportunity to respond.

Next steps

The next formal performance assessment is due to take place after the end of regulatory year 2026/27. We will conduct an informal performance review in early October to cover the six-month period from 1 April 2026 to 30 September 2026.

1. Background and context

Section summary

In this section we set out the background and context to the Market Facilitator and FMAR delivery body performance arrangements. We then explain how we have assessed Elexon's performance for the transition period and first three months of live operations.

Context

1.1 Elexon is the Market Facilitator and FMAR delivery body.

1.2 The Market Facilitator is a single expert entity with a mandate to grow and develop local flexibility markets and align local and national flexibility market arrangements. It is also developing and delivering the FMAR digital infrastructure.

1.3 In practice the Market Facilitator is responsible for aligning rules, processes, standards and services to reduce friction and increase liquidity in flexibility markets. These rules, processes, standards and services are defined in Flexibility Market Rules (FMRs) which the Market Facilitator publishes and which Distribution Network Operators (DNOs) and National Energy System Operator (NESO) are required to comply with through their licences. FMRs are developed through open, transparent and participatory engagement.

1.4 Since we appointed Elexon as the Market Facilitator, work was undertaken by Ofgem and Elexon to establish the role and transition from the previous arrangements. The Market Facilitator went live on 12 December 2025.

1.5 The Market Facilitator's role in FMAR is to align national and local flexibility market asset registration processes, and to oversee detailed design work for new digital infrastructure to support this.

Governance framework

1.6 The governance framework for the Market Facilitator is set out in the Market Facilitator Governance Framework Document.

1.7 It sets out the scope of the Market Facilitator, Elexon's roles and responsibilities as Market Facilitator and its deliverables, which include:

- Flexibility Market Rules
- Two-year delivery plan (and an annual delivery schedule)
- Implementation tracker
- Strategic advice
- Annual budget

1.8 The Market Facilitator Governance Framework Document also sets out how we assess Elexon's performance.

Market Facilitator performance arrangements

1.9 The Market Facilitator's performance arrangements consist of the following components:

- A reputational incentive framework with no financial incentives or revenue at risk
- A requirement for Elexon to link its senior management performance-related remuneration policy with the Market Facilitator performance assessment
- An annual, evaluative Market Facilitator performance assessment undertaken by Ofgem, with the following assessment criteria:
  - Plan delivery and ambition
  - Stakeholder evidence

Performance objectives

1.10 Elexon's performance objectives for Market Facilitator and FMAR during the period from 1 January 2026 to 31 March 2028 (the first delivery plan period) are set out in paragraph 5.4 of the Market Facilitator Governance Framework Document and summarised below:

1. Objective 1 - by 31 March 2028, Elexon should identify and implement alignment opportunities across all DNO flexibility markets and NESO flexibility markets in scope of the Market Facilitator
2. Objective 2 - by 30 September 2027, Elexon will deliver the FMAR digital infrastructure

Annual performance assessment process

1.11 The annual formal performance assessment process starts shortly after 31 March, at the end of each financial / regulatory year.

1.12 Ofgem's assessment is informed by a stakeholder survey, formal input from the SAB and an Elexon self-assessment report.

1.13 For this first annual performance assessment report, we are assessing the period which includes the transition from the previous arrangements and establishing the Market Facilitator role, and the first three months of operations, from 12 December 2025 to 31 March 2026.

1.14 The stakeholder survey was issued on 30 April 2026 and closed 28 calendar days later on 28 May 2026. We received 26 responses, including from all DNOs, NESO, flexibility service providers (FSPs), platform providers and consultants. The survey was promoted by both Ofgem and Elexon through a number of channels. We wish to thank all stakeholders who took the time to respond to the survey.

1.15 The Chair of the SAB submitted its report to Ofgem on 27 May 2026. The SAB consists of members representing buyers, sellers and enablers of flexibility as well as representatives from organisations including trade associations, Citizens Advice, Department for Energy Security and Net Zero (DESNZ), NESO and Ofgem. A full list of members is included in Appendix B of its report. The Ofgem representative did not input into the SAB's assessment and report. The SAB's report is provided as Annex A to this report.

1.16 Elexon submitted their self-assessment report to Ofgem on 27 May 2026. It is provided as an Annex B to this report.

1.17 The stakeholder survey responses, SAB report and Elexon's self-assessment report are summarised in the following sections on Market Facilitator and FMAR performance feedback analysis.

Q1 2026 performance review

1.18 In addition to the annual performance review process, we also set out in the Market Facilitator Governance Framework Document that we will hold check-ins with the Market Facilitator to assess progress against the delivery plan on at least a quarterly basis.

1.19 In April 2026, we carried out an informal assessment for the period of transition and from Market Facilitator go-live on 12 December 2025 to 31 March 2026.

1.20 This was informed by bilateral meetings with a selected group of key stakeholders and SAB members. These meetings were informal and sought views on what was working well and where there was room for improvement. This feedback was summarised and shared with Elexon in the spirit of collaboration.

1.21 Our informal Q1 2026 report was shared with Elexon and the SAB but not published on our website. It is included as Annex C to this report, for information and transparency.

2. Our performance assessment and recommendations

Section summary

In this section we set out our assessment of Elexon's performance for Market Facilitator and FMAR up to 31 March 2026, including our scores for Market Facilitator and FMAR performance and recommendations for Elexon to implement.

Market Facilitator

1	2	3	4	5
Very Poor	Poor	Average	**Good**	Very Good

Score

2.1 We have scored Elexon's performance as Market Facilitator as 4 out of 5 which we have classified as Good.

2.2 Elexon have performed well establishing the Market Facilitator role and engaging with stakeholders. However, we would like to see improvements in strategic leadership, outcome-led prioritisation and reducing stakeholder burden.

What's working well

2.3 Overall, Elexon has performed well in establishing the Market Facilitator role since being appointed in July 2024, with two key areas to highlight:

1. **Transition and establishing the Market Facilitator role**: Elexon ensured a successful transition from the previous arrangements with no hiatus. They led on the required Balancing and Settlement Code (BSC) changes and developed and consulted on the governance arrangements and Day 1 Flexibility Market Rules to establish the Market Facilitator role and enable go-live on 12 December 2025.

2. **Stakeholder engagement:** The Market Facilitator has undertaken extensive stakeholder engagement, through a number of channels, including bilateral engagement, working groups and workshops and its monthly Flex News e-mail newsletter. The Market Facilitator team are approachable and open to feedback and consider the views of different types of stakeholders.

Room for improvement and recommendations

2.4 Although we are satisfied with Elexon's performance as Market Facilitator so far we have identified three major areas for improvement:

Recommendation 1: Strengthen strategic leadership and articulate a clearer vision for success

2.5 We want the Market Facilitator to be more ambitious and bolder in its strategic leadership role. We want the Market Facilitator to ensure its vision is set out clearly and it leads the sector and stakeholders toward that, with the objective to reduce friction in flexibility market entry and increase participation front and centre. It’s equally as important for the Market Facilitator to articulate its vision to existing stakeholders and those who may be considering entering the market.

2.6 We do recognise that that there was a delay in Elexon recruiting strategic leadership resource, but understand this is now complete so we would expect to start seeing positive impacts in the next few months.

2.7 We encourage Elexon to continue exploring how to best make use of the SAB’s experience and expertise and to not see it as just a mechanism to seek views and advice on the progression of change proposals and issues. There has been good progress on this more recently, which is encouraging and which we would like to see taken further.

Recommendation 2: Shift from process-led delivery towards outcome-led prioritisation

2.8 The Market Facilitator requires a mindset shift to focus on outcomes rather than process or outputs. We are starting to see some evidence of this shift but want to see the Market Facilitator go further.

2.9 Whilst we recognise the importance of good governance and process we have set the Market Facilitator up to be empowered to be a decision-maker. We therefore challenge the Market Facilitator to consider alternative approaches for how they can ensure all views are heard and considered but ensure they are agile and can deliver at pace. This is particularly the case for non-contentious issues where a proportionate approach must be considered.

2.10 We welcome the Market Facilitator reviewing and reprioritising its current two-year delivery plan. As the plan was developed and consulted on prior to go-live in December 2025, it is timely to consider whether changes are required, be that in terms of activities or timescales.

2.11 The Market Facilitator should ensure that its delivery plan and Flexibility Market Rules (new or changes to existing) are supporting the aim of unlocking the full value of flexibility, with workstreams and rules prioritised and progressed to support this aim.

2.12 We recommend that Elexon considers the impact and outcomes of activities on the delivery plan and looks to prioritise those which will deliver most system value sooner.

Recommendation 3: Reduce stakeholder burden through more targeted and proportionate engagement

2.13 We want the Market Facilitator to be collaborative but recognise that this requires a lot of stakeholder resource and input, through workgroups and consultations. This can be an issue for both smaller and larger organisations who may be involved in both Market Facilitator and FMAR workstreams.

2.14 Meetings, including workshops, working groups and the SAB are typically long meetings, with a large number of slides and agenda items to work through. This approach is similar to the process established for code modifications and code panels.

2.15 We would therefore like the Market Facilitator to be explicit on what new change proposal or issue means and what the outcome will be, to be more targeted and to make it easier for stakeholders to understand the impact and therefore decide whether they need should focus their attention on engaging. More generally, we want Elexon to consider how to minimise the time and resource required to engage with Market Facilitator work, including streamlining engagement and considering more creative approaches where possible.

2.16 For smaller organisations, Elexon should utilise and engage with their trade associations (eg Association for Decentralised Energy (ADE): Demand and Energy UK).

FMAR

1	2	3	4	5
Very Poor	Poor	Average	Good	Very Good

Score

2.17 We have scored Elexon 2 out of 5 which we have classified as Poor.

2.18 This reflects significant concerns regarding delivery progress during the period assessed, including several key deliverables remaining incomplete. We recognise that progress has been made since 31 March 2026; however, this falls outside the scope of the present assessment.

What's working well

2.19 Elexon has performed well in the following areas:

1. **Creation of governance structures and resourcing**: Elexon has made progress in establishing the foundations required to deliver FMAR. During the assessment period (up to 31 March 2026), programme governance and delivery capability were introduced, resulting in improved visibility of activities and risks.
2. **Development of scope**: Progress has also been made in refining the scope of markets, assets, and data within FMAR, alongside the development of a proposed common registration process and supporting data standards. Initial

architecture options have been assessed and a preferred delivery approach identified, although significant design development and validation work remains before the solution can be considered mature.

Room for improvement and recommendations

2.20 While Elexon has made progress in establishing the foundations for FMAR, there remains a need for greater clarity around the programme's intended end-state. The scope of the Day 1 solution is still being refined, and important aspects of the design remain under development. This limits stakeholders' ability to assess how FMAR will deliver against its objectives and what benefits will be realised in the initial implementation.

2.21 The programme continues to face significant dependency risks. Successful delivery relies on timely engagement, mutual planning, and delivery with DNOs, NESO, FSPs, platform providers, and the Data Sharing Infrastructure (DSI). Delays or changes within these interactions could impact FMAR delivery timescales and increase implementation risks.

2.22 Stakeholders highlight a risk of timelines being set prior to a solidified scope, creating a risk that decisions are made to meet deadlines rather than to optimise the solution, potentially resulting in a suboptimal or incomplete end-product. At the same time, there are concerns that delays could push delivery too far into the future, limiting the programme's ability to unlock near-term value for the market. We urge Elexon to take the necessary steps to avoid the development of suboptimal outputs, while meeting the agreed timeline.

2.23 Finally, there is a need to ensure that programme governance, planning, and delivery arrangements continue to mature as FMAR moves from design into implementation.

2.24 The recurrence of these themes across Elexon's self-assessment, stakeholder survey responses, and SAB feedback provides greater confidence that they represent genuine areas for improvement rather than isolated concerns. Addressing these issues would strengthen delivery confidence, improve stakeholder trust and engagement, and enhance the overall delivery of FMAR.

2.25 To mitigate against the outlined concerns, we have identified three major areas for improvement:

Recommendation 1: Strengthen strategic leadership and articulate a clearer vision for FMAR delivery

2.26 We want Elexon to place greater emphasis on the long-term outcomes that FMAR is intended to deliver and provide a clearer strategic narrative for the programme. While progress has been made in refining scope, developing registration processes and advancing technical design, stakeholders continue to report uncertainty regarding the programme's intended end-state, Day 1 solution and expected benefits.

2.27 Elexon should clearly set out the scope, objectives, expected outcomes and value proposition for FMAR, demonstrating how individual workstreams, design decisions and delivery priorities contribute to achieving those outcomes. This should include a clearer articulation of what will be delivered by Day 1, the benefits stakeholders should expect, and how the programme supports wider flexibility market objectives.

2.28 A stronger strategic framework will help stakeholders understand not only what FMAR is delivering, but why particular decisions are being made and how success will be measured.

Recommendation 2: Improve the pace and effectiveness of delivery

2.29 We want Elexon to move more quickly from programme design, planning and engagement activities into demonstrable delivery outcomes. Whilst we recognise the importance of effective governance, stakeholder engagement and robust design, stakeholders continue to express concerns about delivery confidence, timelines and the pace of progress.

2.30 Elexon should demonstrate clearer progress against key milestones and provide greater confidence that the programme remains on a credible path to delivery by 30 September 2027. This should include maintaining a strong focus on delivery, ensuring decisions are progressed efficiently and continually reviewing priorities to maximise progress against programme objectives.

2.31 We also encourage Elexon to consider whether existing approaches to governance and engagement are supporting timely delivery and whether more proportionate mechanisms could be used where appropriate to reduce stakeholder burden while maintaining effective input and oversight.

Recommendation 3: Improve transparency around key design decisions and stakeholder engagement outcomes

2.32 We want Elexon to provide greater transparency regarding how stakeholder views influence programme decisions and design choices. Whilst stakeholders generally recognise Elexon's commitment to engagement, feedback consistently indicates uncertainty regarding how comments and concerns are assessed, the trade-offs considered and how final decisions are reached.

2.33 Elexon should clearly communicate the rationale for key decisions, how stakeholder feedback has informed outcomes and how competing considerations have been balanced. This should include greater visibility of decision-making processes, programme priorities and the reasons for changes in direction where they occur.

2.34 Improving transparency will help build stakeholder confidence, strengthen trust in programme governance and provide greater certainty regarding the future direction of FMAR.

Delivery against objectives

2.35 This assessment reflects Ofgem's evaluation of Elexon's performance against the responsibilities and expectations set out in Appendix 1 of the Market Facilitator Governance Framework Document 2026-2028.

2.36 The delivery status has been assessed by considering the extent to which Elexon has demonstrated delivery against these areas, drawing on evidence from Elexon's self-assessment, stakeholder feedback, and Ofgem's own observations.

Table 1 - Ofgem's assessment of FMAR deliverables during the period 1 Apr 2025 to 31 March 2026

	Deliverables	Assessment Criteria	Delivery Status
1	FMAR delivery plan that includes key activities, milestones, and budget	Is the plan robust with sufficient risk assessment and mitigation in place? Is the plan consistent with FMAR decision scope and final delivery target of end of Q3 2027? Is the programme on track?	Not delivered
2	Design key steps of common Flexible Market Asset Registration processes for DNOs and alignment with NESO requirements	Does the common process support both DNO and NESO asset registrations and support FMAR digital infrastructure design?	Partially delivered
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?	Partially delivered

4	High-level design of digital infrastructure, including machine interfaces for collection and access to data, and a data storage solution	Does the high-level design fulfil the refined design principles and requirements from Deliverable 3? Has it been developed with NESO (as interim DSI coordinator) and aligned with DSI? Has an initial trust framework been developed? Has the high-level design been formally signed off by Ofgem?	Partially delivered
5	Consultation and publication of the DNO/NESO common elements of Flexibility Market Asset Registration processes and Change Proposal raised in the Flexibility Market Rules	Is the consultation and publication conducted appropriately, with sufficient feedback opportunity? Is stakeholder feedback sufficiently taken into account?	Not delivered
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? Does it include appropriate piloting and testing windows?	Not delivered

How we reached our view

2.37 Our assessment has been informed by input from the stakeholder survey, SAB report and Elexon's self-assessment report.

2.38 These inputs are summarised in Section 3 and Section 4 of this report for Market Facilitator and FMAR respectively.

2.39 Elexon must consider the list of recommendations and provide feedback to Ofgem on how they are taking these on board and implementing them.

Market Facilitator

2.40 Our assessment covers the period of transition from the previous arrangements up to 31 March 2026, the end of the financial / regulatory year.

2.41 We recognise that in terms of live operations we are only assessing three whole months. However, we are providing our feedback and recommendations so that at this early stage feedback can be taken on board.

2.42 The feedback we've heard from stakeholders, the SAB and Elexon echoes what we heard from the focused stakeholder engagement we carried out for the informal Q1 2026 performance assessment.

FMAR

2.43 To assess delivery against the objectives set out for FMAR up to the end of 31 March 2026, Ofgem has evaluated Elexon's performance against the responsibilities and deliverables specified in Appendix 1 of the Market Facilitator Governance Framework Document 2026-2028. Table 1 in the sub-section above summarises the assessment criteria applied and the resulting delivery status for each deliverable.

2.44 Our assessment is reinforced by both the stakeholder survey responses and the feedback provided by the SAB, with both sources consistently highlighting many of the same strengths, risks, and areas for improvement. Addressing these issues would strengthen FMAR delivery, increase stakeholder confidence, and improve the likelihood of achieving the programme's intended outcomes.

3. Market Facilitator performance feedback analysis

Section summary

In this section we provide a summary of feedback on Market Facilitator performance received from our stakeholder survey, the SAB and Elexon's self-assessment. We summarise views on what went well and where there is room for improvement.

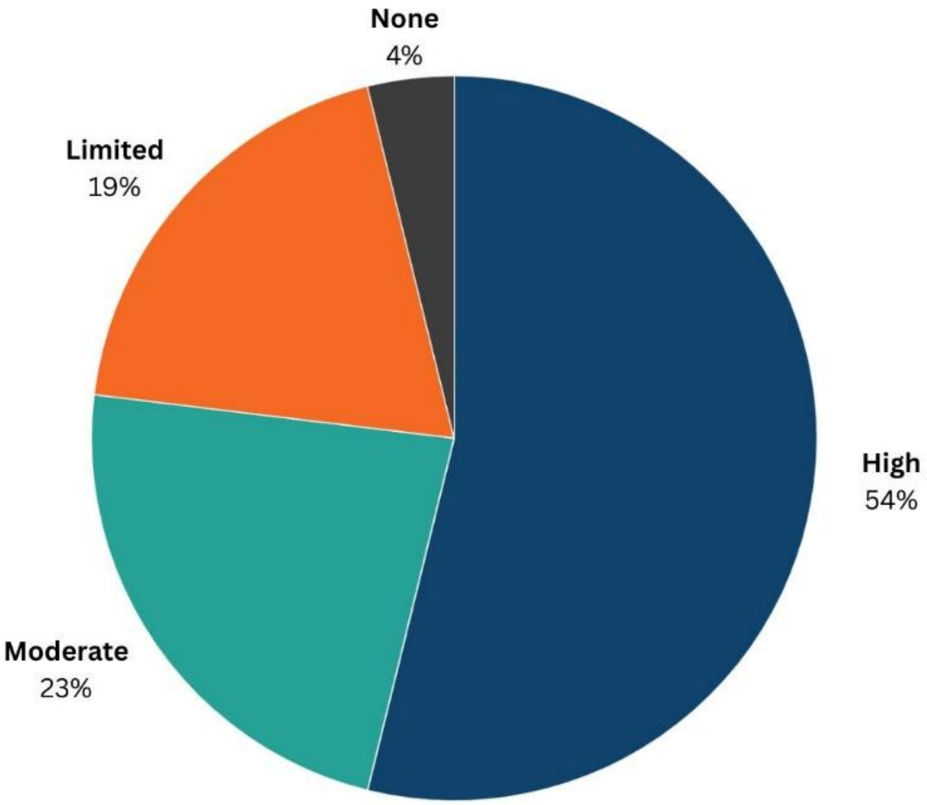
Stakeholder survey

3.1 To seek stakeholder views on Market Facilitator performance we asked seven scored questions and two open questions.

3.2 Please note that percentages in the scored questions may not always total 100% due to rounding.

Scored questions

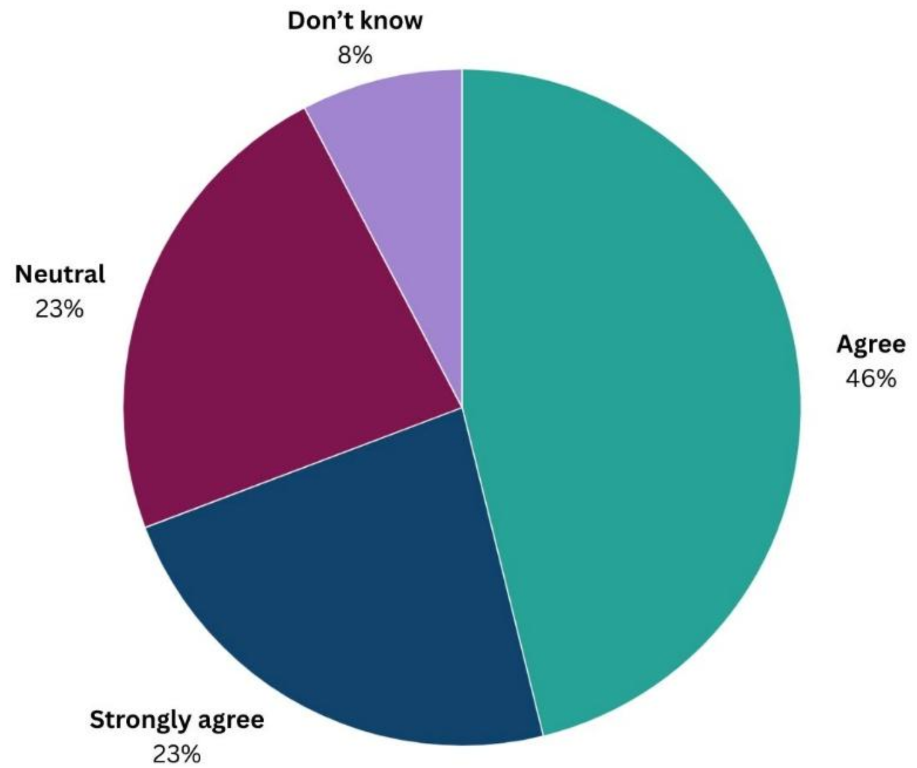
Q1. Which best describes your organisation's level of engagement with Elexon in its Market Facilitator role?



Average score: 3.8 out of 5

3.3 A majority of organisations report a high level of engagement with Elexon in its Market Facilitator role, accounting for approximately 54% of responses. A further 23% describe their engagement as moderate, while 19% indicate limited engagement, suggesting there is still a notable share of stakeholders not deeply engaged.

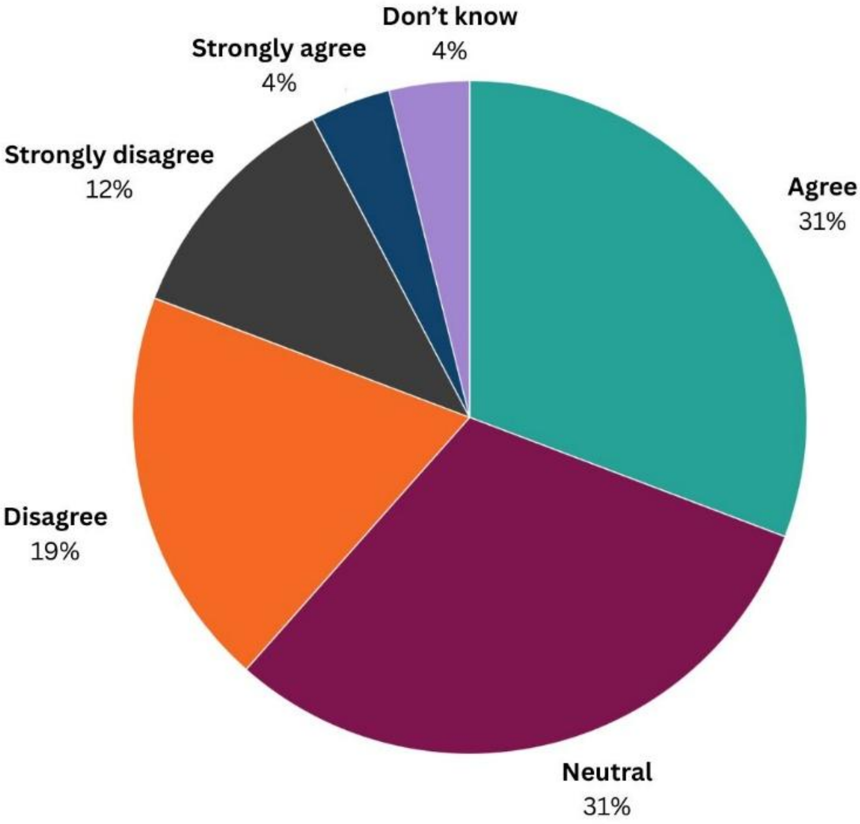
Q2. Elexon has acted as a neutral and trusted facilitator between different stakeholder interests.



Average score: 4 out of 5

3.4 The results indicate that most respondents believe Elexon has effectively acted as a neutral and trusted facilitator, with approximately 69% either agreeing or strongly agreeing with this statement. A further 23% of respondents remain neutral, suggesting that while there is broad confidence, some stakeholders have yet to form a firm view. Only a small proportion (8%) selected “don’t know”, indicating limited uncertainty and overall strong recognition of Elexon’s role in balancing stakeholder interests. None of the respondents disagreed.

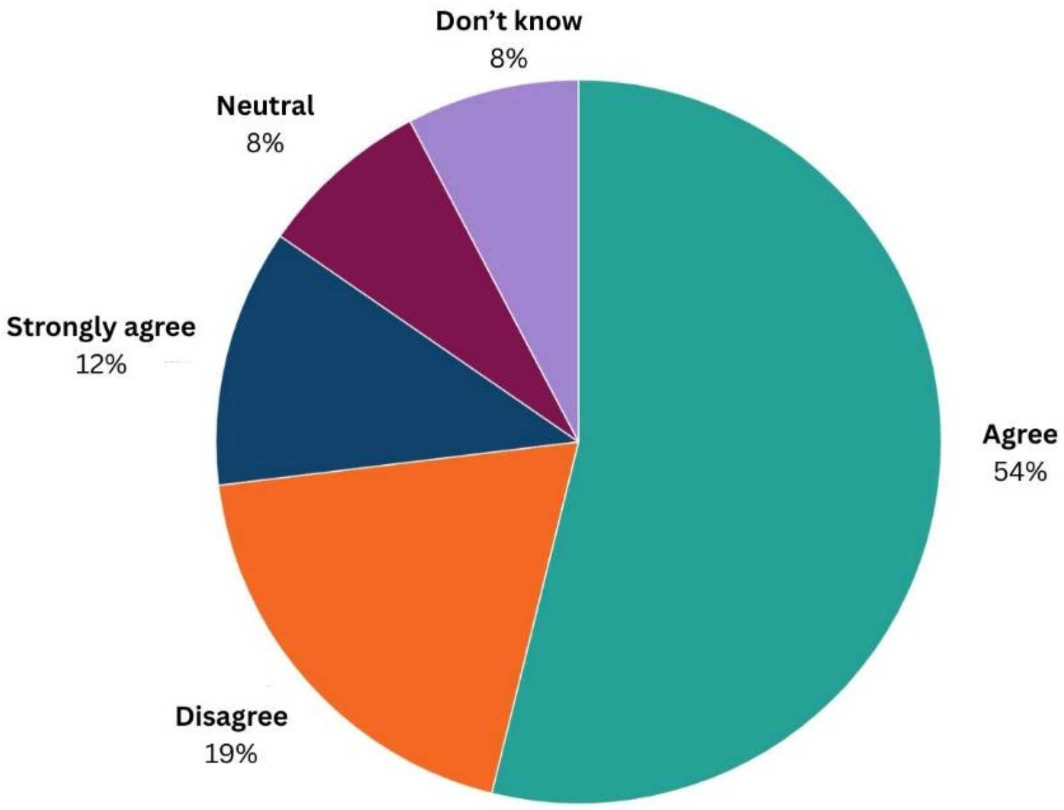
Q3. Elexon has balanced pace and thoroughness effectively in delivering its Market Facilitator role, given the complexity and risks involved.



Average score: 2.9 out of 5

3.5 The results indicate a divided perception of Elexon's ability to balance pace and thoroughness in delivering its Market Facilitator role. While 35% of respondents agree or strongly agree, a similar proportion (31%) express disagreement, with a slight stronger sentiment on the negative side, as more respondents selected "strongly disagree" than "strongly agree." With a further 31% remaining neutral, this suggests that although views are mixed, those with concerns tend to hold them more firmly, highlighting underlying stakeholder unease about delivery trade-offs.

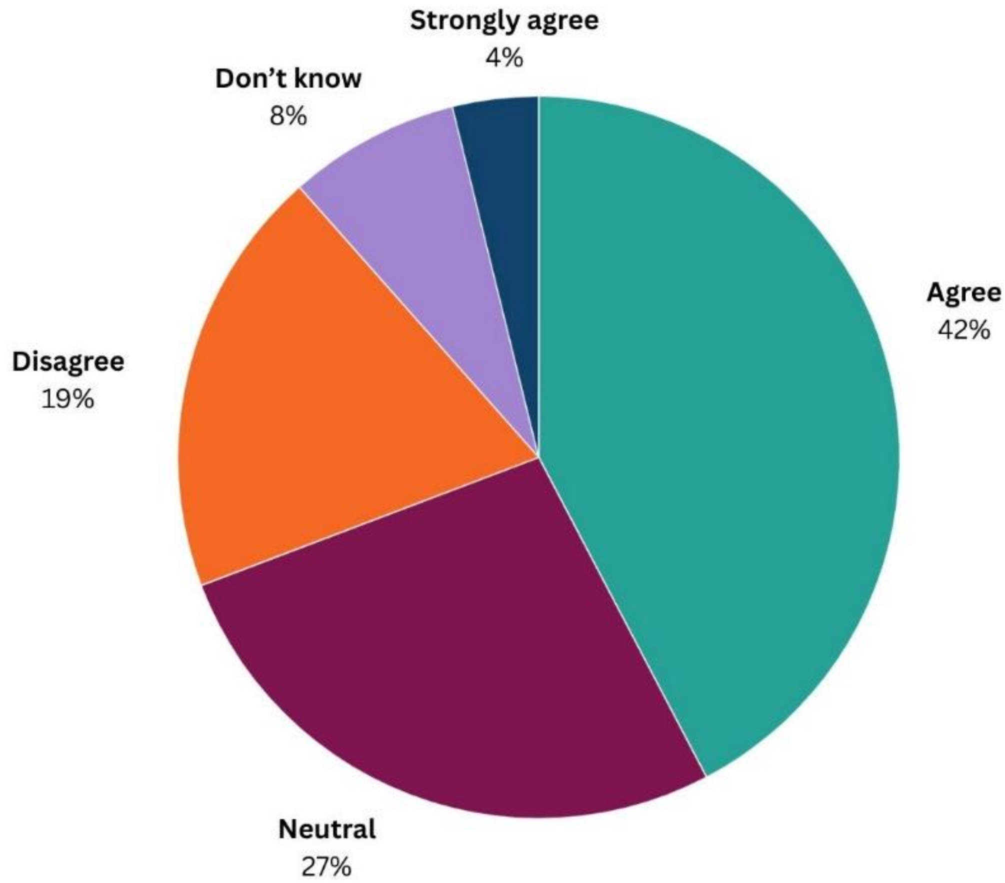
Q4. Elexon's written communications as Market Facilitator (including emails, newsletters, published materials and consultation documents) have been clear, timely and informative.



Average score: 3.6 out of 5

3.6 The results indicate a positive perception of Elexon's written communications, with 66% of respondents agreeing or strongly agreeing that they are clear, timely and informative. A smaller proportion of respondents express concerns, with 19% disagreeing. A total of 16% of stakeholders reported that they are either neutral or don't know. This suggests that Elexon's communications are generally effective, although a notable portion of stakeholders indicate scope for improvement in clarity and communication of decision-making.

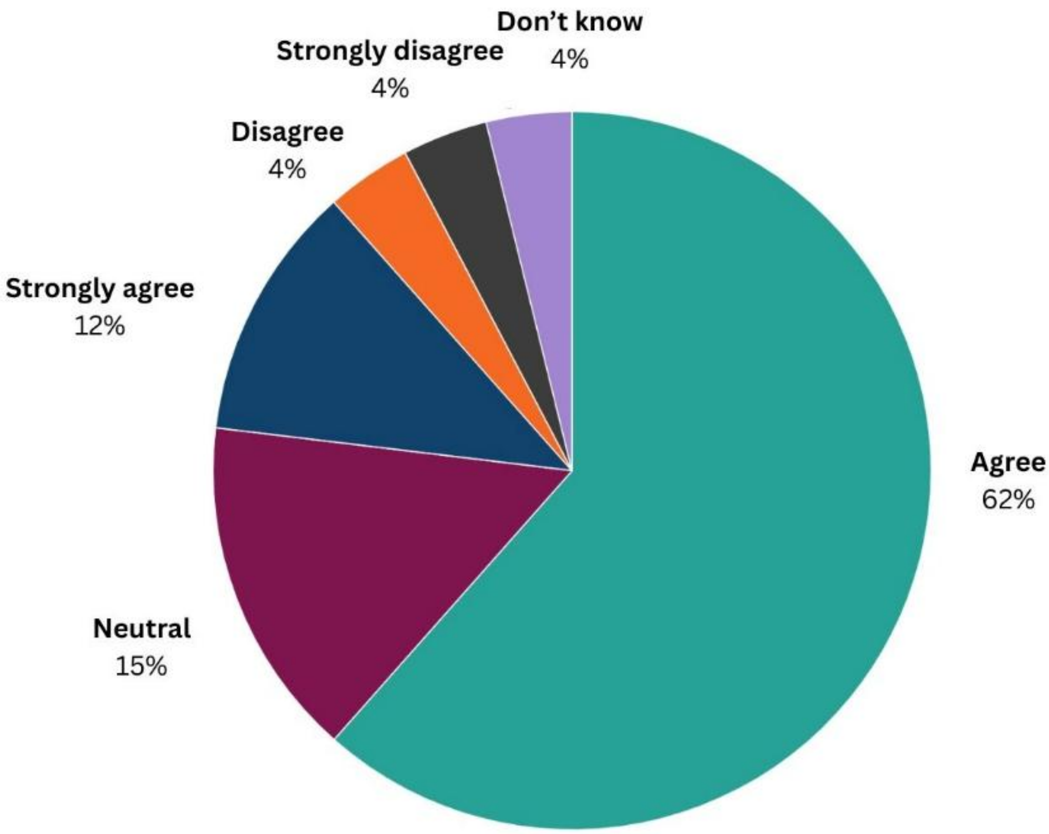
Q5. Elexon’s working groups, workshops, and meetings have been effective in prompting the right conversation and gathering feedback for market arrangement development.



Average score: 3.3 out of 5

3.7 The results suggest a broadly positive view of Elexon’s working groups, workshops, and meetings, with 46% of respondents agreeing or strongly agreeing that they have been effective in prompting the right conversations and gathering feedback. However, a notable proportion of respondents remain neutral (27%) or disagree (19%), indicating that experiences are mixed and not all stakeholders feel these forums are fully effective. This suggests that while engagement mechanisms are working well for some, there is still room to improve how discussions are facilitated and how feedback is captured and acted upon.

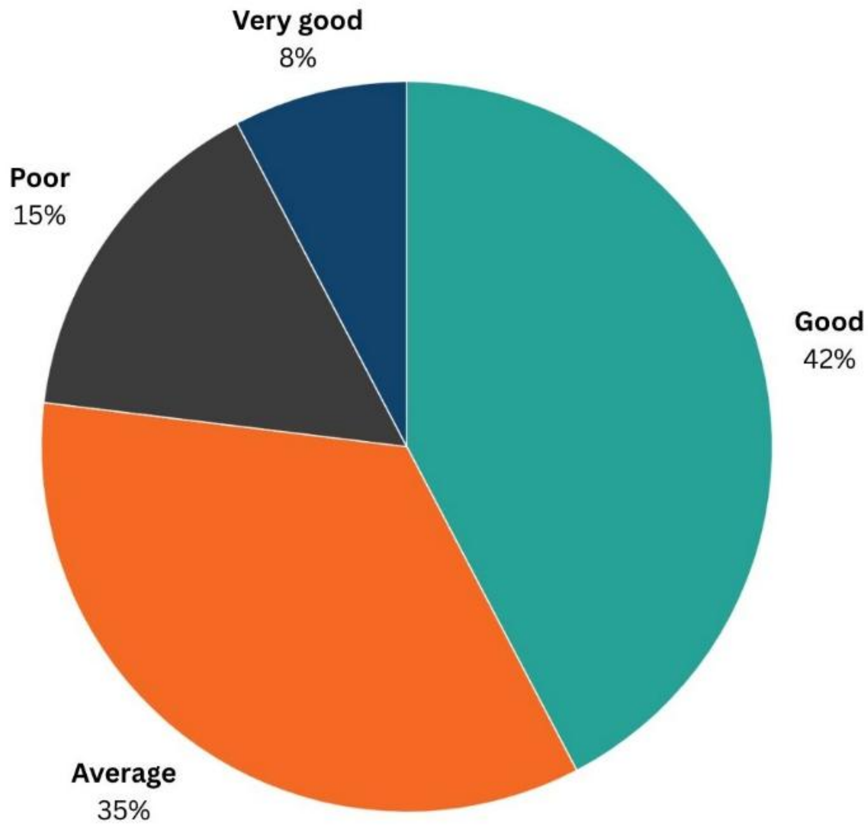
Q6. The transition from previous arrangements to the Market Facilitator role was managed clearly and effectively by Elexon.



Average score: 3.7 out of 5

3.8 The results indicate a strong positive perception of how Elexon managed the transition to the Market Facilitator role, with 74% of respondents agreeing or strongly agreeing that it was handled clearly and effectively. Only a small minority express dissatisfaction (8% combined disagree/strongly disagree), with a further 15% remaining neutral.

Q7. Overall, how would you rate Elexon's performance in delivering the Market Facilitator role to date?



Average score: 3.4 out of 5

3.9 The results suggest a moderately positive assessment of Elexon's performance in delivering the Market Facilitator role to date. Half of the respondents rate performance as good or very good, while a substantial proportion (approximately 35%) consider it average, indicating that many stakeholders view delivery as adequate but not exceptional. With 15% rating performance as poor, this points to some ongoing concerns and suggests there remains scope to strengthen confidence across stakeholders.

Open questions

3.10 We asked two open questions, seeking views on what Elexon has done well and where it could improve in delivering the Market Facilitator role.

Q8. What have Elexon done well in their role as Market Facilitator?

3.11 Stakeholders recognised that Elexon had done well in establishing the role and for successfully managing the transition from the previous arrangements.

3.12 There was positive feedback that the Market Facilitator team are approachable, proactive and responsive. DNOs particularly highlighted regular engagement with the team.

3.13 Stakeholders have appreciated the Market Facilitator's communications, including the monthly Flex News e-mail newsletter. There was also recognition that Elexon has been considering and balancing multiple stakeholder views.

3.14 Stakeholders noted that Elexon as Market Facilitator had undertaken significant public engagement, speaking at industry events and conferences to explain their roles, responsibilities and also outcomes.

3.15 However, in terms of providing feedback on what has gone well a few stakeholders recognised that it is too early to say, as the Market Facilitator has only been operational for a few months.

Q9. What could Elexon improve in its delivery of the Market Facilitator role?

3.16 Although stakeholders recognised the value of collaboration and stakeholder engagement there is an ask for the Market Facilitator to be more mindful of industry resource.

3.17 This is not only a concern for engaging with smaller organisations, but also for larger organisations, including system operators, who have small specialist teams and also need to focus on 'business as usual' operations. An example highlighted was a clash of scheduling for Market Facilitator and FMAR workshops.

3.18 To address this, stakeholders suggest that Elexon should minimise the use of working groups for non-contentious issues and provide reasonable deadlines for any requests. For system operators, this included asking the Market Facilitator to consider reducing excessive reporting requirements.

3.19 Stakeholders also suggest that Elexon should reprioritise to focus on changes that deliver system value. There was a call for the Market Facilitator to focus on strategic leadership (which along with market coordination and implementation monitoring is one of its three functions). Stakeholders wanted to see outcomes rather than outputs and a focus on processes.

3.20 As was noted in response to the open question on what's been working well, a few stakeholders also indicated that as the Market Facilitator has only been operational for a few months, it was too early to say what could be improved.

Stakeholder Advisory Board report

3.21 We asked the SAB to provide views on the Market Facilitator's performance.

3.22 Although members could also provide views on the Market Facilitator's performance through the stakeholder survey response submitted by their organisation, members of the SAB act independently and do not represent the views of their organisation.

3.23 The SAB's response is provided as a collective view.

3.24 In addition to views on what the Market Facilitator did well and where there is room for improvement, we also wanted to hear from the SAB on the delivery plan ambition.

What went well

3.25 The SAB recognised that Elexon had done a good job in transitioning from the previous arrangements, hiring an experienced team and establishing the Market Facilitator role.

3.26 It felt that Elexon had established a sensible governance framework and had implemented processes that were robust and trusted. It noted that the Market Facilitator was already making progress on its delivery plan, whilst also allowing for emergent change proposals from industry.

3.27 It recognised that alongside market rule compliance, the Market Facilitator has been working collaboratively with DNOs to allow innovation.

3.28 Elexon's industry and stakeholder engagement was recognised as a positive and that the Market Facilitator had taken a constructive approach to feedback where things have not gone so well.

Room for improvement

3.29 The SAB provided views on where there was room for improvement, in the following areas:

Strategy

3.30 The SAB encourages Elexon to be more strategic and to be proactive in taking a leadership role in topics that are important to flexibility market development. The SAB thinks this should not be limited to what is in the Market Facilitator's core scope.

3.31 The SAB would also like to see more clarity from the Market Facilitator on what success looks like and more focus on outcomes over outputs. There is recognition however that the strategy team has recently been recruited, so these recommendations should now be considered and actioned.

Delivery plan

3.32 SAB members had mixed views on the level of ambition in the delivery plan. 40% felt it was about right, 40% felt it was insufficient and 20% think it is too ambitious.

3.33 For those who felt it was too ambitious, there were concerns about workload and deliverability. For those who felt it was insufficient, there were concerns about the ability to deliver changes required to meet goals in the Clean Flexibility Roadmap.

3.34 The SAB note that the delivery plan was developed with industry last year, prior to go-live, and therefore it would be valuable for the Market Facilitator to review it again and consider any changes and reprioritisation.

Ways of working

3.35 The SAB suggests the Market Facilitator needs to be more agile, given nascent flexibility markets, and to consider alternative methods for stakeholder engagement.

Stakeholder engagement

3.36 SAB members raised concerns about the level of stakeholder engagement that the Market Facilitator is expecting, which could lead to overwhelm or apathy, particularly from smaller organisations.

3.37 It suggests that the Market Facilitator should look at how best to get the right input from the right stakeholders at the right time. This approach will also free up the Market Facilitator's time.

Communications

3.38 The SAB recommend that the Market Facilitator ensures that its communications set out the context an of an issue rather than going straight into details. They note this is improving but would like it to be consistent so that stakeholders can understand where best to focus their resources.

Elexon self-assessment report

3.39 Elexon's report covers their self-assessment of the transition period and live operations. The report is factual in setting out the activities they have undertaken.

Transition period

3.40 In our Market Facilitator policy framework decision (paragraph 5.14) we set out what we would assess against for Elexon's performance during the transition period.

3.41 This included undertaking all necessary work to ensure that the Market Facilitator was fully operational by the end of 2025 and delivering a smooth transition from the current arrangements without any loss in momentum.

3.42 Elexon set out that they completed all the required activities under these objectives and explained what they did.

3.43 Elexon explained that to establish the Market Facilitator this included supporting Ofgem in designing the role, leading the required BSC changes (P481 and P500) and producing a delivery plan for the transition period.

3.44 For the transition from the previous arrangements, this included becoming Chair of the Challenge Group and taking over workstreams and products.

Live operations

3.45 Elexon set out their progress against the delivery plan. This focused on the more granular annual delivery schedule which showed three activities with an amber status but ten activities where progress is on track as of 31 March 2026 (the end of the period being assessed).

3.46 The report sets out Elexon's view of their successes and where there is room for improvement across each of the Market Facilitator's three functions (strategic leadership, market coordination and implementation monitoring). These are replicated from their informal Q1 2026 performance self-assessment report, as the Market Facilitator went live in December 2025, so effectively the same period is being assessed.

What went well

3.47 In its strategic leadership function, this included establishing and administering the SAB and presenting at high profile industry events.

3.48 In its market coordination function, this included the change process being used and working groups being established as well as additional activities being raised (one change proposal and one issue).

3.49 In its implementation monitoring function, this included significant progress in designing the enduring implementation monitoring solution, processing data submissions from system operators and reviewing and approving derogations and self-derogations.

Room for improvement

3.50 In its strategic leadership function, Elexon suggest they should be a full delivery body in the Clean Flexibility Roadmap to drive cohesive industry positions.

3.51 In its market coordination function, they recognise that they could have better managed working groups with system operator-only attendance, as this could have given a perception of closed groups.

3.52 In its implementation monitoring function, Elexon acknowledge they could have better communicated with stakeholders for rules with more complex data requirements, for example the end-to-end process.

4. FMAR performance feedback analysis

Section summary

In this section we provide a summary of feedback on FMAR performance received from our stakeholder survey, the SAB and Elexon's self-assessment. We summarise views on what went well and where there is room for improvement. We also provide our assessment against the criteria for deliverables up to 31 March 2026, as set out in Appendix 1 of the Governance Framework Document.

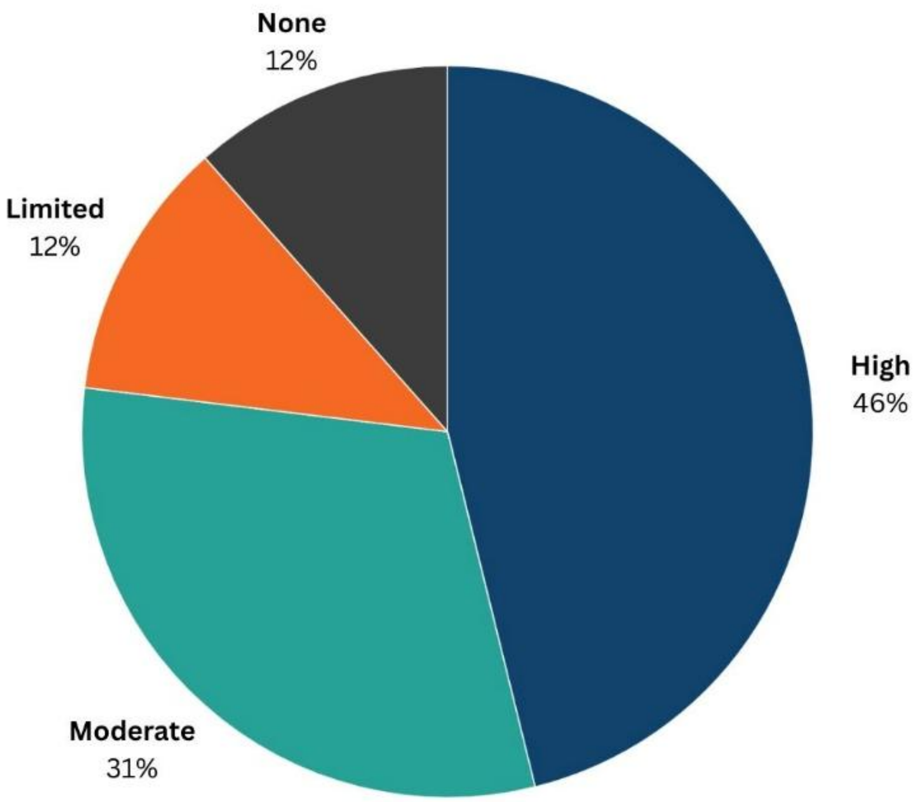
Stakeholder survey

4.1 To gather stakeholder views on FMAR performance, we asked six scored questions and two open questions.

4.2 Please note that percentages in the scored questions may not always total 100% due to rounding.

Scored questions

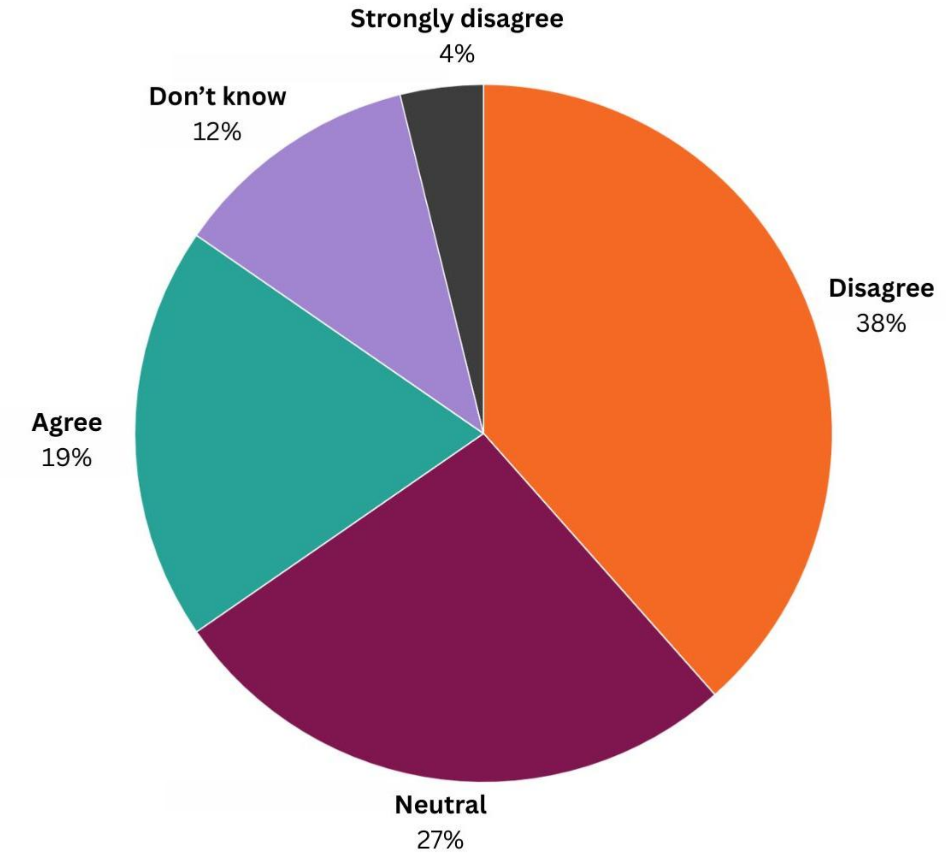
Q1. Which best describes your organisation's level of engagement with Elexon on FMAR delivery?



Average score: 3.8 out of 5

4.3 The results show that stakeholders report a good level of engagement with Elexon on FMAR delivery, with 46% selecting “high” and a further 31% indicating “moderate” engagement. A smaller proportion report limited or no engagement (a combined 24%), suggesting that while most stakeholders are at least somewhat engaged, depth of involvement varies. Furthermore, in the open questions, stakeholders responses to the open questions indicate much more limited engagement.

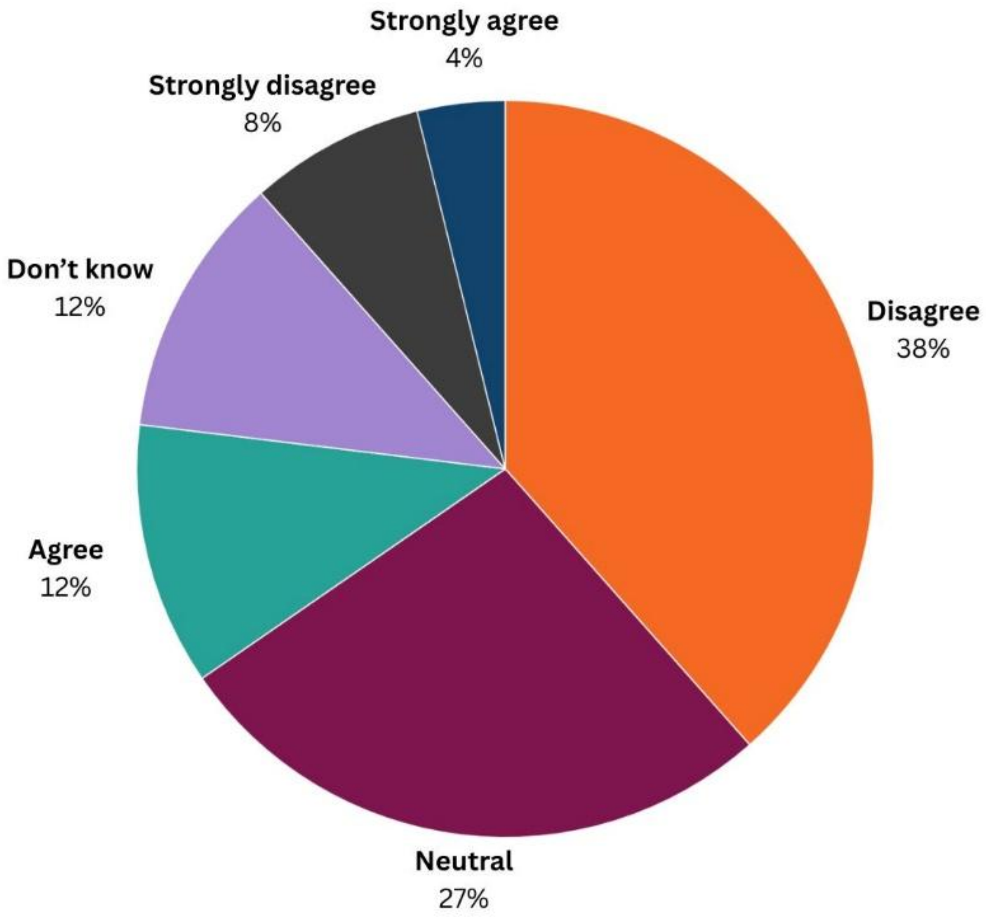
Q2. Elexon’s delivery of FMAR has been well structured and supported with clear governance.



Average score: 2.6 out of 5

4.4 The results indicate a generally negative perception of how effectively Elexon has structured and governed the delivery of FMAR. 42% of respondents disagree or strongly disagree, compared to approximately 19% who agree, while a further 27% remain neutral, suggesting limited confidence and a lack of consensus.

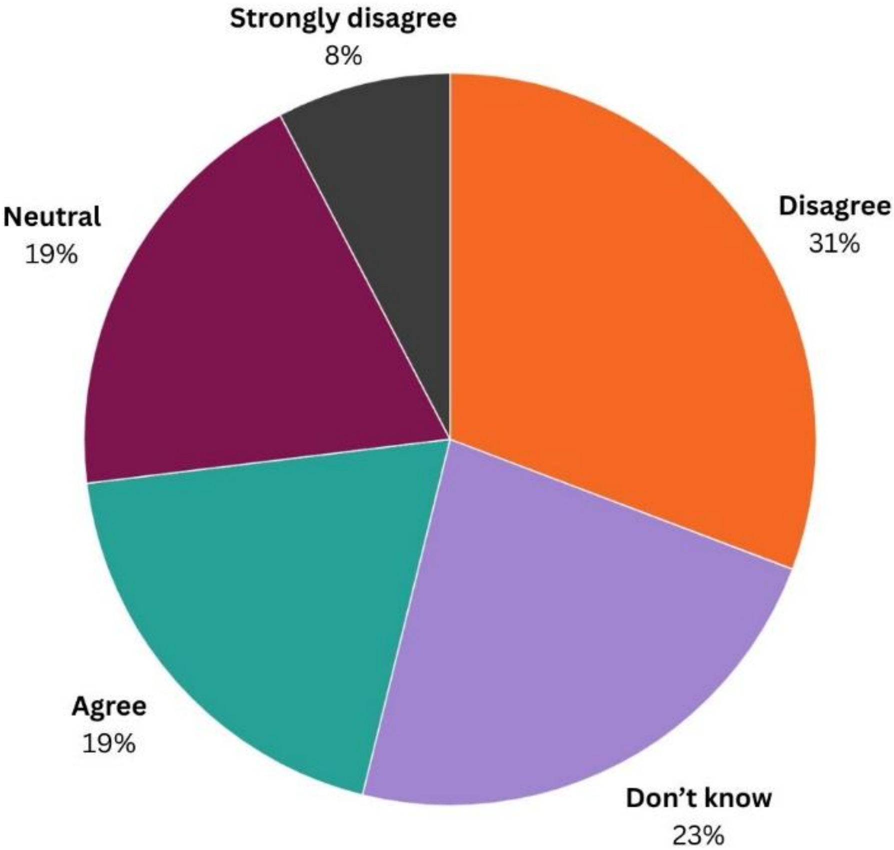
Q3. Elexon's approach to communicating decision-making, strategy and delivery on FMAR, has been transparent and clear.



Average score: 2.6 out of 5

4.5 The results indicate a broadly negative perception of Elexon's approach to communicating its decision-making, strategy and delivery on FMAR. 46% of respondents disagree or strongly disagree, compared to approximately 16% who agree or strongly agree, while a further 27% remain neutral. This suggests that many stakeholders have concerns about the clarity and transparency of communications, with respondents expressing limited confidence in Elexon.

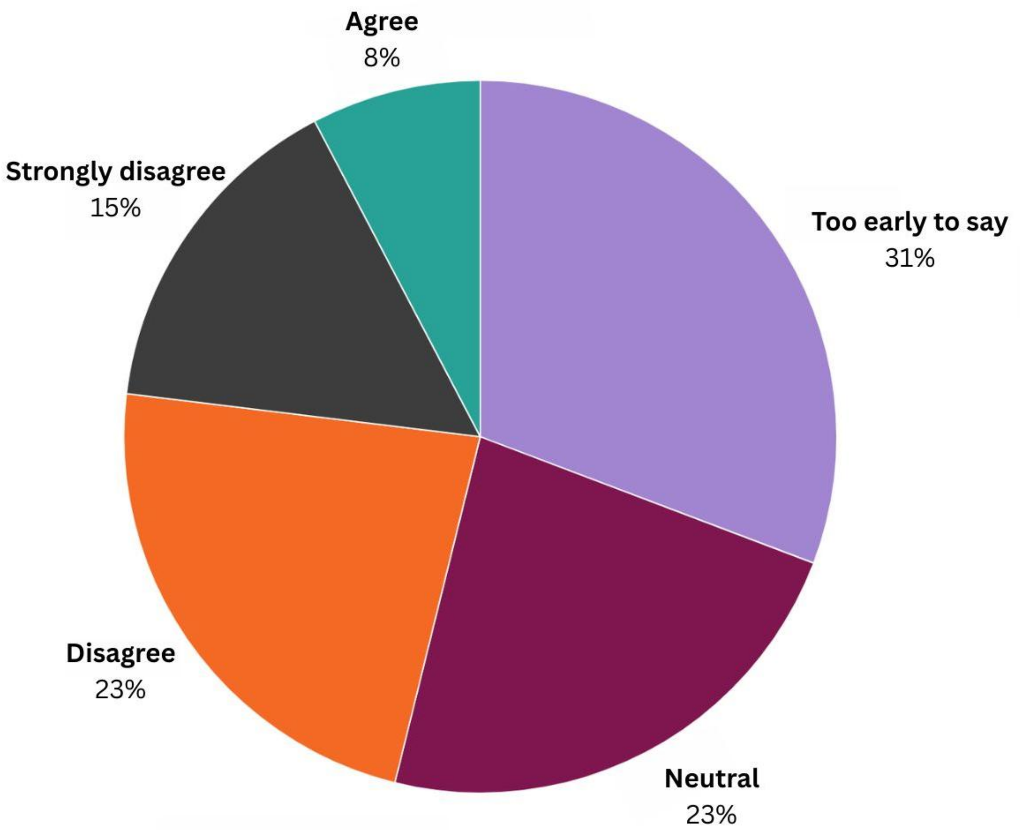
Q4. Elexon's technical design for FMAR is well aligned with the needs of my organisation so far.



Average score: 2.6 out of 5

4.6 The results indicate a notably weak level of confidence that Elexon's technical design for FMAR aligns with the needs of stakeholder organisations. A greater proportion of respondents express dissatisfaction (39% disagree or strongly disagree) than agreement (19%), while a further 19% remain neutral, suggesting limited endorsement of the current design. The relatively high share of "don't know" responses (23%) also implies a lack of clarity or engagement with the design.

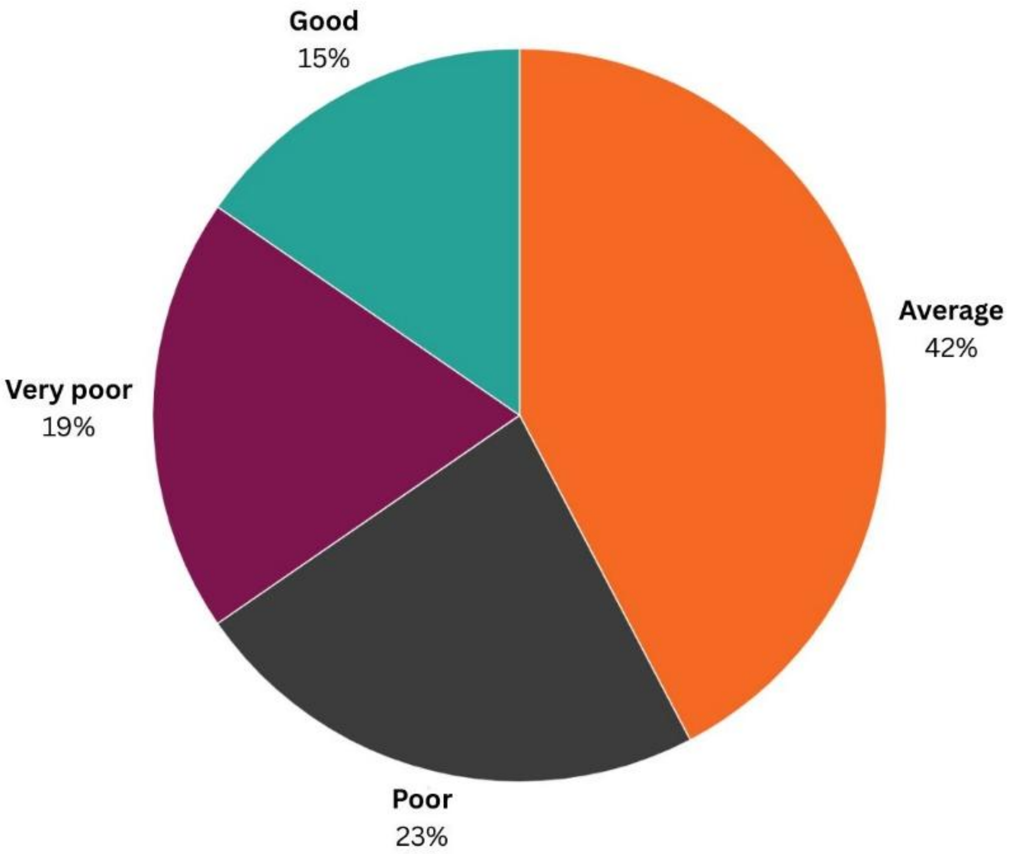
Q5. Based on delivery to date, I am confident FMAR will be implemented effectively by Elexon.



Average score: 2.3 out of 5

4.7 The results indicate low overall confidence that FMAR will be implemented effectively based on delivery to date. Only a small proportion of respondents express confidence (8% agree), while a larger share express concern (38% disagree or strongly disagree), and a further 23% remain neutral. The most common response is “too early to say” (31%) suggesting that many stakeholders feel unable to make a clear judgement at this stage.

Q6. Overall, how would you rate Elexon's performance in delivering FMAR?



Average score: 2.5 out of 5

4.8 The results indicate a largely negative assessment of Elexon's overall performance in delivering FMAR. 42% of respondents rate performance as average and an equal amount of stakeholders rate it as poor or very poor, compared to only 15% who consider it good. This suggests that overall confidence is low, with limited endorsement and a significant share of stakeholders expressing dissatisfaction with delivery to date.

Open questions

4.9 We asked two open questions, seeking views on what Elexon has done well and where it could improve in delivering FMAR.

Q7. What aspects of FMAR delivery have worked well to date?

4.10 Stakeholder views on what has worked well are mixed, with some positive themes emerging alongside a significant proportion indicating it is still too early to assess performance.

4.11 Despite the limited amount of engagement, a positive identified by stakeholders is Elexon's broad and inclusive stakeholder approach. Stakeholders recognised efforts to engage a wide range of participants, including system operators, DNOs, and FSPs through workshops, forums, and one-to-one discussions.

4.12 There was recognition that Data and Design and Process workshops, which started in April 2026 (after the period being assessed), have improved clarity and have helped stakeholders understand the intended functionality of FMAR and its interaction with other market platforms.

4.13 Some stakeholders also noted:

- Progress in technical design and architecture discussions, signalling a shift towards more practical implementation considerations, and
- A well-delivered initial programme launch, which helped mobilise engagement early.

4.14 However, a significant number of respondents indicated that it remains too early to assess what has worked well, or that no clear successes have been realised yet.

Q8. What are the main risks or concerns you see for FMAR delivery?

4.15 Stakeholders' central concern is the lack of clarity on FMAR's strategic direction, scope and intended end-state.

4.16 Stakeholders also raised concerns about the pace of delivery and approach to timelines. Stakeholders are under the perception that timelines are arbitrary, having been set before scope and delivery approaches were fully defined.

4.17 While Elexon's efforts on engagement are widely recognised, stakeholders consistently raised issues around the resource burden and effectiveness of stakeholder engagement. The volume of workshops, working groups and data requests has placed significant pressure on organisations with limited resource.

4.18 Related to this, several stakeholders indicated that feedback is not always clearly incorporated into the evolving design of FMAR, or that the rationale for decisions is not sufficiently transparent.

4.19 A portion of stakeholders are concerned that the design could unintentionally create barriers to participation, especially for mid-sized or resource-constrained organisations that may struggle to absorb additional administrative requirements.

4.20 Some stakeholders raised concerns about potential duplication or overlap with other initiatives, as well as ongoing ambiguity around key issues such as asset primacy, data ownership and coordination between local and national dispatch.

Stakeholder Advisory Board report

Overview of SAB engagement

4.21 The SAB set out that it had limited direct involvement in FMAR development, although more regular updates have recently been established. As a result, members' views are largely informed by those members who have engaged individually with the process rather than as a collective.

4.22 Looking ahead, the SAB highlighted a need to better understand how progress on FMAR interacts with the delivery plan and wider market outcomes.

4.23 The SAB also noted that it is not positioned to provide deep technical scrutiny, suggesting that this responsibility should sit with a more specialised group. However, SAB members report that it should have a better-defined role in the development of FMAR.

What went well

4.24 Overall, the SAB recognised that Elexon has taken a collaborative and open approach to engagement, with workshops described as constructive and a willingness to listen to stakeholder feedback.

4.25 There is also acknowledgement that engagement and programme structure have improved over time.

Room for improvement

4.26 A fundamental area for improvement is strategic clarity and coherence. SAB members highlighted the need for a clearly articulated vision of what FMAR is intended to deliver, both in the short and long term.

4.27 Some SAB members also recommended that this could be supported by an interim cost-benefit assessment focusing on the new scope of FMAR.

4.28 Another key theme is the need to improve the effectiveness and efficiency of stakeholder engagement. While the intent to engage widely is welcomed, the current model — particularly the use of frequent, lengthy workshops — was seen as a barrier to participation.

4.29 To address this, the SAB suggested moving towards a more targeted and flexible engagement model. This includes:

- Focusing engagement on testing and refining more developed proposals, rather than repeatedly revisiting foundational questions.
- Reducing reliance on rigid, calendar-driven workshops in favour of asynchronous participation.

Elexon self-assessment report

What went well

4.30 Elexon reports that a central achievement has been the strengthening of programme resourcing and governance. The mobilisation of additional programme management, planning and design resources in Q1 2026 has significantly improved the programme's ability to deliver in the future.

4.31 A key area of progress is the establishment of core delivery structures and workstreams. The creation of dedicated Data and Design and Process working groups has enabled more focused development of the key building blocks of FMAR. It is important to note that these working groups started after March 2026 but are mentioned to highlight progress beyond the period being assessed.

4.32 Elexon has also made progress in developing the high-level technical design and architecture for FMAR. This includes:

- Exploring multiple design options (e.g. SO-led vs FSP-led models) before selecting a preferred approach;
- Defining a proposed architecture where FMAR is integrated with system operator platforms and accessed directly by FSPs via Application Programming Interfaces (APIs); and
- Beginning alignment with the DSI, including development of a shared trust framework.

Room for improvement

4.33 Elexon reports that a primary area for improvement is the need for greater clarity and stability in scope, design and overall value proposition. Elexon acknowledges that key elements of the Day 1 solution are still being defined through the design process and upcoming consultation.

4.34 Related to this, Elexon reports the need to strengthen the end-to-end delivery plan and timeline certainty. While Elexon has established a delivery logic, it notes that it is not yet appropriate to assign firm dates across the programme due to a number of unresolved variables.

4.35 Elexon reports that a major area of risk relates to external dependencies and stakeholder responsiveness, which are critical to FMAR delivery. The programme is dependent on a range of external actors, including DNOs, NESO, platform providers, FSPs and the DSI.

4.36 Technical and integration risks are also significant. Elexon identifies uncertainty around architecture decisions and system integration, particularly in relation to:

- The complexity of integrating FMAR with multiple system operator platforms and external systems,

- The role and readiness of the DSI, which is expected to provide trust and integration capability, and
- The need to ensure that the design remains secure, scalable, and cost-effective, while also being deliverable within required timelines.

4.37 Although improvements have been made, Elexon acknowledges earlier weaknesses in programme planning detail and stakeholder engagement coordination. Initial plans lacked sufficient detail and engagement was not always as structured or forward-looking as required.

5. Next steps

Section summary

In this section we set out how Elexon should address our recommendations and the next steps in assessing Elexon's performance as Market Facilitator and FMAR delivery body.

Addressing our recommendations

5.1 We expect Elexon to consider and act upon Ofgem recommendations set out in this report for both Market Facilitator and FMAR.

5.2 We expect to see material improvements on the areas we have identified in our recommendations for both Market Facilitator and FMAR by the next informal performance assessment. We will include this as part of our review.

5.3 We also ask Elexon to consider the SAB's advice on potential actions to drive improvement for both Market Facilitator and FMAR, as set out in Appendix A of its report.

Future performance assessment

Annual performance assessment

5.4 The Market Facilitator Governance Framework Document sets out that we formally assess Elexon's performance as Market Facilitator and FMAR delivery body on an annual basis. As such, the next formal performance assessment is due to take place shortly after the end of regulatory year 2026/27. It will be informed by a stakeholder survey, a report from the SAB and Elexon's self-assessment report.

Informal performance assessment

5.5 We will conduct an informal performance review in early October to cover the six-month period from 1 April 2026 to 30 September 2026.

5.6 To avoid causing significant impact on stakeholder resource, we will engage bilaterally with a selected group of stakeholders, including DNOs and NESO, FSPs, trade associations and individual SAB members to understand what is working well and where there is room for improvement.