ELEXON

1 Publication and Implementation Dates

1.1 The *Publish Date* and the *Implementation Date* for this Governance Document are as follows:

Term	Date
Publish Date	12 December 2025
Implementation Date	12 December 2025

1.2 The *Publish Date* and *Implementation Date* form part of the legal baseline for this Governance Document and shall be taken as the effective dates for the purposes of interpretation and version control.

1.3 In the event of any discrepancy between the dates stated above and those referenced in any accompanying publication, metadata, or communication, the dates recorded in this Governance Document shall prevail.

1.4 For the avoidance of doubt, the *Implementation Date* represents the date on which the obligations, rights, and procedures set out in this Governance Document take operational effect.

2 Introduction

2.1 The purpose of the *Flexibility Market Rules Framework* is to:

(a) Deliver a robust framework for defining, documenting, and accessing *Flexibility Market Rules*.

(b) Provide sufficient detail to capture and align the various requirements of well-functioning, coordinated markets whilst also being clear, concise, and accessible to stakeholders.

(c) Ensure that *Flexibility Market Rules* are as usable and scalable as possible.

2.2 The framework includes:

(a) What a *Flexibility Market Rule* is.

(b) What format a *Flexibility Market Rule* can take to ensure it delivers the right technical and contextual information.

(c) How it ties together to create a clear and coordinated market.

(d) How we record and share the *Flexibility Market Rules* to ensure that everyone is clear on what is required of them.

2.3 The framework does not set out which *Flexibility Market Rules* will be created (these will be defined through the *Delivery Plan*, established as per FGD-DPP), how they are updated (the *Change Management Procedure*, as set out in FGD-CMP), or how we monitor implementation (the *Implementation Monitoring* process, as set out in FGD-IMP). Instead, it focuses on how the rules are presented and coordinated.

3 What is a Flexibility Market Rule?

3.1 *Flexibility Market Rules* are the backbone of the *Market Facilitator*'s enduring value proposition. These rules are essential for delivering consistent, accessible and interoperable *Flexibility Markets* and are core to the 'Market Coordination' function, as set out in Ofgem's "*Market Facilitator Governance Framework Document*". The *Flexibility Market Rules Framework* describes how the rules will be structured. This includes framing the characteristics of a rule, as well as how they all fit together, to drive a cohesive market design.

3.2 The rules define the common rules, market processes, services and standards that underpin efficient market coordination. *System Operators* will be licence-bound to adhere to the *Flexibility Market Rules*.

Guidance

Example Flexibility Market Rules

This section is provided as guidance to the Governance Document. Therefore, it is not legally binding and falls outside of the formal change management process.

Flexibility Market rules could include of topics such as:

- The definitions for *flexibility market* products
- Metering requirements
- The specification for a common dispatch *API*
- A common baselining methodology

4 Requirements of a Flexibility Market Rule

4.1 *Flexibility Market Rules* must be in line with the remit and scope of the *Market Facilitator* as set out be Ofgem in their *Governance Framework Document*.

4.2 *Flexibility Market Rules* will take many different formats, from market processes to *API* definitions and data schemas. These will document the core market requirements to be adhered to by *System Operators*.

4.3 The rule will concisely and accurately define the requirements for the relevant *System Operators*. These can take on multiple formats and will be published on the *Elexon website*. This will lean on digital best practice to ensure ease of use at scale and will evolve and adapt to stakeholder requirements.

4.4 Alongside the core ‘rule’, each *Flexibility Market Rule* will be structured to provide key contextual information, including, but not limited to:

(a) Why? A clear articulation of the purpose and expected benefit of the *Flexibility Market Rule*.

(b) How? Clarity on the implementation requirements (e.g., how the *Flexibility Market Rule* should be used and whether variations are allowed, when

implementation is considered complete, and the associated data to be collected to monitor the implementation of the rule).

(c) Who? Identification of impacted stakeholders.

(d) When? A defined implementation timeline.

(e) How will we know it is working? A structured approach to monitoring implementation and assessing whether the *Flexibility Market Rule* is delivering its intended benefits.

(f) Version history, change log and key assumptions and dependencies to track updates and interdependencies.

(g) A simplified summary in Plain English, where possible, to aid accessibility.

5 Framework for all the Flexibility Market Rules

5.1 Given the breadth of *Flexibility Market Rules*, both in terms of scope and format, we need a structured approach to their framing. To provide the required top-down overview and bottom-up details of the rules, the *Flexibility Market Rules framework* will be layered.

5.2 This layering is summarised in Figure 1 below:

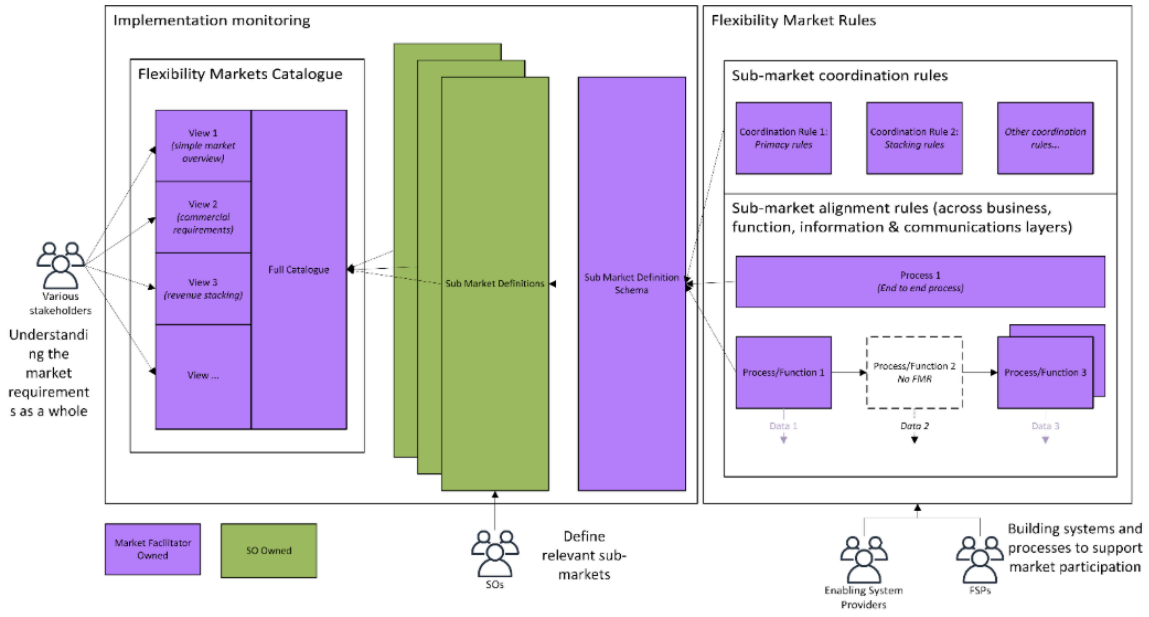

Figure 1: Framework outlining the key parts of Flexibility Market Rules and Implementation Monitoring

5.3 The *Flexibility Market Rules* will be split into two categories:

(a) ***Sub-Market Alignment Rules***, focused on aligning elements across *Sub-Markets*. For example, this might include metering specifications, settlement methodologies.

(b) ***Sub-Market Coordination Rules***, which govern how *Sub-Markets* interact, support revenue stacking and ensure consistency in how *Sub-Markets* work together.

5.4 Sub-Market Alignment Rules

5.4.1 The *Sub-Market Alignment Rules* will detail specific requirements for alignment. They are focused on driving alignment across markets and defining individual components.

5.4.2 The *Sub-Market Alignment Rules* will range in style and format depending on the core content. These may include, but are not limited to:

(a) A process (such as an end-to-end process for *flexibility services*),

(b) Common methodologies (such as baselining or settlement methodologies),

(c) A data schema (such as pre-qualification criteria),

(d) Documents (such as the standard legal agreement) ...

Guidance

Example of Sub-Market Alignment Rules.

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Examples of the first batch of *Sub-Market Alignment Rules* include:

- Definitions for *Sub-Markets* and Products
- Definition of the End-to-End process for *flexibility*
- Standardised Pre-qualification criteria
- A common approach to Baselining for the *DNOs*

5.5 Sub-Market Coordination Rules

5.5.1 The *Sub-Market Coordination Rules* will set out how *Sub-Markets* interact, including how participants can participate across markets and how *System Operators* coordinate their interactions.

Guidance

Example of Sub-Market Coordination Rules

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Examples of the first batch of *Sub-Market Coordination Rules* include:

- Revenue Stacking Requirements
- Primacy Rules

5.5.2 A common glossary across the *Flexibility Market Rules* shall be created. It shall be a *Flexibility Market Rule* itself, to ensure it has the legal basis for applicability within the other rules and is covered by the change management process.

6 Acronyms and defined terms

6.1 List of Acronyms

6.2 List of Definitions

A master list of definitions can be found in the *Market Facilitator Glossary*.

The following definitions are specific to this Governance Document. These are supplemented by the definitions in the *Market Facilitator Glossary*. If there is an inconsistency between definitions, the definition in this document shall prevail.

Acronyms and defined terms

Term	Aliases	Definition
NESO	–	National Energy System Operator
API	–	Application Programming Interface
DNO	–	Distribution Network Operator
SAB	–	Stakeholder Advisory Board
BSC	–	Balancing and Settlement Code
FMR	–	Flexibility Market Rules
SO	–	System Operators
Sub-Market Alignment Rules	–	the Flexibility Market Rules which set out specific requirements for alignment
Sub-Market coordination Rules	–	the Flexibility Market Rules which set out set out how Sub-Markets interact

FGD: *Flexibility Market Rules Framework* - Amendment record

> **Guidance**
>
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process.

Version	Published Date	Document Status	Description of Changes	Change Proposal Reference	*Market Facilitator* Decision Report Ref
1.0	12/12/2025	Final	Document Published	-	-

Annex 1: Associated meta-data

Guidance

This section is provided as guidance to this flexibility governance document. Therefore, it is not legally binding and falls outside of the formal change management process.

Identifier	FGD-FMF
Title	*Flexibility Market Rules Framework*
Type	*Flexibility Market* Governance
Collection	**Governance Document**
Audience	***NESO*, *DNOs*, *Market Facilitator*, *Flexibility Service Providers*, Ofgem, *SAB*, other *interested persons***
Expertise	N/A
Owner	*Market Facilitator*
Expected benefit	N/A
Related end-to-end process reference	N/A
References	FGD-CMP, FGD-*SAB*, FGD-FMF,
IsReferencedBy	
Published version number	1.0

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End Date	-
Terms of variations	
List of *Derogations*	N/A
IsReplacedBy	N/A
Replaces	N/A
Status	Final
Change since last version	N/A
Description	This document describes the *Flexibility Market Rules Framework* and details what a *Flexibility Market Rule* is, what formats it can take and how this creates a coordinated market.