ELEXON

0

0.0

Sections 1, 2, 3 and 4 form the legally binding Flexibility Market Rule.

Defined terms capitalised in this document shall have the meaning given in Section 4.

Guidance

Summary of Product Definitions Flexibility Market Rule

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

Context

This rule establishes a standardised set of *flexibility* products for *Distribution Network Operators* (*DNOs*), aiming to reduce procurement variation and improve market coordination. It comes into force in February 2026.

A product, alongside it's variants, defines what a *System Operator* is procuring. Adding further details like who is procuring it and when/how they are procuring creates an individual *Sub-market*.

By aligning product definitions, the rule simplifies access for *Flexibility Service Providers* (*FSPs*) and supports interoperability across *DNOs*.

Product Definition Requirements

The rule defines five core *DNO* products and twelve variants using a structured set of parameters including payment structure, availability mechanisms, and utilisation expectations

All *DNOs* must use the five standard products and their defined variants for at least 80% of their tendered and procured volume.

DNOs must confirm the products used across their *sub-markets* back to the *Market Facilitator*, who will track the procured and tendered volumes via data the *DNOs* have already published in accordance with License condition 31E.

We believe the impact of these requirements to be:

Impact on *System Operators*	Impact on *FSPs*
SOs must align product definitions and limit use of non-standard products. They must report implementation status and catalogue data.	*FSPs* benefit from simplified access and consistent product expectations across *DNOs*.

***Implementation monitoring* requirements**

The key requirements are laid out below. A view across the rules is available in our deadline tracker.

Category	Requirement	Trigger for data submission	What we will do with it
Implementation tracking	Basic tracking of implementation status and target date	31/08/2026 (20 *working days* after the published date).	Track whether implementation is on track via our *Implementation tracker*.
***Flexibility Market Catalogue* data**	Confirmation of product use and parameter alignment	Within 10 days of change	Provide an overview of the *sub-market* and the market as a whole via the *Flexibility Market Catalogue*.
Effectiveness monitoring data	KPI tracking use of standard products in tenders and contracts	21/06/2027 (15 *working days* after the first *Reporting Period*) Monthly reporting via data submitted for FMR-DDR	Assess market alignment and identify areas for improvement via our Effectiveness Monitoring Report

***Derogations* against this rule**

The following *derogations* are in place:

Who	What	For how long	Why
SSEN	The full requirements for LMA Interim Payment Service	Until 01/02/2027	To prevent blockers to LMA Interim Service settlement

1 Applicability of this Flexibility Market Rule

1.0 This *Flexibility Market Rule* applies to all *System Operator Sub-Markets* within the *Market Facilitator*'s scope. *Innovation trials* are not bound by this *Flexibility Market Rule*.

All *System Operators* shall provide the data set out in section 3 no later than the timings also set out in section 3.

Variations to this rule are only permitted with an approved *Derogation* from the *Market Facilitator*.

The core dates for this *Flexibility Market Rule* are laid out below.

Table 1: Flexibility Market Rule dates

Published Date	25/08/2026
Implementation Date	31/03/2027
End Date	-

Guidance

Explainer: What is a Sub-Market?

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

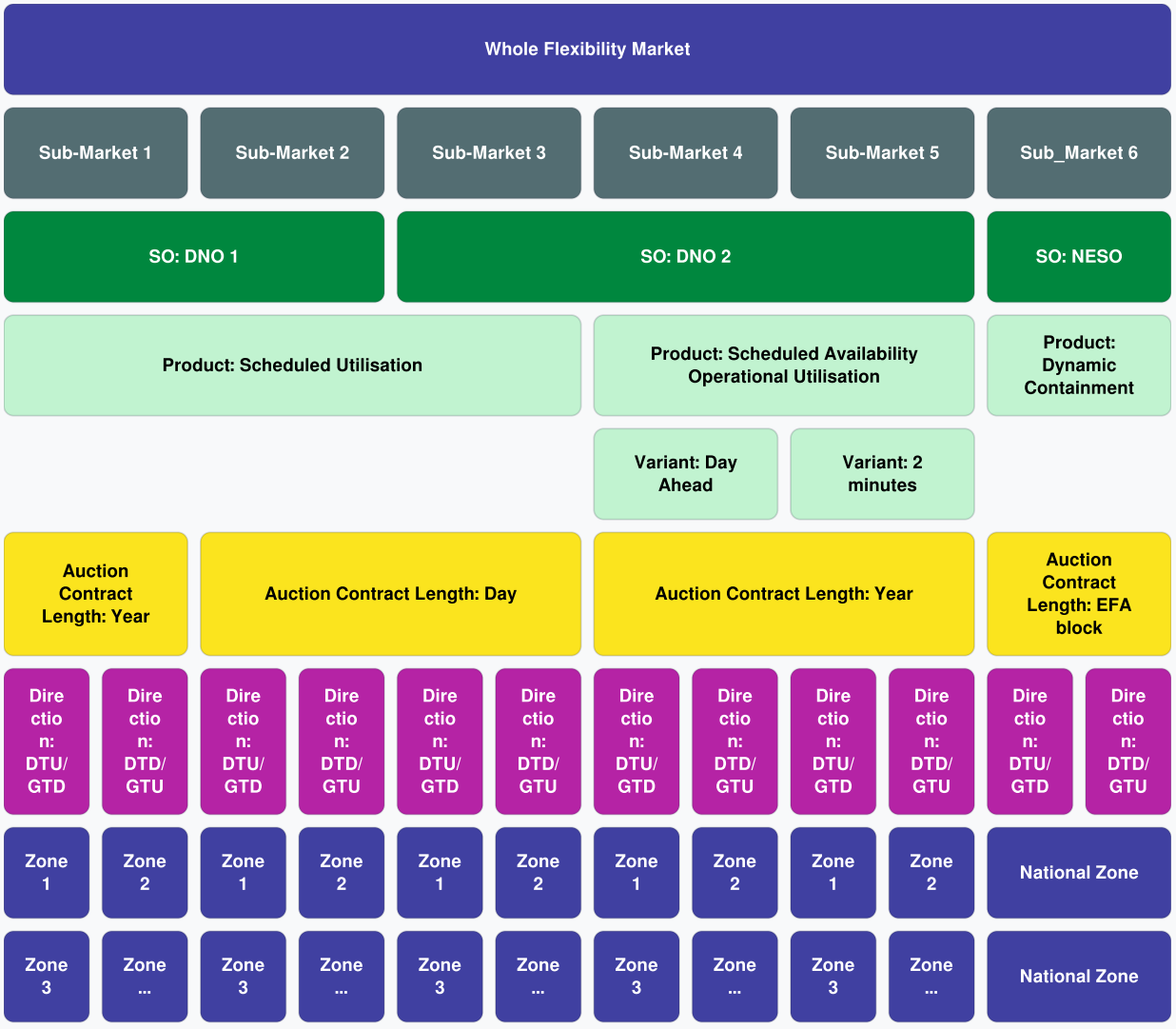
A *Sub-Market* means a specific segment of the overall *Flexibility Market*, distinguished by a specific *System Operator*, procuring a specific Product within a specific time period.

A *Sub-market* may be built of multiple distinct geographic zones, operating in different directions, clearing different volumes at different prices.

The diagram below visualises the definition.

Flexibility Market Grid

Flexibility Market



DTU means Demand Turn Up, GTD means Generation Turn Down.

DTD means Demand Turn Down, GTU means Generation Turn Up.

2 Product Definitions

2.1 Product definition parameters

The parameters that define a Product are:

Table 2: Product definition parameters

Purpose	Parameter Name	Description	Options
Structure	Payment structure	How the service is structured (i.e. what is the *DNO* asking of the *Flexibility Service Provider*)	Utilisation Only Availability and Utilisation
	When Prices are set (procurement timescales)	Time before use that prices are determined	At Trade Operational
Availability	Availability request mechanism	How availability is requested from providers	Request initiated by *DNO* Request Initiated by *Flexibility Service Provider*
	Availability Acceptance timing	When availability is accepted by the *DNOs*	At trade After trade

	Availability Refinement timing	Can the *DNO* refine the availability required? If so, when. This determines what availability payments are due.	Yes No
	Availability changes allowed?	Can *Flexibility Service Providers* change their availability declaration post acceptance ?	Yes No
	Minimum aggregate unit size	The minimum volume requirement for provision of availability	e.g. 50kW, 1MW, N/A
	Partial availability acceptance possible?	Whether the *DNO* can accept a	Yes No

		portion of the offered volume	
	Time variable availability volumes allowed?	Can the *Flexibility Service Provider* provide different volumes for availability for the different periods within the availability window?	Yes No
	Availability Payment unit	The Units used for Availability Payments	£/MW/h £/MWh £/h
	Availability period	The unit of time considered for Availability Instructions	Electricity Forward Agreement (EFA) blocks Settlement Periods Minutes
Utilisation	Utilisation Payment unit	The Units used for	£/MWh

		Utilisation Payments	£/MW/season
	Utilisation period	The unit of time considered for Utilisation Instructions	Electricity Forward Agreement (EFA) blocks Settlement Periods Minutes
	Delivery expectation	How the *Flexibility Service Provider* is expected to respond to a utilisation instruction	*Continuous* (a sustained delivery over the entire utilisation window) *Peak Delivery* (targeting the maximum response that can be delivered within the window) Maximum generation cap

Maximum response time	Time from Utilisation Instruction to full output	N/A 15mins 2 mins
Payments during response time?	Are *Flexibility Service Providers* paid during the response time	Yes No
Minimum utilisation time	The minimum time a unit can be instructed for	60 minutes (Hour) 30 minutes (Half Hour)
Minimum utilisation volume	The minimum volume that can be instructed	Measured in kW
Utilisation instruction timings	Timeframes in which utilisation Instructions are communicated.	At trade Operational Real Time

	Partial utilisation instruction possible?	Whether the *DNO* can instruct a portion of the available volume	Yes No
	Time variable utilisation volumes allowed?	Can the *DNO* vary the utilisation instruction for the different periods within the availability window?	Yes No

2.2 Standard DNO products

The five standard *DNO* products (*Scheduled Utilisation*, *Peak Reduction*, *Operational Utilisation*, *Scheduled Availability + Operational Utilisation*, *Variable Availability + Operational Utilisation*) and twelve variants are defined in the table below.

Table 3: Standard *DNO* products (and variants)

Purpose	Parameter Name	*Scheduled Utilisation*	*Peak Reduction*	*Operational Utilisation*		*Scheduled Availability + Operational Utilisation*				*Variable Availability + Operational Utilisation*			
				2 min (OU-2)	15 min (OU-15)	2 min (SAOU-2)	15 min (SAOU-15)	Day ahead (SAOU-DA)	Week ahead (SAOU-WA)	2 min (VAOU-2)	15 min (VAOU-15)	Day ahead (VAOU-DA)	Week ahead (VAOU-WA)

Structure	PaymentStructure	UtilisationOnly	UtilisationOnly	UtilisationOnly	UtilisationOnly	Availability and Utilisation	Availability and Utilisation	Availability and Utilisation	Availability and Utilisation	Availability and Utilisation	Availability and Utilisation	Availability and Utilisation	Availability and Utilisation
	When Prices are reset	Attrade	Attrade	Attrade	Attrade	Attrade	Attrade	Attrade	Attrade	Attrade	Attrade	Attrade	Attrade

	[procurement time scales]												
Availability	Availability Requests	N/A	N/A	N/A	N/A	Requested	Requested	Requested	Requested	Requested	Requested	Requested	Requested

tMechanism					by *DNO*	by *DNO*	by *DNO*	by *DNO*	by *DNO*	by *DNO*	by *DNO*	by *DNO*
Availability Acceptance timing	N/A	N/A	N/A	N/A	At trade	At trade	At trade	At trade	At trade	At trade	At trade	At trade

	Availability Refinement timing	N/A	N/A	N/A	N/A	Not allowed	Not allowed	Not allowed	Not allowed	Week Ahead	Week Ahead	Week Ahead	Month Ahead
	Availability Chan	N/A	N/A	N/A	N/A	No	No	No	No	No	No	No	No

	gesAllowed?												
	MinimumAggregateUnitSize	-	-	-	-	-	-	-	-	-	-	-	-
	Pa	-	-	-	-	-	-	-	-	-	-	-	-

	rtialAvailabilityAcceptanceePossibile?												
	TimeV	-	-	-	-	-	-	-	-	-	-	-	-

	ariableAvailabilityVolumesAllowed?												
	Availabil	N/A	N/A	N/A	N/A	£/MW/H	£/MW/H	£/MW/H	£/MW/H	£/MW/H	£/MW/H	£/MW/H	£/MW/H

	ityPaymentunit												
	AvailabilityPeriod	N/A	N/A	N/A	N/A	SettlementPeriods	SettlementPeriods	SettlementPeriods	SettlementPeriods	SettlementPeriods	SettlementPeriods	SettlementPeriods	SettlementPeriods
Utilisa	Utilisatio	£/MWh	£/MWh	£/MWh	£/MWh	£/MWh	£/MWh	£/MWh	£/MWh	£/MWh	£/MWh	£/MWh	£/MWh

tion	nPayment unit												
	Utilisation Period	Settlement Periods	Settlement Periods	Minutes	Minutes	Minutes	Minutes	Minutes	Minutes	Minutes	Minutes	Minutes	Minutes
	Delivery E	*Continuo*	*Peak Deliv*	*Continuo*	*Continuo*	*Continuo*	*Continuo*	*Continuo*	*Continuo*	*Continuo*	*Continuo*	*Continuo*	*Continuo*

	xpectation	*us*	*ery*	*us*	*us*	*us*	*us*	*us*	*us*	*us*	*us*	*us*	*us*
	MaximumResponseTime	N/A	N/A	2mins	15mins	2mins	15mins	N/A	N/A	2mins	15mins	N/A	N/A
	Paymen t	No	No	No	No	No	No	No	No	No	No	No	No

	sduringresponsetime?												
	MinimumUtilisationTi	30mins	30mins	30mins	30mins	30mins	30mins	30mins	30mins	30mins	30mins	30mins	30mins

	me												
	MinimumUtilisationVolume	-	-	-	-	-	-	-	-	-	-	-	-
	UtilisationInst	Attrade	Attrade	RealTime	RealTime	RealTime	RealTime	Operational-D	Operational-W	RealTime	RealTime	Operational-D	Operational-W

	ructionTimings							dayAhead	eekAhead			dayAhead	eekAhead
	PartialUtilisationInstruction	-	-	-	-	-	-	-	-	-	-	-	-

	possible?												
	TimeVariableUtilisationVolumesA	-	-	-	-	-	-	-	-	-	-	-	-

	llowed?												

Null values (-) indicate that there is no aligned requirements for this parameter across *DNOs*

> **Guidance**
>
> ### Commentary
>
> *This section is provided as guidance to the Flexibility Market Rule. Therefore, it is not legally binding and falls outside of the formal change management process.*
>
> Many parameters had 2 states under the Open Networks definitions: an interim and end state. For this first version, we have removed the end state, as there was no clear route to implementation. These may be added back into future versions

3 Market Information

3.1 Implementation tracking

The *DNOs* must provide the *Market Facilitator* with the data set out in Table 4 for each *Sub-Market* in scope of this rule. The data provided should accurately reflect their implementation of the rule within each of each *Sub-Market*.

The expected values required for compliance are also set out in Table 4.

Initial data shall be sent no later than 20 *working days* after the Published Date of this *Flexibility Market Rule*.

Updates shall be sent as soon as reasonably practical, and no later than 10 *working days* after any changes to the values.

Elexon reserves the right to publish this data within its *Implementation Tracker*.

Table 4: Implementation tracking requirements

	Parameter	Required value (per *Sub-Market*)
FMR-PD	Implementation Status	Dependent on date: • Before *Implementation Date*: Not yet started, Implementing, Paused, Implemented • Between *Implementation Date* and End Date: Implemented • After End Date: Superseded
	Target *Implementation Date*	No later than *Implementation Date*

3.2 Flexibility Market Catalogue data

The *DNOs* must update the *Market Facilitator* with the data set out in Table 5 below for each *Sub-Market* in scope of this *Flexibility Market Rule*. This should accurately reflect their implementation of each *Sub-Market*.

The expected values required for compliance are also set out in Table 1.

Initial data shall be sent no later than the *Implementation Date* of this *Flexibility Market Rule*.

Updates shall be sent as soon as reasonably practical, and no later than 10 *working days* after any changes to the values.

System Operators shall also publish this information themselves.

Elexon reserves the right to publish this data within its *Flexibility Market Catalogue*.

Table 5: *Sub-Market* definitions

Parameter	Description	Required values
Product	Which product is in use within the *Sub-Market*	• *Scheduled Utilisation* (SU); *Peak Reduction* (PR); • *Operational Utilisation* - 2 min (OU-2); • *Operational Utilisation* - 15 min (OU-15); • *Scheduled Availability + Operational Utilisation* - 2 minutes (SA OU-2); • *Scheduled Availability + Operational Utilisation* - 15 minutes (SA OU-15); • *Scheduled Availability + Operational Utilisation* - Day ahead (SA OU-DA); • *Scheduled Availability + Operational Utilisation* - week

		ahead (SA OU-WA); • *Variable Availability + Operational Utilisation* - 2 minutes (VA OU-2); • *Variable Availability + Operational Utilisation* - 15 minutes (VA OU-15); • *Variable Availability + Operational Utilisation* - Day ahead (VA OU-DA); • *Variable Availability + Operational Utilisation* - week ahead (VA OU-WA);
Each parameter set out in Table 3. This should confirm the implementation of the products as defined and confirm the status of the parameters where no aligned values are currently set.		

Guidance

Commentary

> *This section is provided as guidance to the Flexibility Market Rule. Therefore, it is not legally binding and falls outside of the formal change management process.*
>
> We acknowledge there is overlap between these definitions and those set out in the "*Sub-Market* definition" *Flexibility Market Rule* (FMR-SMD). We will look to review this and remove duplication in due course. In the meantime, *DNOs* are expected to provide the data in duplicate for both rules.

3.3 Effectiveness monitoring

The following metrics shall be used to assess the effectiveness of the rule.

The *DNOs* must provide the *Market Facilitator* with any Additional Input Data as set out in Table 6 below for each *Sub-Market* in scope of this rule. The data provided should accurately reflect their implementation of the rule within each of each *Sub-Market*.

The expected values minimum required values for compliance, if any, are also set out in Table 6.

Initial Additional Input Data shall be sent no later than 20 *working days* after the *Implementation Date* of this *Flexibility Market Rule*.

Additional Input Data shall be sent in accordance with the Cadence set out in in Table 6.

Updates to Additional Input Data shall be sent as soon as reasonably practical, and no later than 10 *working days* after any changes to the values.

Elexon reserves the right to publish this data within its *Implementation Tracker*.

Table 6: Effectiveness monitoring metrics

Metric 1	**Description**	**Percentage of *DNO* tenders in reporting year using standard products**
	Why are we tracking this?	To understand the volume of standard products being put out to the market by the *DNOs*
	Cadence	Monthly
	Data source	Existing Data – *DNO* Data Reporting Rule: Total Tendered in *Reporting Period* (Sum of standard products/Sum of all products) Additional Input Data - None
	What does good look like	100%
	Minimum Requirement	>80%
Metric 2	Description	Percentage of *DNO* contracts in reporting year using standard products
	Why are we tracking this?	To understand the volume of standard products being bought from the market by the *DNOs*
	Cadence	Monthly

	Data source	Existing Data - *DNO* Data Reporting Rule: Total Contracted in *Reporting Period* (Sum of standard products/Sum of all products) Additional Input Data - None
	What does good look like	100%
	Minimum Requirement	>80%

4 Glossary

4.0 The following definitions are specific to this *Flexibility Market Rule*. 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.

Glossary

Term	Aliases	Definition
Continuous	–	a sustained delivery over the entire utilisation window
Peak Delivery	–	targeting the maximum response that can be delivered within the window
Reporting Period	–	in respect of data submitted under section 3.4 of FMR-DDR, the period of time to which the submitted data should relate. The first Reporting Period shall be 01/04/2027 to 31/05/2027 inclusive. Each subsequent Reporting Period shall be a calendar month, beginning on the first day of that month and ending on the last day of that month. More frequent submissions by a System Operator shall not create additional Reporting Periods.

FMR: Product Definitions - Amendment record

Guidance

This section is provided as guidance to the Flexibility Market Rule. Therefore, it is not legally binding and falls outside of the formal change management 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		
2.0	04/02/2026	Final	Housekeeping changes	CP002	CP002
2.1	17/02/2026	Final	*Derogation* Rule added		
3.2	12/05/2026	Final	Revision of the Rule	CP003	CP003
4.2	25/08/2026	Final	Revision of *Implementation Monitoring* Requirements	CP005	CP005

4.0.2 Annex 1: Associated meta-data

Guidance

This annex is provided as guidance to the Flexibility Market Rule. Therefore, it is not legally binding and falls outside of the formal change management process.

Identifier	FMR-PD
Title	Product definitions
Type	*Flexibility Market Rule*
Collection	*Sub-Market* Alignment
Audience	*DNOs*, *Flexibility Service Providers*
Expertise	Market Design
Owner	*Market Facilitator*
Expected benefit	Deliver aligned *flexibility* Products across *DNOs* to: - reduce variation across *DNOs* - simplify access for *Flexibility Service Providers*
Related end-to-end process reference	E.1 Define *Sub-market*
References	FMR-SMD, FMR-DDR
IsReferencedBy	FMR-SMD, FMR-SBM
Published version number	4.2

Applicability	All *DNO Sub-markets*
Published Date	25/08/2026
Implementation Date	31/03/2027
End Date	-
Terms of variations	Approved *Derogation*
IsReplacedBy	N/A
Replaces	N/A
Status	Final
Change since last version	Revision of the Rule
Description	**What?** This rule sets out the 5 standard *DNO* products (with 12 variants) **How?** Core parameters are used to define products. 12 variations of products are defined using those parameters **Who?** This rule impact *DNOs* and how they define products. In turn this impacts the products available to *Flexibility Service Providers*. It

	does not cover *NESO* product **When?** This rule comes into force in May 2026 **Why?** This rule aims to reduce the variation in procurement across *DNOs* to simplify access, and improve market coordination