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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 Sub-Market 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 common framework for defining and cataloguing individual *Sub-Markets* within the wider *flexibility market*. It translates the Open Networks "Products technical requirements document" into a set of standardised *Sub-Market* definitions, supplemented by parameters from related rules.

The aim is to provide clarity on how *Sub-Markets* are designed and to enable simple presentation and consistent comparison and alignment across the different *Sub-Markets* in our *Flexibility Market Catalogue*. The rule applies to all *Sub-Markets* within the *Market Facilitator*'s scope and comes into force in February 2026.

***Sub-Market* Definition Requirements**

The rule sets out a number of parameters that define a *Sub-Market*. This includes elements such as the buyer, payment structure, procurement method, pre-qualification criteria, metering requirements, platforms, availability, utilisation, settlement, and baselining. *System operators* are obligated to provide the *Market Facilitator* with these parameters for each of their *Sub-Markets*, to be shared with industry via the *Flexibility Market Catalogue*.

We believe the impact of these requirements to be:

Impact on *System Operators*	Impact on *FSPs*
System Operators must maintain these parameters for each of their *Sub-Markets*.	*FSPs* will be able to better understand the different markets via the *Flexibility Market Catalogue*.

***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	From 14/01/2026 (20 *working days* after the published date). Within 10 days of change	Track whether implementation is on track via our *Implementation tracker*
***Flexibility Market Catalogue* data**	Confirmation of *Sub-Market* parameter alignment and updates	From 06/02/2026. Within 10 days of change	Provide an overview of *Sub-Markets* via the *Flexibility Market Catalogue*.
Effectiveness monitoring data	N/A	-	-

***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	04/02/2026
Implementation Date	06/02/2026
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.

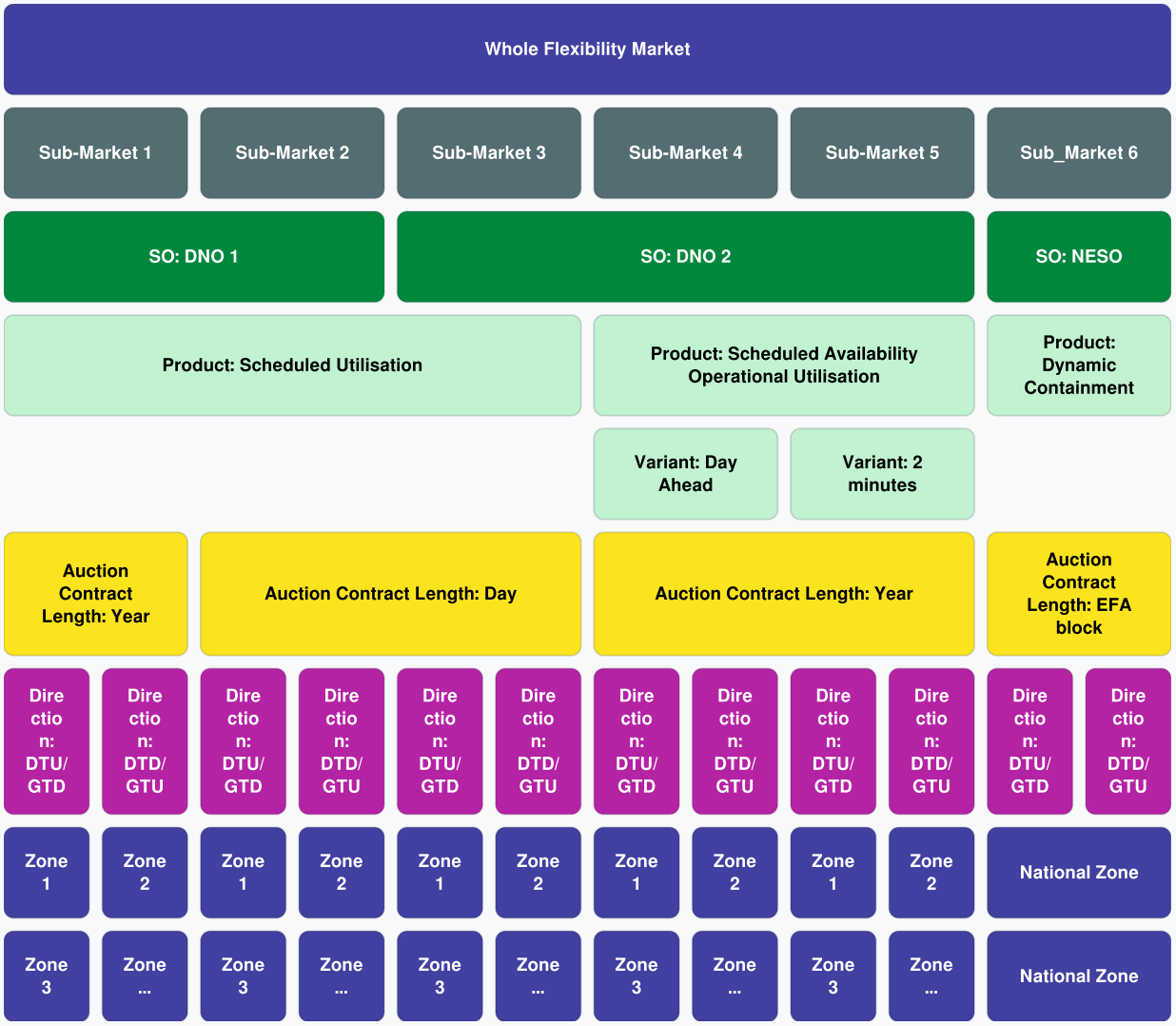
A *Sub-Market* means a specific segment of the overall *Flexibility Market*, distinguished by a specific *System Operator*, procuring a specific Product within a specific time period.

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

FMR



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

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

2 Sub-Market Definitions

2.1 Sub-Market definition parameters

The parameters that define a *Sub-market* are:

Table 2: Sub-market definition parameters

Purpose	**Parameter Name**	**Description**	**Required values for *DNO Sub-Markets***	**Required values for *NESO Sub-Markets***
User	**Buyer**	Who is the buyer of the services	-	*NESO*
Strategic Direction	**Strategic Direction**	The high-level plan for the service in the near future.	-	-
Structure	**Payment Structure**	How the service is structured (i.e. what is the SO asking of the *FSP*)	As set out in the Product definitions rule (FMR-PD)	-
Structure	**Procurement Method**	The type of mechanism used to procure the service	-	-
Structure	**When Prices are Set**	Time before use that prices	As set out in the Product definitions	-

		are determined	rule (FMR-PD)	
Structure	**Generation/demand turn down service or generation/demand turn up service?**	Does the service require the provider to export or import power to the grid	-	-
Pre-qualification	**Required to be a Balancing and Settlement Code (BSC) Party?**	The rules and governance arrangements for electricity Balancing and Settlement in Great Britain.	No	-
Pre-qualification	**Non-BM Party Accessible?**	Can you participate without being a Balancing Mechanism Party?	-	-
Pre-qualification	**Asset Location Grouping**	Requirement for where multiple assets	per specific CMZ	-

	Requirement?	within a unit must be located		
Pre-qualification	**Aggregation /Virtual Lead Party (VLP) Route Available?**	The option of having more than a single asset within a unit	Yes	-
Pre-qualification	**Minimum MW Delivery Required (also referred to as Minimum Aggregated Unit Size)**	The minimum MW capacity that a unit must exceed to enter the service	As set out in the Product definitions rule (FMR-PD) under "Minimum Aggregate Unit Size"	-
Pre-qualification	**Unit volume cap**	Maximum amount of MW volume per unit registered in the service	-	-

Pre-qualification	**Open to Flexible Connections or similar?**	If the asset's network connection has 'restrictions' (eg a Curtailable, Flexible or Ramped connection), can they participate?	-	-
Pre-qualification	**Open to Planned Connections?**	Identifying when assets must be connected to the network before participating in *flexibility market*.	-	-
Metering	**Asset metering permitted? (vs boundary point metering system)**	What type of metering is permitted? Some services only allow boundary meter data	-	-

		whilst others allow metering behind the boundary i.e. asset metering		
Metering	**Operational Metering Required?**	A live feed to the relevant *System Operator* control room to measure providers live service delivery	-	-
Metering	**Operational Meter Accuracy Required?**	The accuracy rating required of physical meters providing operational metering	-	-
Metering	**Operational Meter Refresh Frequency**	The frequency that the physical meter	-	-

		captures real-time data snapshots		
Metering	**Operational Metering Latency**	Operational metering data must reach relevant *System Operator* Control Room within this time	-	-
Metering	**Operational Metering Signal Type**	The type of electrical data collected for operational metering	-	-
Metering	**Performance Meter Refresh Frequency**	The frequency that the physical meter captures real-time data snapshots (e.g. 20Hz= 20	-	-

		snapshots per second)		
Platforms	**Service Registration Platform**	The platform used to register to enter the service	-	-
Platforms	**Procurement Platform**	The platform that providers use to bid into the service and form contracts	-	-
Platforms	**Operational Platform**	The platform for operational instructions (e.g. utilisation declarations or dispatch)		

Platforms	**Settlement Registration Platform**	The platform to register and submit settlement data	-	-
Availability	**Availability period**	the periods in which the service is made available or utilisation is committed	As set out in the Product definitions rule (FMR-PD)	-
Availability	**Availability Payment Unit**	The units used for Availability Payments	As set out in the Product definitions rule (FMR-PD)	-
Utilisation	**Instruction Notice Period (also referred to as Utilisation Instruction Timings)**	Notice given to providers that they will need to respond to an instruction in the immediate future	As set out in the Product definitions rule (FMR-PD)"	-

Utilisation	**Gate closure**	Dispatched before or after gate closure	-	-
Utilisation	**Delivery Duration (also referred to as Minimum Utilisation Time)**	Minimum amount of time that a provider must be able to provide its obligated delivery volume	As set out in the Product definitions rule (FMR-PD)	-
Utilisation	**Utilisation period**	The periods in which the service is made available or utilisation is committed	As set out in the Product definitions rule (FMR-PD)	-
Utilisation	**Time to respond to instructio n**	Time to show unit ramping has began	N/A	-
Utilisation	**Max time to full delivery from**	Time taken from utilisation instruction	As set out in the Product definitions	-

	Instruction (also referred to as Maximum Response Time)	or triggering event to reach procured volume delivery	rule (FMR-PD)	
Utilisation	**Ramping requirements**	The specific requirements of the service in relation to ramping up or down of delivery	N/A	-
Utilisation	**Maximum Recovery Period**	The time between the end of the delivery of one instruction and the start of the delivery of the next instruction	-	-
Utilisation	**Instruction Trigger**	What triggers a request to deliver the contracted volume	Tender result will be seen as instruction OR	-

			DNO instruction	
Utilisation	**Auction contract length**	How long the providers delivery contract lasts	-	-
Utilisation	**Utilisation Payment Unit**	The units used for Utilisation payments	As set out in the Product definitions rule (FMR-PD)	-
Settlement & Performance Monitoring	**Settlement or Performance Monitoring required?**	Identification of any service specific performance monitoring requirements.	Yes	-
Baselining	**Baselining**	Summary of the baselining approach used	As set out in the *DNO* Baselining rule (FMR-SBM)	-
Reporting	**EBR Article 18**	Is the *sub-market*	-	-

		within scope of Electricity Balancing Regulations Article 18?		

Null values (-) indicate that there is no required value for this parameter.

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 "Product Definition" *Flexibility Market Rule* (FMR-PD) and the "Metering Requirements and Standards" *Flexibility Market Rule* (FMR-MR) and the "Standard Baselining Methodology" (FMR-SBM). We will look to review this and remove duplication in due course. In the meantime, *DNOs* are expected to copy the definition data between both rules.

3 Market Information

3.1 Implementation tracking

The *System Operators* must provide the *Market Facilitator* with the data set out in Table 3 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 3.

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 3: Implementation tracking requirements

	Parameter	**Required value (per *Sub-Market*)**
FMR-SMD	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 *System Operators* must update the *Market Facilitator* with the data set out in Table 4 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 4.

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 4: *Sub-Market* definitions

Parameter	Description	Required values
All the parameters set out in Table 2		

3.3 Effectiveness monitoring

There are no *market facilitator* metrics for this rule

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.

Term	Meaning
None used in this document	

FMR: *Sub-market* 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 change	CP002	CP002
2.1	17/02/2026	Final	*Derogation* Rule added		

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-SMD
Title	*Sub-Market* definitions
Type	*Flexibility Market Rule*
Collection	*Sub-Market* Alignment
Audience	*NESO*, *DNOs*, *FSPs*
Expertise	Market Design
Owner	*Market Facilitator*
Expected benefit	Deliver a common approach to defining *Sub-Markets* to: - aid understanding of the individual *Sub-Markets* and the market as a whole, - aid comparison across *Sub-Markets*
Related end-to-end process reference	E.1 Define *Sub-market*
References	FMR-PD, FMR-SBM
IsReferencedBy	FMR-PD, FMR-SBM
Published version number	2.1

Applicability	All *Sub-markets*
Published Date	04/02/2026
Implementation Date	06/02/2026
End Date	-
Terms of variations	Approved *Derogation*
IsReplacedBy	N/A
Replaces	N/A
Status	Final
Change since last version	Housekeeping changes – Update to sections 3.1, 3.3 and *Sub-market* guidance.
Description	**What?** The rule set key elements of how a *Sub-Market* is designed. These are supplemented by definitions from other rules, to catalogue the different *Sub-Markets*. **How?** Core parameters are used to define each *Sub-Market*. **Who?**

	This rule impacts all *System Operators*. The clearer definitions should benefit all *Flexibility Service Providers*. **When?** This rule comes into force in February 2026 **Why?** This rule aims to aid understanding of how individual *Sub-Markets* work, as well as how aligned/different they are.