

# ELEXION

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**Demand flexibility and the Market  
Facilitator role**

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Association for Decentralised Energy:  
Decentralised Energy Conference

21 September

# Elexon – breadth of capabilities

## Governance and Code Management



- Industry rules management
- New roles for aggregators enabling Demand Side Response
- Trusted critical friend
- Impartial expert advice, knowledge sharing and learning

## Digital Capabilities – IT Systems and Platforms



- Elexon Kinnect – cloud Settlement platform
- Half-Hourly Settlement Data Integration Platform
- ‘Digital’ BSC website
- Part of a Digital Spine

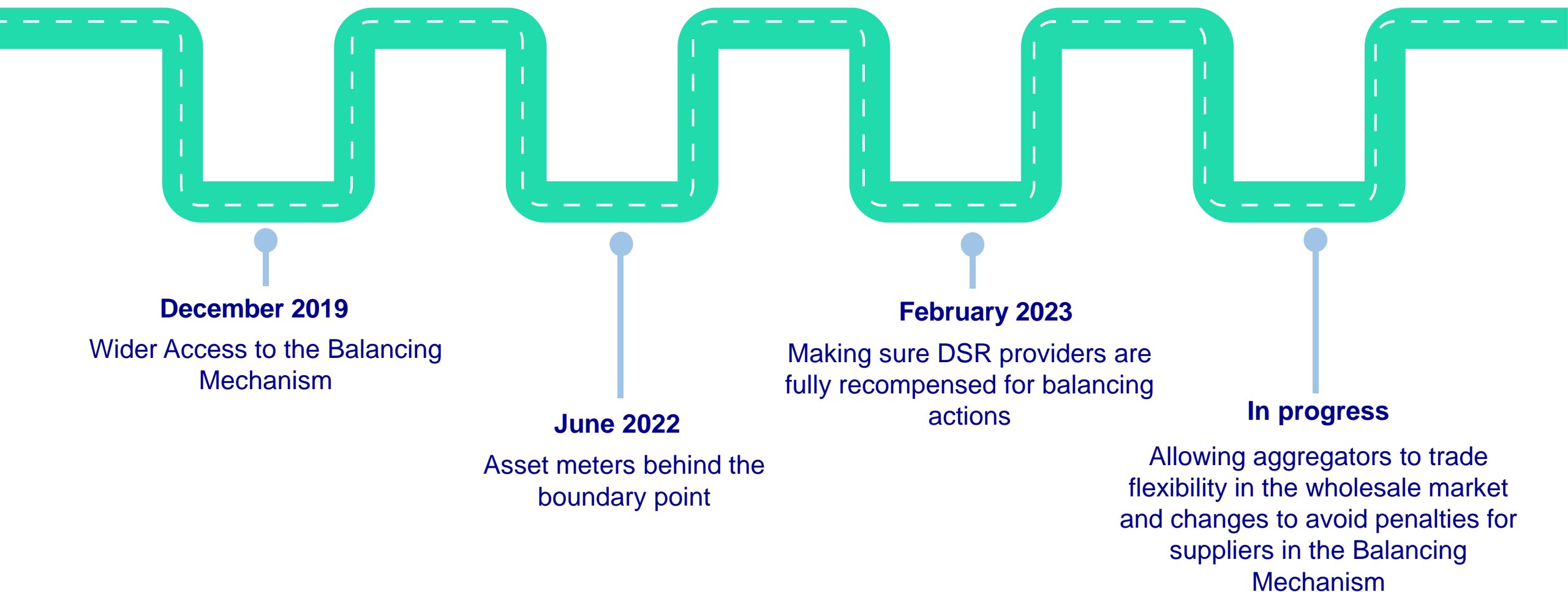
## Data and Open Data



- Modern data platform (The Insights Solution)
- Settlement data presumed open
- Mature data governance and management capability
- Centralised half hourly consumption data

Managing payment schemes for CfDs, new nuclear RAB scheme, Capacity Market, Energy Price Guarantee

# Exxon's support to help DSR providers participate in markets



# Ofgem's consultation on Future of Local Energy Institutions and Governance

Regional System  
Planning



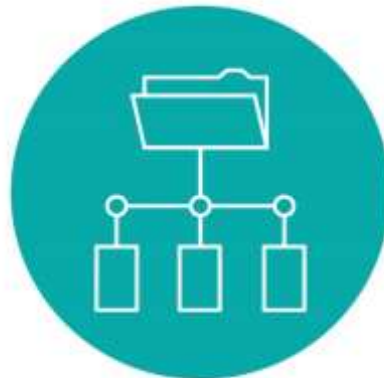
FSO



Market Facilitator  
(for distributed flexibility)



To be decided by Ofgem



Real-Time Operation  
role



DNOs to retain this role

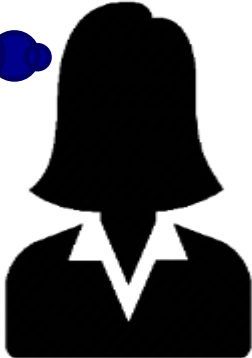


# What current issues do flexibility providers face?

She has to register and interact with each market individually

Common barriers (for all flexibility providers)

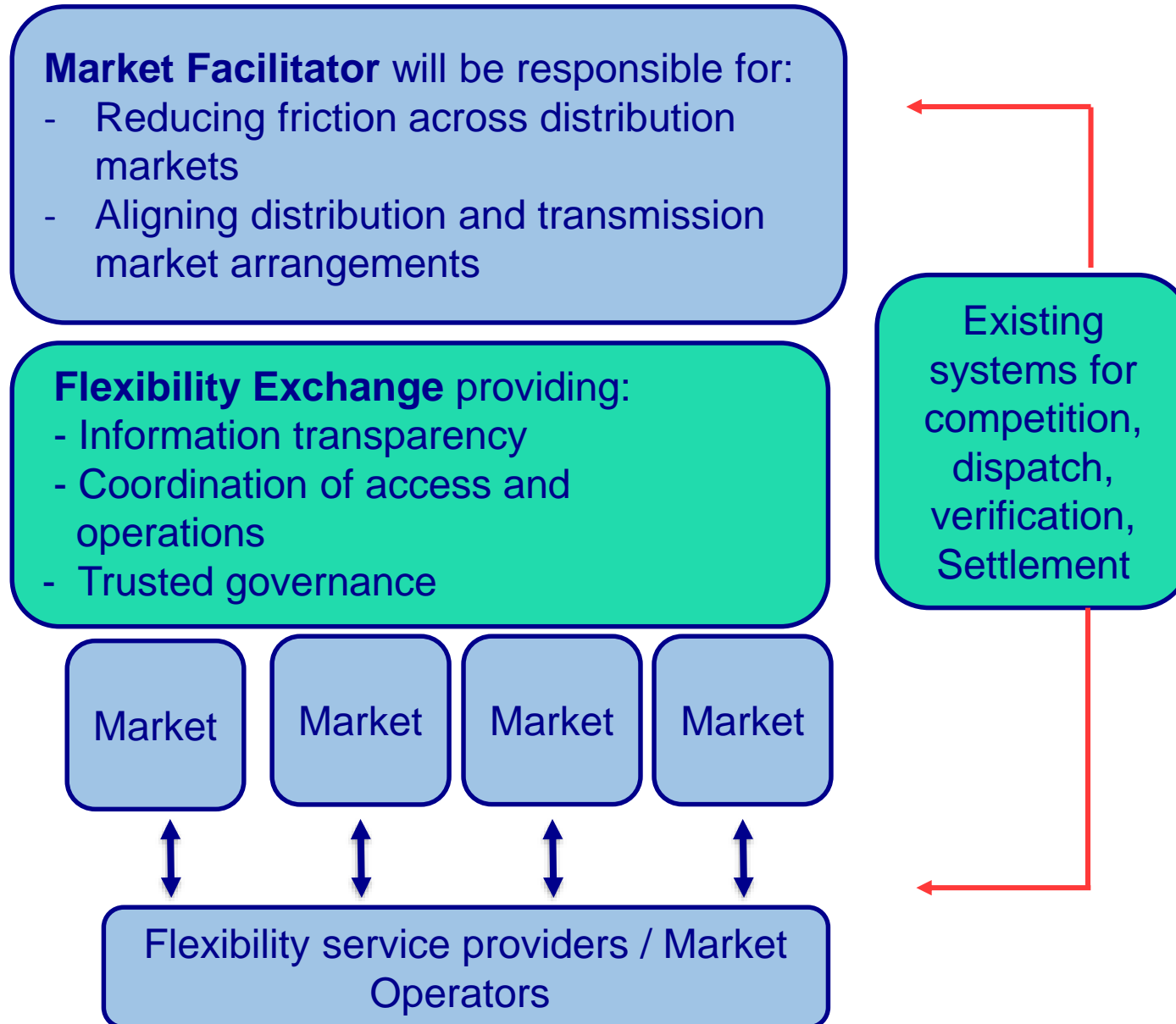
Anita has a 10-15 MW storage facility and would like to provide flexibility services across multiple markets



- Balancing Mechanism
- Ancillary Services
- DSO markets
- Wholesale Market
- Capacity Market

- Insufficient visibility
- Lack of coordination
- Lack of transparency
- Lack of trust
- Lack of common processes

# How can a Flexibility Exchange and Market Facilitator help?



# Ofgem's breakdown of functions between the Market Facilitator, the Flexibility Exchange and DNOs

## Market Facilitator

Product development & standardisation

Managing market rules

Engaging with market participants

Market oversight

## Market enabling infrastructure & platforms

Customer registration and management

Pre-qualification

Hosting flexibility tenders

Match trades

Inform successful participants

Publish tender results

Platform analytics

Settlement, credit and clearing

## DNOs (buyers of flexibility services)

Identify and specify requirements

Submit requirements on platform

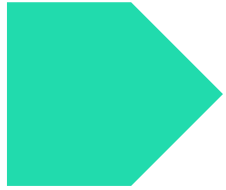
Evaluating and selecting options

Recording and publishing market data

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# Conclusions

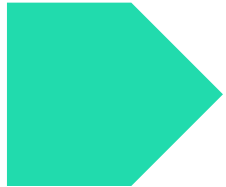
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Flexibility Exchanges combined with a Market Facilitator can play an important role in increasing the amount of flexibility available and helping DSR find markets for its services



The Flexibility Exchange should be developed using existing energy infrastructure and capabilities



A single, independent entity is needed to take on the Market Facilitator role



Elexon has proven experience in facilitating markets & the industry believes we could play a key role



Rules for the Market Facilitator role and the governance of the exchange need to be considered in relation to each other