ELEXON

Vision for Market Coordination Working Group Session

Meeting number	**1**	Venue	**Virtual via MS Teams**
Date of meeting	**15 May 2025: 1:00 pm – 3:00 pm**	Classification	**Public**

Summary

1. Introduction and Terms of Reference

1.1 The Chair welcomed attendees and introduced the Terms of Reference for the Market Coordination Working Group. Elexon will chair the group, with monthly meetings recorded for internal note-taking. The group's purpose is to help define what effective coordination across sub-markets in GB looks like and develop a roadmap for delivery. Its scope includes clarifying good coordination practices, supporting the 2026–2027 Delivery Plan, and exploring longer-term options. Members were asked to contribute based on their sector expertise.

2. Context around Market Coordination

2.1 Elexon shared the background and purpose of the Market Coordination function, one of the three core roles of the market facilitator alongside strategic leadership and implementation monitoring. Market Coordination is concerned with aligning definitions and processes across sub-markets and ensuring smooth interactions between them. Elexon explained that this is being developed through a layered rules framework, beginning with a Flexibility Market Catalogue, followed by sub-market definitions and Market Coordination Rules. These Market Coordination Rules are also informed by existing Revenue Stacking and Primacy rules.

2.2 Elexon also provided an overview of work done to date on Revenue Stacking and Primacy, two closely linked concepts underpinning how different markets coordinate. Revenue Stacking defines how a single asset can deliver services across multiple sub-markets, while Primacy addresses which System Operator's instructions take precedence when multiple operators are involved in managing the same network constraint. Examples were shared to illustrate how stacking enables participation across markets and how primacy ensures safe and efficient operations.

2.3 On Revenue Stacking, Elexon outlined three key stacking modes, Jumping, Splitting, and Co-delivery, alongside a growing emphasis on enabling "stacking by default" where possible. Progress includes published guidance, service mapping, and a policy steer toward removing barriers such as exclusivity clauses or vague baselining. Meanwhile, Elexon explained that Primacy has evolved from a case-by-case approach to a structured framework, identifying four types of primacy (DSO, NESO, Joint, and No Primacy). Two priority use cases were also presented where conflict between operators arises, with clear recommendations on the optimal rule to apply based on cost-benefit analysis.

3. Focus of this working group

3.1 Elexon shared a range of potential focus areas for the working group, centred on improving coordination and co-delivery across flexibility sub-markets. These include enhancing guidance and documentation, improving market data and digitalisation, aligning sub-markets, implementing and refining Primacy rules, and exploring engagement and coordination mechanisms.

3.2 Elexon explained that the group will primarily explore what good coordination looks like and how to approach co-delivery, highlighting that these discussions are interconnected. Members were invited to consider whether any key themes had been missed and whether the approach presented was clear.

4. Frameworks for setting out what good looks like

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4.1 Elexon shared a set of frameworks to illustrate what “good” coordination could look like across sub-markets. The OneNet theoretical market framework was introduced, outlining key pillars such as market architecture, sub-market coordination, optimisation, operation, and network representation, each offering a lens to shape and assess future market design.

4.2 They explained how differing optimisation methods and coordination principles influence how sub-markets interact, noting that GB’s current sequential DSO/NESO setup results in minimal cross-market allocation. The ENA Open Networks “Worlds” and Commander models were also presented, comparing different ESO-DSO coordination schemes and highlighting trade-offs around efficiency, cost, and communication.

4.3 Lastly, Elexon discussed product-led vs market-led models. Product-led designs tend to focus on specific services and place optimisation with aggregators, while market-led models are broader, enabling flexible service provision with optimisation handled by the system operator. These distinctions will help inform how coordination is approached going forward.

5. Next Steps

5.1 Elexon shared the upcoming workplan, with the next meeting set for 12 June 2025. The group will explore sub-market coordination and co-delivery through phased sessions from June to November, aiming to refine options and develop roadmaps. Notes from this session will be shared within five working days.

6. Stakeholder Comments and Discussions throughout the meeting:

6.1 A stakeholder queried how input from DNOs and others would be used. Elexon responded that while the final decisions sit with them, stakeholder input is essential to inform robust, balanced outcomes.

6.2 A stakeholder asked about volumes associated with the four coordination scenarios. Elexon confirmed data is currently limited but acknowledged it’s critical for implementation planning.

6.3 A stakeholder queried how Elexon will transition from coordination principles to implementation. Elexon explained their focus is on identifying areas of value (e.g. co-delivery), then setting direction and sequencing work into delivery plans.

6.4 Stakeholders raised the importance of real-time data, liquidity, and upskilling the ecosystem to effectively support market coordination.

6.5 There was discussion about the risk of market gaming. Elexon acknowledged it is a key concern and emphasised that well-designed coordination should reduce such opportunities.

6.6 Several stakeholders encouraged Elexon to proceed optimistically, drawing lessons from past reforms like the EAC, while recognising complexity and the need for continued industry learning.