# Draft Flexibility Market Rule: Primacy Rules

# Summary

The following data will be provided as meta-data in the Market Facilitator Repository

|  |  |
| --- | --- |
| Identifier | FMR-PR |
| Title | Primacy Rules |
| Version number | 0.1 (1.0 for Day 1) |
| Audience | NESO, DSOs, FSPs |
| Description | The rules and processes in place to manage conflict between system operators. These give the DSO priority over the dispatch of the MW Dispatch service. |
| Change log | Translation of existing Primacy rule developed by Open networks |

# Flexibility Market Rule

## The concept of Primacy

NESO and DNOs operate their respective transmission and distribution networks in line with relevant standards and licence conditions. To do so, each may require one or more supporting services. However, overlaps or conflicts between these services can lead to inefficiencies across the electricity system. This risk is likely to grow as service procurement increases.

To address this, and to enable efficient and transparent network optimisation, a clear set of principles and “primacy” rules is needed. These rules will guide the procurement, planning, scheduling, and dispatch of services based on whole-system value, while clearly distinguishing between market/price-driven actions and the operational priorities of the electricity system.

These rules aim to balance several key factors: the technical requirements of local networks, the risks to overall system operability, the value provided to Service Providers through market- and price-driven actions, the needs of emerging market-based platform developers, and ultimately, the cost impact on end consumers. Primacy, in this context, typically addresses conflicts between different assets operating within the same electrical network.

**Primacy Principles:**

In order to establish a coherent and effective rule set that delivers clear value to consumers, a foundational set of Primacy Principles is required. These principles will serve as the overarching criteria against which all future Primacy Rules are to be developed, assessed, and maintained. They are intended to ensure that all rules are aligned with the desired outcomes of the electricity system and reflect the evolving needs of consumers, markets, and network operators.

Primacy Principles represent the key policy and operational outcomes that the rules must deliver. They sit above the individual rules, guiding their development and serving as a benchmark for assessing their adequacy and effectiveness.

These principles are outcome-focused and prioritised. All Primacy Rules must be demonstrably aligned with and deliver against the following:

1. **Deliver the Least Whole Electricity System Cost to Consumers**  
   Rules must prioritise system-wide efficiency and economic outcomes that reduce total costs borne by end consumers.
2. **Facilitate Fair, Accessible, and Efficient Markets**  
   Rules must support market structures that are competitive, inclusive, and enable effective participation from a wide range of service providers.
3. **Be Clear, Transparent, Consistent, Inclusive, and Deliverable**  
   Rules must be operationally and legally robust, easily interpretable, equitably applied, and practical for implementation across relevant parties.

In support of the above principles, and to ensure the continued integrity and security of the electricity system, all Primacy Rules must also enable NESO and DNOs to maintain the following core functions (in order of operational priority):

* Efficient Management of National System Balancing and Overall Operability
* Maintenance of Transmission Network Security
* Maintenance of Distribution Network Security

For each use case there are a number of options for Primacy Rules. These tend to fall into 3 broad categories:

*DNO Primacy: where the DNO service takes priority, and the ESO must take mitigating actions*

*ESO Primacy: where the ESO service takes priority, and the DNO must take mitigating actions*

*Joint Primacy: where the priority is considered based on more dynamic assessment of value.*

Within each option there are a number of variants depending on the specific services considered as well as the timing information sharing.

Use Case:

Transmission Constraint Management (TCM) Service and simplified the rule for **DNO Flexibility Services**

(excluding Restore), which includes basic data sharing before real-time operations and real time operations.

The rules associated with the TCM Use Case have taken forward as part of the Regional Development Programmes (RDPs/ MW Dispatch projects.

## Rule

Rule 1: DNO Priority – In formation shared ahead of time with NESO.

In this Rule:

**DNO Service Primacy**  
DNO flexibility services shall take priority over the NESO Transmission Constraint Management (TCM) service, due to their localised nature and the limited availability of alternative options at the distribution level.

**Risk of Conflict Forecast Sharing**  
A commonly agreed "Risk of Conflict" forecast must be shared between the DNO and NESO. This forecast will be based on each DNO’s approach to flexibility forecasting and will identify any potential conflicts between local DNO services and ESO TCM operations.

**Integration into NESO Planning**  
The NESO shall incorporate the Forecast Risk of Conflict into its TCM planning processes. Where a DNO has flagged a conflict risk, the NESO must exclude those sites from its TCM service planning. This approach ensures consistent and streamlined implementation, with conflict identification responsibility clearly placed on the DNO during scheduled planning data exchanges.

**Data Exchange Method**  
Given the non-real-time nature of this process, data exchange shall occur through simple mechanisms—either via uploading/downloading from an online portal or through CSV files shared over email. The process must support regular and reliable communication between the DNO and NESO in planning timescales.

# Implementation details

## Implementation requirement

This rule covers all Sub-markets/DSO Sub-markets/…. within the Market Facilitator scope. Innovation trials are not bound by the requirement.

For the ESO Transmission Constraint Management (GTD) Service and DNO Active Power Flexibility Services (GTU/DTD), excluding Restore, the following developments have been implemented:

* **Advanced Information Sharing**: DNOs now provide a weekly unavailability report to the NESO, enabling greater visibility ahead of real-time operations.
* **CMZ Mapping**: DNO Constraint Management Zones (CMZs) have been mapped to the zones where the Balancing Mechanism (BM) is procured. The locations of these CMZs are publicly available.
* **Risk of Conflict (RoC) Reporting**: Each DNO collates and shares a Risk of Conflict report with the NESO, based on their internal forecasting of flexibility requirements. This report provides the NESO with visibility into which embedded BMUs may be unable to respond effectively to BM instructions, helping to ensure system balance and stability.
* **Information Sharing Mechanism**: A mechanism for sharing these reports has been established, utilizing a combination of data portals and CSV files distributed via email.
* **ESO Integration Process**: A process has been implemented for the ESO to ingest the DNO forecasts and incorporate them into its Transmission Constraint Management (TCM) planning processes

|  |  |  |  |
| --- | --- | --- | --- |
|  | All Sub-markets | | Innovation Trials |
| Applicable to Sub-market | | Yes | No |
| Version in use for submarket | | 1.0 |  |
| Effective From | | 01/12/2025 |  |
| Effective to | | Null |  |
| Implementation Requirements | | All System Operators (SOs) shall apply these rules when conflicts are identified and must maintain the ongoing data exchange between the NESO and DNOs, as established under the implementation of this version of Primacy rule. |  |
| Variations Allowed? | | N |  |
| Terms of variations | | N/A |  |
| Location for variation evidence | | N/A |  |
| Directly Impacted Stakeholders | | SOs, DNO’s |  |
| Location for FSP issue reporting | | Repository link here: XX |  |
| Location for non-compliance reporting | | Repository link here: XX |  |

## Implementation monitoring

The System Operators must update the Market Facilitator with the following data (as set out in Table 2) for each Sub-market in scope of the rule within 10 working days of change. This should accurately reflect their implementation of each Sub-market whilst aligning with the required values as set out in Table 1 above.

Table 2: Implementation monitoring requirements

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Rule XX |  | Sub-market A | | Sub-market B |
| Version in use for submarket | |  |  |
| Effective From | |  |  |
| Effective to | |  |  |

# Sub-market definitions

The System Operators must update the Market Facilitator with the following data (as set out in Table 3 below) for each Sub-market in scope of the rule within 10 working days of change. This should accurately reflect their implementation of each Sub-market whilst aligning with the required values as set out in Table X.

Table 3: Sub-market definitions

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Parmeter | Description | | Options | |
|  | |  | |  |
|  | |  | |  |
|  | |  | |  |

OR

N/A as this is not a Sub-market Alignment Rule.

# Coordination data

The System Operators must update the Market Facilitator with the following data (as set out in Table 4 below) for each Sub-market in scope of the rule within 10 working days of change. This should accurately reflect their implementation of each Sub-market whilst aligning with the required values as set out in Table X.

Table 4: Coordination data

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Parmeter | Description | | Options | |
|  | |  | |  |
|  | |  | |  |
|  | |  | |  |

OR

N/A as this is not a Market Coordination Rule.

# Effectiveness monitoring

The following KPIs (as set out in below) shall be used to track the effectiveness of the rule.

Table 5: Relevant KPIs

|  |  |  |
| --- | --- | --- |
| KPI 1 | Description |  |
| Cadence |  |
| Data source |  |

# Glossary

## Global definitions

These definitions are held in the wider Market Facilitator Glossary.

|  |  |
| --- | --- |
| Definition 1. |  |
| Definition 2 |  |

## Local definitions

These definitions are specific to this Flexibility Market Rule. Where they conflict with and Global definitions, as set out in the Market Facilitator Glossary, the local definitions take precedence.

|  |  |
| --- | --- |
| Definition 1. |  |
| Definition 2 |  |

# Annex 1: Associated meta-data

The following data will be provided as meta-data in the Market Facilitator Repository

|  |  |
| --- | --- |
| Identifier |  |
| Title |  |
| Type |  |
| Collection |  |
| Audience |  |
| Owner |  |
| Expected benefit |  |
| Related end-to-end building block |  |
| Related Smart Grid Architecture Modelling layer |  |
| References |  |
| IsReferencedBy |  |
| Version number |  |
| Creator |  |
| Created |  |
| IsReplacedBy |  |
| Replaces |  |
| Version Status |  |
| Change log |  |
| Description |  |