



Local Governance and Flexibility Strategy

Ofgem

10 South Colonnade

Canary Wharf

London

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Emailed to: flexibility@ofgem.gov.uk

6th February 2024

Dear Joseph,

Response to market facilitator delivery body consultation

Drax Group plc (Drax) owns and operates a portfolio of flexible, low carbon and renewable electricity generation assets – providing enough power for the equivalent of more than 8 million homes across the UK. Drax also owns two retail businesses, Drax Energy Solutions (formerly trading as Haven Power) and Opus Energy, which together supply renewable electricity and gas to 220,000 business premises. This response is on behalf of the whole Drax Group and is non-confidential.

We're supportive of the market facilitator role as this should focus the development of the DSO flexibility programmes that have been evolving through the Open Networks initiative. We agree with the consultation principles and the characterisation of the strengths and weaknesses of both Elexon and the Electricity System Operator (soon be the National Energy System Operator, NESO). Whichever party Ofgem chooses to appoint, our view is that there needs to be clear governance and transparency built into the market facilitator's operational practices and programme of works.

Additionally, in our view the oversight role of the market and associated functions should continue to be an Ofgem focus rather than the accountability / jurisdiction of the market facilitator. Ofgem should ensure the market facilitator is obliged to evidence how it delivers to the principles that Ofgem has highlighted in the consultation. Of particular importance to market participants will be how the principles of Impartiality, Inclusivity and Collaboration, and Transparency are delivered.

We also note that the scope of the strategic thinking that Ofgem expects the market facilitator to undertake is not completely clear in the consultation. If the scope encompasses product development and network planning competencies that are the exclusive remit of the NESO, then it would be logical that it becomes the market facilitator.

As this programme of work continues, we think it would be helpful to understand in detail how the market facilitator will ensure that there are consistent products, and that transparent development and procurement choices are made, across all networks.

If you would like to discuss any aspect of our response, please don't hesitate to get in touch.

Yours sincerely,

Paul Youngman

Regulation Manager - Industry Governance, Drax Group plc