



30 March 2011

ELEXON celebrates 10 years of NETA

ELEXON today celebrates its 10th birthday. And it's been an exciting 10 years since NETA, the New Electricity Trading Arrangements, went live on 27 March 2001. Since then, we've balanced the books for over 170,000 half-hourly settlement periods for our customers.

In its first year, NETA brought down wholesale electricity prices by around 40%, helping to deliver the government's objective of more competition in trading arrangements. In 2005, ELEXON rolled out BETTA – the British Electricity Trading and Transmission Arrangements – to extend the arrangements in England and Wales to include Scotland.

Since 2001, we've earned our reputation for seamlessly delivering settlement and outstanding value for money for our customers – and we've done it as our industry has experienced some of the biggest commercial and technological changes in its history.

But the biggest changes are yet to come: greater renewable generation from the Government's environmental policy, reforming the market to make it as secure and competitive as possible, and rolling out domestic smart meters to 29m British homes will make the last decade seem sedate.

We've grown up fast in the past 10 years at ELEXON, playing an active and dynamic role at the heart of the energy industry. And we're passionate about using our expertise and experience to help the industry find a smooth path through the next 10 years.

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About ELEXON

ELEXON delivers balancing and settlement services critical to the successful operation of Great Britain's electricity trading arrangements under the Balancing and Settlement Code (BSC). We manage processes and systems from meter to bank, handle over £500 million of our customers' funds each year and interact with over 200 companies in the electricity industry. They, in turn, supply over 28 million customers.

As part of our role in ensuring that residential and business electricity settlement happens seamlessly, we are experts in procuring and managing contracts for the systems and processes we manage. We've implemented and developed one of Great Britain's largest energy industry codes, and continue to handle its day-to-day governance.



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We also enforce performance standards, targets and other obligations so our customers have confidence that the BSC works efficiently and fairly.

Over the past 10 years, we've managed extensive industry change: developing and introducing the NETA arrangements and rolling out the Balancing and Settlement Code into the Scottish market in 2005 (BETTA). We regularly review and re-procure our large contracts (worth over £226 million altogether), and constantly update the BSC. We are now perfectly placed to help the industry meet the challenges that it faces.

How is ELEXON looking to the future?

We're consulting widely on smart metering and smart grids, looking at how any proposed changes may affect settlement and our customers, and proactively proposing solutions. We're also considering the impact of the low-carbon economy, and particularly the challenges that electrifying transport and relying more on renewable energy sources will bring.

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