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Press Release

ELEXON RESPONDS TO SMART METERING PROSPECTUS

ELEXON, a core provider of services to the electricity industry, has published its response to the second round of questions from the DECC and Ofgem Smart Metering Implementation Programme Prospectus.

Peter Haigh, ELEXON Chief Executive, commented: "We're really pleased to have the opportunity to respond to the consultation. It reflects our role as a central, independent player in the move to Smart metering. As the Smart Metering Implementation Programme progresses, we want to play a role in supporting it with our experience of delivering critical central market services seamlessly and cost-effectively to the benefit of the industry and consumers."

As a core industry provider, ELEXON has extensive experience in procuring and managing critical contracts and administering and managing an industry code. We believe our experience could assist with the rollout of Smart metering across the UK and we highlight the following points that we believe are essential to the success of the programme:

- Bringing forward the appointment of the DataCommsCo (DCC) would bring significant benefits to the programme by shortening the rollout timetable, reducing costs and mitigating the risks of putting pre-defined service provider contracts in place.
- The licence award criteria need to ensure that the DCC has the independence and credibility necessary to manage the energy industry through major change.
- ELEXON supports the rationale for establishing a Smart Energy Code (SEC). We agree it is essential to support Smart metering and deliver its benefits. Bringing the administration of the SEC under the control of the DCC will increase accountability, reduce complexity and duplication of processes, and so improve the customer experience and promote competition by removing barriers to entry.

- We believe it is crucial that we take advantage of this period of industry change by looking at how we can simplify industry processes, such as the change of supplier process – which is pivotal to improving consumer experience.

To see the full ELEXON consultation response please visit www.elexon.co.uk

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Notes to editors

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. 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.

For more information, contact:

Joanne Smalley
Corporate Communications Manager

Email: joanne.smalley@elexon.co.uk

Phone: 020 7380 4369

Mobile: 07501 254 915

Web: www.elexon.co.uk