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ELEXON welcomes Ofgem's decision on the expansion of ELEXON's role

We welcome today's publication by Ofgem of its conclusions letter following the recent consultation on the expansion of ELEXON's role. While acknowledging the further work that will be required in order to implement the restructure proposals, Ofgem's letter signposts the timetable for implementing a new business model and removes some of the obstacles that stand in the way of ELEXON's involvement in the DCC licence application process.

However, an expanded role is not just being driven by the DCC – there are many areas where our existing skills and resources could be harnessed to enable policy, delivering cost-effective solutions for the industry and ultimately for the benefit of consumers. We welcome Ofgem's recognition of the widespread support from consultation respondents for ELEXON's role to be expanded.

Peter Haigh, ELEXON's CEO, said: "This is a significant milestone in ELEXON's history, and one that we, Ofgem and the wider industry have worked hard to achieve since we first set out our strategy and ambitions to do more in our 2011/12 Business Plan. We look forward to continuing this work with Ofgem and the industry to implement Ofgem's conclusions and put in place a new business model and governance arrangements."

Ofgem's decision letter is available at:

<http://www.ofgem.gov.uk/Licensing/IndCodes/Governance/Documents1/elexon%20expansion%20way%20forward%20letter%20300412.pdf>

About ELEXON

ELEXON delivers balancing and settlement services which are 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 to ensure that residential and business electricity settlement occurs seamlessly. In so doing, we handle over £1.5 billion of our customers' funds each year and interact with over 240 companies in the electricity industry. They, in turn, supply over 28 million customers in Great Britain.

As part of our role, we are responsible for managing, operating and implementing change to one of Great Britain's most significant energy industry codes. We are experts in procuring and managing contracts for the systems and processes that we manage. We ensure that robust performance standards and BSC obligations are met so our customers have confidence that the BSC operates efficiently, accurately and fairly.

Over the past 10 years, we have managed extensive industry change, including developing and introducing the NETA arrangements and rolling out the BSC arrangements into the Scottish market in 2005 (BETTA). We are now perfectly placed to help the industry meet the challenges that it faces.



Press Release

How is ELEXON looking to the future?

We are consulting widely on smart metering and smart grids and looking at how any proposed changes may affect settlement and our customers. We are pro-actively proposing solutions in the smart arena. We are also actively considering the impact of the low carbon economy, and particularly the challenges that electrifying transport and relying more on renewable energy sources will bring. We recognise that Electricity Market Reform (EMR) will bring new challenges and we believe our expertise and experience could be applied to deliver the central arrangements necessary for EMR.

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