

BY EMAIL
15 December 2011

The Office of Gas and Electricity Markets
9 Millbank London
SW1P 3GE

Dear Sir/Madam,

ELEXON's response to the consultation on "The Smart Grid Evaluation Framework"

This is ELEXON Limited's response to the DECC/Ofgem Smart Grid Forum consultation on "The Smart Grid Evaluation Framework".

About ELEXON

ELEXON delivers the centrally-mandated electricity settlement services that 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 electricity meter to bank, handling over £500 million of our customers' funds each year and interacting with over 200 companies in the electricity industry. As part of this we administer the settlement of the Balancing Mechanism and the determination of electricity imbalance prices for generators and suppliers in respect of each half hour of each day.

ELEXON's response

ELEXON is enthusiastic to support future smart grid policy and market development. We believe that a commercial framework tool should prove a very useful aid to future policy making. On the assumption that there will be a positive business case for continuing smart grid development it seems likely that central market arrangements will need to be amended or developed. As such ELEXON is keen to participate and input to the practical aspects of market arrangements as policy work evolves.

Please do not hesitate to contact me if you wish to discuss any aspect of this letter or the current BSC electricity settlement arrangements in Great Britain. I can be contacted on 0207 380 4330 or chris.allen@elexon.co.uk.

Yours sincerely

Chris Allen
ELEXON Smart Grid Workstream Lead