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Citizens Advice's response to the consultation 'The future ownership of Elexon'

Dear BEIS,

Thank you for the opportunity to respond to this consultation.

We think that the transfer of ownership of Elexon should not seek to change the way in which Elexon operates. Elexon has been able to operate in the way industry and end consumers have needed. However, we think that the ownership vehicle needs to be as fit for purpose as possible. We recognise that Elexon ownership should not hold up the development of the Future System Operator and so a pragmatic solution may need to be taken.

All potential solutions could work but we see public ownership as the most significant risk to the continued focus of Elexon on industry and end consumer outcomes. This would be caused by additional obligations that distract or distort its current operation. We also have concerns about how this would be viewed by stakeholders as distracting Elexon's operations from a focus on their needs.

The main issue appears to be who is best placed to hold the nominal value of ownership shares in the company to satisfy the requirements for ownership. We view this as not passing any risk, or power, to a shareholder under the terms of ownership. As such, we should be seeking a solution that is simple to implement.

We think it is unclear what motivation a particular industry organisation would have in a nominal share. Alternatively, a range of licensees or parties could be offered or they could be mandated to take a share of ownership.

As a result, a suitable option might be a trustee board or a combination of the industry and stakeholder representatives who have an overview of the delivery of Elexon's services. This is a similar model taken by the Smart Energy Code Panel who also become Directors of the Smart Energy Code Company and hold a share with *"no dividends or other distributions, no proceeds on a winding-up and no profits from a 'sale' of the shares"*

We set out in order of preference options for Elexon ownership:

1. A trustee board involving industry / BSC Panel becoming powerless directors and shareholders as part of their panel obligations
2. BSC Parties share ownership (a subset of parties or a single party such as a Transmission Operator may be administratively simpler)
3. Public Ownership

Please do get in contact if you have any queries.

Kind regards

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