



## Elexon Ownership Consultation

### Response form

The consultation is available at: <https://www.gov.uk/government/consultations/elexon-ownership-consultation>

The closing date for responses is Thursday 22<sup>nd</sup> September

Please return completed forms to:

Electricity Systems Team  
Department for Business, Energy and Industrial Strategy  
Abbey 1, 3rd Floor,  
1 Victoria Street  
London  
SW1H 0ET

#### AND

Future System Operation  
Office of Gas and Electricity Markets  
10, South Colonnade  
Canary Wharf London  
E14 4PU

Email:

[futuresystemoperator@beis.gov.uk](mailto:futuresystemoperator@beis.gov.uk) and [SOreview@ofgem.gov.uk](mailto:SOreview@ofgem.gov.uk)

### Personal / Confidential information

Please be aware that we intend to publish a summary of all responses to this consultation.

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

Ofgem will publish non-confidential responses (or parts of response) on its website. If you want your response in whole or in part to be considered confidential, please tell us in your response and say why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

Please be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our privacy policy.

All responses will be processed by both BEIS and Ofgem as this is a joint consultation. This includes sharing the contact details of respondents between BEIS and Ofgem.

We will summarise all responses and publish this summary on GOV.UK. The summary will include a list of names or organisations that responded, but not people's personal names, addresses or other contact details.

I want my response to be treated as confidential ☐

Comments: [Click here to enter text.](#)

## About You

Name: Chris Bennett

Organisation (if applicable): National Grid Electricity Transmission

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CV34 6DA

|                                     | <b>Respondent type</b>                          |
|-------------------------------------|---|
| <input type="checkbox"/>            | Business representative organisation/trade body |
| <input type="checkbox"/>            | Central government                              |
| <input type="checkbox"/>            | Charity or social enterprise                    |
| <input type="checkbox"/>            | Individual                                      |
| <input checked="" type="checkbox"/> | Large business (over 250 staff)                 |
| <input type="checkbox"/>            | Legal representative                            |
| <input type="checkbox"/>            | Local government                                |
| <input type="checkbox"/>            | Medium business (50 to 250 staff)               |
| <input type="checkbox"/>            | Micro business (up to 9 staff)                  |
| <input type="checkbox"/>            | Small business (10 to 49 staff)                 |
| <input type="checkbox"/>            | Trade union or staff association                |
| <input type="checkbox"/>            | Other (please describe)                         |

## Questions relating to the ownership of Elexon

### Question 1

Do you agree with the proposed criteria to determine the future ownership of Elexon?  
Please state why.

A ☒ **Agree** ☐ **Disagree**

B

#### **Please state why**

We agree with the proposed criteria detailed within the consultation. It is important that disruption to key businesses and programmes is kept to a minimum and that this process doesn't impact the creation of the FSO. The new ownership structure will need to preserve accountability and the resilience to future change will be paramount.

With reference to criterion 3 independence should be extended to ensure that under an industry ownership model, there is not a commonality of interest amongst owners that is to the detriment of other categories of BSC parties. We recognise that although ownership does not denote control and all parties would be bound by the existing governance arrangements set out in the BSC, there is a risk of perceived (if not real) conflict of interest

### Question 2

Do you agree that public ownership and industry ownership are the two most credible ownership options? In your view, are there any other ownership options that we should consider, and why?

A ☒ **Agree** ☐ **Disagree**

B

**In your view, are there any other ownership options that we should consider, and why?**

We agree that public ownership and ownership by a group of industry stakeholders are the most credible options. We note the other options detailed within the consultation and agree with them being discounted and do not believe that there are other options that should be considered

### Question 3

Do you agree with our stated preference of the potential combinations of BSC parties which could own Elexon if industry ownership were chosen? Please state why.

A ☒ **Agree** ☐ **Disagree**

B

**Please state why.**

We agree that the potential options of, Licenced BSC Parties; Licenced parties who fund Elexon and Voting Parties are viable. We support the view that it may be easier to implement if all the new owners are licenced and therefore support discounting Voting Parties as a group.

There is a need to minimise both a real and perceived risk of conflict of interest arising if there is only a subset of parties, therefore it may be beneficial for all licenced parties to be considered. This needs to be balanced with the practicalities for the running of a business with numerous shareholders. This must not become a burden to the operations of Elexon.

#### **Question 4**

To what extent to you agree with the analysis of the two main ownership options, public ownership and industry ownership, and our preference for industry ownership?

A ☒ **Agree**  
☐ **Partially agree**  
☐ **Neither agree nor disagree**  
☐ **Partially disagree**  
☐ **Disagree**

B

**Comments regarding ownership options and our preference:**

We broadly agree with the analysis of the ownership models. We feel that there would need to be careful and considered management of milestones and coordination to ensure that there is no disruption to the FSO delivery timeline, but also need to ensure that the adequate time is allowed to complete any necessary legal processes. We also agree with BEIS preference for an Industry owned model.

#### **Question 5**

To what extent do you agree with our proposal that Elexon should transfer temporarily into the public sector as a subsidiary of the FSO as a last resort, if industry ownership was chosen following consultation but could not be implemented without delaying the creation of the FSO? Please explain why.

A ☒ **Agree**  
☐ **Partially agree**  
☐ **Neither agree nor disagree**

- ☐ **Partially disagree**
- ☐ **Disagree**

**B**

**Please explain why:**

We agree that the implementation of any temporary measure should cause the least amount of disruption, time and resource. Any temporary measure should only be put in place if absolutely necessary.

We agree that for the reasons set out in the consultation document that transfer to a single private owner would not be appropriate. This applies to enduring as well as temporary / fall back option.

We agree with the statement that transfer to another part of the National Grid group, for example NGET would be complex and not our preferred state, putting risk and complexity and time constraints into the process.

### **Question 6**

Are any other changes required to implement either of the two ownership options?

**Please provide your answer below:**

No further comments

### **Question 7**

What are your views on the proposed licence and code changes set out above?

**Please provide your answer below:**

Proposed licence and code changes detailed within the consultation seem appropriate.

### **Question 8**

Have we considered all relevant costs and benefits of these proposals? Please state why.

**Please provide your answer below:**

Costs associated with any movement of Elexon employees current pensions liabilities should be considered. Other than this point we believe costs and benefits have been considered.

**Do you have any other comments that might aid the consultation process as a whole?**

Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply ☒

At BEIS we carry out our research on many different topics and consultations, and your views are valuable to us. Would you be happy for us to contact you again from time to time either for research or about other consultations?

☐Yes

☒No