



## 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: Abiye Martyns-Yellowe

Organisation (if applicable): SSEN

Address: 200 Dunkeld Road, Perth, PH1 1GH

	Respondent type
<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.**

Yes, however our conclusion based on these criteria, whilst finely balanced, is that public ownership in the near-term is the best outcome as it requires the least change, does not risk FSO delivery timelines (the consultation identifies that private ownership may do this), preserves accountability through the open governance of the Balancing and Settlements Code (BSC), and does not presuppose any subsequent changes that may follow through Code Reform.

### 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?**

Ownership as retained with the ESO and transitioned to the FSO is the most practical outcome in the nearest term. All other options introduce unnecessary change when there are many other important things to focus on.

### 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 believe ownership as retained with the ESO and transitioned to the FSO is the right outcome in the nearest term. That said, if private ownership were pursued immediately, we believe parties should have the individual right to choose shareholdings (or not), and that this should be open to all BSC Parties including DNOs. Share ownership might not be the right option for all parties especially if their individual governance arrangements make this difficult to achieve. One of the key benefits of making the option open to all parties is that it practically demonstrates openness and transparency without necessarily adding burden to parties unable to take these on. It is worth noting that the BSC has a key role in defining important DNO processes and that its prominence has increased since the former Master Registration Agreement was wound down.

### Question 4

To what extent do 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:**

Analysis seems to downplay the potential risks of disruption during transition with potential knock-on impacts to wider programmes and may have potentially missed some of the impacts of private ownership such as: shareholder liabilities, parties who would be ineligible for shareholdings and the perceptions of bias (real or otherwise) that may come from ownership. Noting that bias may be unintentional and merely a consequence of a shareholder's background or past experiences.

### 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 consider this to be the preferred outcome.

### Question 6

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

**Please provide your answer below:**

Change should be minimised at this time, especially given wider Code Reform work and important industry wide programmes such as Marketwide Half Hourly Settlement etc.

### Question 7

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

**Please provide your answer below:**

No comment – DNO licences are not in scope

**Question 8**

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

**Please provide your answer below:**

As above, we believe analysis should focus on the cost/risk of unnecessary disruption and potential impacts to shareholders and non-shareholders alike

**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.

[Click here to enter text.](#)

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