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Sent by email to:
futuresystemoperator@energysecurity.gov.uk and
FSO@ofgem.gov.uk

21 February 2024

Dear Robert

Re: The Future Ownership of Elexon: new electricity supply and generation licence conditions and Balancing and Settlement Code (BSC) changes

On behalf of SSE Energy Supply Limited, I am pleased to enclose our views on the DESNZ and Ofgem statutory consultation on the licence condition and code changes required to implement the new ownership arrangements for Elexon.

In our response to the policy consultation on this issue, we highlighted some areas of concern (e.g., in relation to the potential for future liabilities, and the absence of a de minimis threshold for the number of shareholders). We are pleased to note that these have been acknowledged in the proposals set out in the statutory consultation and have no further substantive comment on the policy design at this stage.

However, we would highlight the following key points:

- We note that there is no reference within the consultation to due diligence undertaken by DESNZ. Further to bilateral discussions (and responses to frequently asked questions shared bilaterally by DESNZ on 4 December) we note the view of DESNZ is that shareholders do not require their own due diligence and that any relevant information would be shared with shareholders. We would welcome final confirmation, prior to the execution of the transfer scheme, that all relevant information has been shared with shareholders.
- We would also welcome the publication of a transaction timetable – either alongside the publication of the consultation decision or as soon as possible thereafter.

As always, if it would be helpful to discuss this further please do not hesitate to get in touch.

Yours sincerely,

Sam Bird
Head of Group Regulation