

Email: industrycodes@ofgem.gov.uk

Date: 14 May 2026

Notice of Direction under Standard Licence Condition 21.5 of the Generation Licence revoking the requirement on Ørsted ESS Mersey Limited to hold a share in Elexon.

1. Standard Licence Condition 21 of the Generation Licence requires that Ørsted ESS Mersey Limited (the “Licensee”) must hold one share in Elexon if they are directed to do so by the Secretary of State or the Authority with effect from the date specified in the direction.
2. The Department of Energy Security and Net Zero (“DESNZ”) issued a direction to the Licensee on 12 September 2024.
3. The Secretary of State or the Authority may, under Standard Licence Condition 21.5 of the Generation Licence, issue a direction revoking any requirement on the Licensee to hold a share in Elexon.
4. On 28 April 2026, the Authority directed that the requirement in the Direction issued by DESNZ to the Licensee on 12 September 2024 to hold a share in Elexon was revoked.
5. A copy of the 28 April 2026 direction is appended below, such direction detailing reasons for the decision.

Mark Carolan
Interim Head of Industry Codes

Ørsted Power (UK) Limited
Ørsted ESS Mersey Limited

Email: industrycodes@ofgem.gov.uk

Date: 28 April 2026

5 Howick Place
Westminster
London SW1P 1WG

To: Ørsted ESS Mersey Limited (Company number: 11206846)

cc: Ørsted Power (UK) Limited (Company number: 04984787)

Direction under Standard Licence Condition 21.5 of the Generation Licence revoking the requirement on Ørsted ESS Mersey Limited to hold a share in Elexon

WHEREAS

1. The Department of Energy Security and Net Zero (“DESNZ”) issued a Direction to Ørsted ESS Mersey Limited (the “Licensee”) on 12 September 2024 (the “2024 Direction”).
2. The 2024 Direction was issued under Generation Standard Licence Condition 21 and directed the Licensee to hold one share in Elexon Limited; a company incorporated in England and Wales with company number 03782949 and registered office at 4th Floor, 350 Euston Road, London, NW1 3AW (Elexon) with effect from 1 October 2024. As part of the 2024 Direction, the Secretary of State specified Ørsted Salg and Service A/S, as an affiliate of the Licensee for the purposes of paragraph 21.4 of the Licence Condition.
3. Further to the arrangements made under paragraph 2 above, Ørsted Salg and Service A/S have set out that the Licensee has appointed Ørsted Power UK Limited who is a signatory to the Balancing and Settlement Code (“BSC”) administered by Elexon as their Designated Party and therefore the holder of the directed share.
4. The Licensee is required by Standard Licence Condition 21.4 of the Generation Licence to inform the Secretary of State, and the Authority, if the party to whom responsibility for holding the share is delegated ceases to be a wholly owned

affiliate of the licensee; or of any change in the corporate relationship between the licensee and any affiliate of the licensee specified in the 2024 Direction.

NOW

5. Ørsted ESS Mersey Limited and Ørsted Power UK Limited have informed the Secretary of State and the Authority by letter received on 7 April 2026 that the Ørsted group has signed an agreement to divest its European onshore business, including Ørsted ESS Mersey Limited. As a result, Ørsted ESS Mersey Limited will no longer be an Eligible Licensee as it will cease to be a wholly owned affiliate of Ørsted Salg and Service A/S.
6. Exit arrangements were envisaged for shareholders including such a circumstance and were included in the ‘Future Ownership of Elexon: new electricity supply and generation licence conditions and Balancing and Settlement Code (BSC) changes Government and Ofgem Response to Consultation’¹. Where a shareholding direction will cease to have effect or is to be revoked, in advance of a change of circumstance occurring:
 - (a) the funding share party (if it will continue to be an eligible party) may at the same time notify its nomination of a new directed party to the Secretary of State and the Authority; and
 - (b) (if the outgoing directed party had nominated a designated party) the new directed party may at the same time notify its intent to nominate the same designated party (such that the Elexon share would not need to be returned).
7. The initial cohort of qualifying parties to become shareholders of Elexon, of whom Ørsted Salg and Service A/S was one, was selected from the largest BSC funders. While Ørsted Salg and Service A/S remains a qualifying party, Ørsted have informed the Secretary of State and the Authority that they are unable to identify an alternative affiliate to receive a revised direction satisfying the requirements that this party be wholly owned by the Funding Share Party, an active signatory to the BSC, and be the holder of a Generation Licence. As such they have asked for the requirement in the 2024 Direction to be revoked.
8. Ørsted Power (UK) Ltd is requested to keep under review whether a Licenced affiliate wholly within their ownership can be identified and further inform the

¹ [elexon-licence-and-code-consultation-government-ofgem-response.pdf](#)

Secretary of State and the Authority if such party qualifying for a direction is identified.

DIRECTION

9. The Secretary of State or the Authority may, under Standard Licence Condition 21.5 of the Generation Licence, issue a direction revoking any requirement on the Licensee to hold a share in Elexon.
10. Accordingly, the Authority hereby directs that the requirement on the Licence in the Direction issued by DESNZ to the Licensee on 12 September 2024 to hold a share in Elexon is revoked.
11. Therefore, Ørsted Power UK Limited (as the party designated by the Licensee to hold the directed share in Elexon) is required, following this decision and in accordance with annex C-3 of the BSC², to return their share to the BSCCo Nominated Party. This is to be carried out as soon as is reasonably practicable.

Mark Carolan
Interim Head of Industry Codes
28 April 2026

² [BSC Section C: BSCCo and its Subsidiaries - Elexon Digital BSC](#)