

Issue 40 – Design Objectives

The Issue 40 Group identified the following objectives for use in comparing the candidate models outlined below.

1. **Appropriateness - Create a fit for purpose corporate structure and governance for existing activities and new activities** that:
 - a. Safeguards BSCCo's unique position of independence such that no BSC Party can have a controlling interest in BSCCo.
 - b. Enables ELEXON Ltd to pursue new activities in an autonomous and agile fashion.
 - c. Allows for fair reflection of all existing and future stakeholder interests.
 - d. Enables appropriate funding to meet capital requirements for new ventures.
 - e. Enables those parties that wish to be part of any new ventures to participate, without compelling those that do not.
2. **Protection for the BSC Arrangements - Avoid introducing unacceptable cost or risk for the BSC arrangements and BSC Parties** by:
 - a. Ring-fencing and ensuring transparency of liabilities and costs for any new activities.
 - b. Avoiding inappropriate cross-subsidy or unfair competitive advantage arising from non-BSC activities.
 - c. Ensuring that the performance and standard of existing core BSC business services are maintained.
3. **Achievability - Changes are capable of being implemented** in way that:
 - a. Enables ELEXON Ltd to apply its expertise in new areas in the near/mid-term including enabling ELEXON Ltd to participate in the competitive process for award of the DCC licence.
 - b. Is legally robust with clearly articulated rights, obligations and liabilities.
 - c. Enables an appropriate balance between implementation costs and the realisation of any efficiency savings for BSC Parties.
4. **Ensures an appropriate regulatory framework for any regulated activities that ELEXON may undertake.**