

## **URE Energy Limited**

### **Electricity Act 1989 Final Order of the Gas and Electricity Markets Authority ("the Authority") Made under section 25(1) of the Electricity Act 1989 ("EA89")**

To:

URE Energy Limited (company number 10300613) of 2-4 Packhorse Road, Gerrards Cross, Buckinghamshire SL9 7QE holder of an Electricity Supply Licence issued by the Authority on 14<sup>th</sup> November 2016 under section 6(1)(d) of the EA89.

#### **WHEREAS:**

A: URE Energy Limited ("URE") is a designated electricity supplier ("supplier") subject to the requirement to discharge its Renewables Obligation ("RO") under the arrangements set out in the Renewables Obligation Order 2015 ("the ROO");

B. Specifically, to meet the RO, article 7 of the ROO requires each supplier to produce to the Authority the number of Renewables Obligation Certificates (ROCs) determined in accordance with the ROO, in respect of each megawatt hour of relevant electricity that it supplies during an obligation period, before the 1<sup>st</sup> September after the obligation period in question. An obligation period is defined in article 2 of the ROO as the period starting on 1<sup>st</sup> April 2016 and ending on 31<sup>st</sup> March 2017, or any subsequent period of 12 months ending with the period of 12 months ending on 31<sup>st</sup> March 2037. Article 7 is subject to articles 67 and 68 of the ROO whereby payments can be made to the Authority as an alternative to production of ROCs;

C. Under article 67 of the ROO, payments by a supplier, as an alternative to production of ROCs, are required to be made by no later than 1<sup>st</sup> September after the obligation period in question;

D. Under article 68 of the ROO, where a supplier has failed (in whole or part) to discharge its RO, by production of ROCs or by payments, before 1<sup>st</sup> September after the obligation period in question there is a further period, ("the late payment period"). This lasts from 1<sup>st</sup> September to 31<sup>st</sup> October after that obligation period, and suppliers are able to use it to pay the outstanding sums which correspond to the UK ROCs due under their RO, together with interest on a daily basis at 5 per cent above the Bank of England Base rate (article 68(3) and (4));

E. Under article 68(6) of the ROO, where a supplier has paid to the Authority the outstanding sums due, together with interest, it will be treated as having discharged its RO for the relevant period;

F. Under article 68(7) of the ROO, if, by the end of the late payment period, a supplier has not paid to the Authority the outstanding sums due, together with interest, the supplier will not have discharged its RO for the relevant period;

G. Under these arrangements, a supplier was required to discharge its RO for the obligation period of 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 in full, via the acquisition of ROCs

and/or via making a payment (or balancing payment, taking into account the value of any ROCs produced) to the Authority;

H. URE failed to acquire sufficient ROCs and/or make payments to discharge its RO, for the 2017-2018 obligation period, by 1<sup>st</sup> September 2018 as required by article 7 and as provided for in article 67 of the ROO;

I. URE failed to make a payment of outstanding sums and interest as provided for under article 68 of the ROO in order to meet its RO within the late payment period in 2018;

J. URE owes a total amount of £209,013.78 in relation to its RO, comprising the amount of £207,024.36 due by 1<sup>st</sup> September 2018 and late payment interest of £1,989.42 on that amount, which total amount remains unpaid as at this date of this Final Order;

K. The ROO was made by the Secretary of State, inter alia, in exercise of the powers conferred by sections 32 to 32K, 32LA and 32M of EA89, which, pursuant to section 25 of and Schedule 6A to EA89, are provisions imposing obligations enforceable as "relevant requirements" by the Authority; and

L. The Authority is satisfied:

a) that URE has contravened and is continuing to contravene the ROO, by failing to produce ROCs to the Authority by 1<sup>st</sup> September 2018, or to make payments as an alternative, sufficient to discharge its RO, which is an obligation enforceable by the Authority as a relevant requirement for the purposes of section 25 of EA89; and

b) that the inclusion of an obligation upon URE within a Final Order, made under section 25(1) EA89, to compel payment to the Authority by 31<sup>st</sup> March 2019 of the outstanding monies including interest accrued, would be requisite for the purpose of securing URE's compliance with that relevant requirement.

#### **NOW THEREFORE:**

The Authority, pursuant to section 25(1) of the EA89 makes a Final Order requiring URE to:

1. Make a payment to the Authority in full settlement of its RO, for the obligation period of 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018, including interest, in the sum of £209,013.78 by no later than 5pm on 31<sup>st</sup> March 2019; and
2. Notify the Authority by email to james.crawford@ofgem.gov.uk of such payment immediately after it has been made.

Dated 8<sup>th</sup> March 2019

Elizabeth France – Chair  
Andrew Long  
Dr Philip Marsden

#### **Enforcement Decision Panel**

Duly authorised on behalf of the Gas and Electricity Markets Authority