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Date: 1 May 2019

Dear Mr Ensor

**Notice of failure to comply with a Final Order within the meaning of section 25 of the Electricity Act 1989**

I refer to my letter of 11 April 2019 and can confirm that we now wish to initiate the process leading to possible revocation of URE Energy Limited's Electricity Supply Licence.

Schedule 2 to the Electricity Supply Licence held by URE Energy Limited makes provision for possible revocation of that Licence. Specifically, the relevant parts to this case provide that:

*"1. The Authority [namely the Gas and Electricity Markets Authority] may at any time revoke the licence by giving not less than 30 days' notice...in writing to the licensee:*

*(a)...*

*(b)...*

*(c) if the licensee fails:*

*(i) to comply with a final order (within the meaning of section 25 of the [Electricity] Act [1989])....and such failure is not rectified to the satisfaction of the Authority within three months after the Authority has given notice in writing of such failure to the licensee – provided that no such notice shall be given by the Authority before the expiration of the period within which an application under section 27 of the Act could be made questioning the validity or effect of the final order...or before proceedings relating to any such application are finally determined...."*

The background to the present situation is this:

- On 8<sup>th</sup> March 2019 the Authority published its Final Order pursuant to section 25 of the Electricity Act 1989 ("the Electricity Act") requiring payment of the full amounts owing of £209,013.78 from URE Energy Limited in relation to its Renewable Obligation for 2017-2018 by 5pm on a deadline of 31<sup>st</sup> March 2019;
- URE Energy Limited has failed to make any payment, either before or since that deadline, in respect of the amounts ordered to be paid;
- The 42-day period within which any application could have been made by URE Energy Limited, pursuant to section 27 of the Electricity Act, questioning the validity or effect of the Final Order publicised on 8<sup>th</sup> March 2019 has now expired without initiation of any such application or of proceedings relating to such;
- For the avoidance of doubt, Ofgem avers that any such application pursuant to section 27 of the Electricity Act would have been entirely without merit.

**This letter therefore provides URE Energy Limited with written notice by the Authority, pursuant to Schedule 2(1)(c)(i) of the Electricity Supply Licence, of URE Energy Limited's failure to comply with the Final Order dated 8<sup>th</sup> March 2019, namely a failure to pay to the Authority the sum of £209,013.78.**

**If this failure is not rectified to the satisfaction of the Authority within three months after the giving of this notice in writing, the Authority may at any time revoke URE Energy Limited's Electricity Supply Licence by giving no less than 30 days' notice in writing to the licensee.**

We confirm that this written notice will be publicised on the Authority's website on 7 May 2019.

Yours sincerely

**Marko Jovanovic  
Head of Enforcement Casework  
Conduct and Enforcement**