



Making a positive difference  
for energy consumers

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Dear Mr Dewan,

**Notice of failure to comply with a Final Order (within the meaning of section 25 of the Electricity Act 1989) under Schedule 2(1)(c)(i) of the Electricity Supply Licence**

I refer to our letter dated 20 December 2019 and can now confirm that we wish to initiate the process leading to possible revocation of GnERGY Limited's Electricity Supply Licence.

Schedule 2 to the Electricity Supply Licence held by GnERGY 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 29 October 2019 the Authority published a Final Order pursuant to section 25 of the Electricity Act 1989 (“**the Electricity Act**”) requiring payment of the full amounts owing of £673,876.62, plus accrued interest, from GnERGY Limited in relation to its Renewables Obligation for the 2018-19 scheme year by no later than 31 October 2019;
- GnERGY 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 GnERGY Limited, pursuant to section 27 of the Electricity Act, questioning the validity or effect of the Final Order publicised on 29 October 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 GnERGY Limited with written notice by the Authority, pursuant to Schedule 2(1)(c)(i) of the Electricity Supply Licence, of GnERGY Limited’s failure to comply with the Final Order dated 29 October 2019, namely a failure to pay the Authority the sum of £673,876.62, plus accrued interest, for a total amount of £680,352.30 .**

**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 GnERGY 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 9 January 2020.

Yours sincerely,

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