

Press Release

OFGEM ANNOUNCES £125,000 PENALTY ON OPUS ENERGY LIMITED FOR MISREPORTING UNDER RENEWABLES OBLIGATION

- **Opus Energy failed to provide accurate information on the amount of electricity supplied for calculation of Renewables Obligation Certificate (ROC) payments**
- **Misreporting relates to the Government's Renewables Obligation, which seeks to encourage more renewable generation**

Ofgem has imposed a £125,000 penalty on Opus Energy Limited (Opus Energy) after Ofgem identified that the company had misreported the amount of electricity supplied under the Government's Renewables Obligation. In addition, Opus Energy has retired a total of 7,016 ROCs, with an estimated value of £360,000. Opus Energy has also agreed to undertake an annual independent audit of its procedures for reporting under the Renewables Obligation.

The misreporting was caused by shortcomings in Opus Energy's methodology for calculating its electricity supply data and in the company's internal procedures. Ofgem's investigation focused on these procedures and on information misreported for the year 2009-10. Opus Energy has demonstrated to Ofgem's satisfaction that it has rectified its procedures in line with Ofgem's recommended method to calculate electricity supply data under the Renewables Obligation.

The Renewables Obligation requires energy suppliers to provide evidence of the amount of electricity supplied from renewable sources relative to total electricity supplied. Financial incentives designed to promote the use of renewable energy depend on the accuracy of this information. Ofgem administers this scheme on behalf of the Government.

Ofgem's Senior Partner in charge of enforcement Sarah Harrison said: "Ofgem takes the issue of misreporting seriously and today's penalty reinforces to industry their responsibilities to submit accurate information.

"Opus Energy's willingness to engage in the settlement process was reflected in the level of penalty. Without this, the penalty would have been much higher."

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Notes to Editors:

1. In May 2011, Ofgem introduced a recommended methodology for calculating electricity supply data for the purposes of reporting under the Renewables Obligation. This can be found in Ofgem's 'Renewables Obligation: Guidance for licensed electricity suppliers' at Appendix 5:

http://www.ofgem.gov.uk/Sustainability/Environment/Renewable/Documents1/RO%20supplier%20guidance%202012_FINAL.pdf

2. The penalty notice relating to the investigation is available here:

<http://www.ofgem.gov.uk/About%20us/enforcement/Investigations/CurrentInvest/Documents1/Notice%20of%20Intention%20to%20impose%20a%20penalty%20%E2%80%93%20Opus%20Energy%20Limited.pdf>

Any representations on the penalty may be made by **5pm on 9 October 2012**.

3. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002, the Energy Act 2004 as well as arising from directly effective European Community legislation.

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