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## Provisional Order made under section 25(2) of the Electricity Act 1989

**To: Rebel Energy Supply Limited** (“Rebel Energy”) (company number 10767623) having its registered office at **Bedford Heights Business Centre, Brickhill Drive, Bedford, England, MK41 7PH**, holder of an electricity supply licence granted or treated as granted under section 6(1)(d) of the Electricity Act 1989.

### WHEREAS:

A. Rebel Energy is the holder of an electricity supply licence granted by the Gas and Electricity Markets Authority (“the Authority”) and is subject to the conditions thereunder, which are “relevant conditions” for the purposes of the Electricity Act 1989.

B. Standard Licence Condition 30 (“SLC 30”) provides the following:

#### **SLC 30. Ringfencing the Renewables Obligation**

*30.1 By the dates specified in the RO Ringfencing Schedule, a licensee who supplies electricity to Domestic Customers (“the licensee”) must:*

- hold the Quarterly Cumulative Obligation for the relevant quarter in the Supplier Account on the Register; and/or*
- protect the RO Credit Cover Amount*

*and continue to do so.*

C. Rebel Energy’s current Quarterly Cumulative Obligation (“QCO”) is £5,420,051.06.<sup>1</sup> As of 7 March 2025, Rebel Energy holds £476,930.64 in Renewables Obligation Certificates (“ROCs”) based on the Buy-out Price for 2024/25. Therefore, Rebel Energy is required to protect the RO Credit Cover Amount to the value of £4,943,120.42 (being the part of the QCO for which Rebel Energy does not hold ROCs multiplied by the Buy-out Price) in its RO Credit Cover Trust Account and continue to do so.

D. The Authority engaged with Rebel Energy in respect of its finances on 27 January 2025, during which meeting Rebel Energy self-reported a potential breach of SLC 30 caused by a withdrawal of funds from their ringfenced RO Credit Cover Trust Account, leaving a balance of £804.38 as of 20 February 2025, resulting in a shortfall of £4,942,316.04 in protecting the RO Credit Cover Amount.

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<sup>1</sup> Capitalised words have the meaning given to them by SLC 30.

E. Based on the information received by the Authority and its engagement with Rebel Energy regarding Rebel Energy's compliance with its obligations under SLC 30 of the electricity supply licence, it appears to the Authority that Rebel Energy is contravening or is likely to contravene SLC 30.

F. The information received by the Authority, includes:

- On 27 January 2025, Rebel Energy self-reported a potential breach of the SLC 30 RO ringfencing rules.
- This self-report was retrospective in that the RO funds were withdrawn on dates in December 2024.
- A bank statement was provided on 29 January 2025, showing a balance of £678.65 in Rebel Energy's RO credit cover trust account.
- Rebel Energy's Quarterly Cumulative Obligation (QCO) at the time was £3,050,596.88. Rebel Energy held Renewable Obligations Certificates (ROCs) to the value of £476,930.64, meaning that they were required to hold £2,573,666.24 in the trust account, a shortfall of £2,572,987.59.
- This shortfall has now increased to £4,942,316.04 due to QCO accumulating each quarter in the scheme year (current QCO £5,420,051.06).

G. The quarterly RO ringfencing rules are an important safeguard to energy consumers because they help to minimise the risk of cost mutualisation in the event of a market exit. Rebel Energy's actions i.e. the withdrawal of funds from the ringfenced RO Credit Cover Trust Account, amount to a serious breach of the SLC 30. The issuing of a Provisional Order is requisite for the purposes of section 25(2) Electricity Act 1989 to secure compliance with SLC 30 at the earliest opportunity, by replenishing the ringfenced RO Credit Cover Trust Account, which is necessary, proportionate and in the public interest to ensure that the risk of mutualised costs is mitigated.

H. Having had regard to the matters set out in section 25 of the Electricity Act 1989, the Authority considers it is requisite to make a provisional order in exercise of the power in section 25(2) of the Electricity Act 1989.

**NOW THEREFORE:**

The Authority, pursuant to section 25(2) of the Electricity Act, and for the purpose of securing compliance with SLC 30, makes a Provisional Order requiring Rebel Energy to:

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- 1) Deposit funds into its RO Credit Cover Trust Account equal to its RO Credit Cover Amount by no later than 14 April 2025
- 2) Until compliance with SLC 30 is achieved in accordance with the preceding paragraph:
  - Refrain from all sales, marketing and customer acquisition activity, including the acquisition of any new domestic customers or upgrading of all existing domestic customer to dual fuel; and
  - Refrain from making any payment, providing any loan or transferring any asset to any third party unless that payment, loan or transfer is essential to Rebel Energy's operation as a supplier of electricity to consumers.

Pursuant to section 27(7) of the Electricity Act 1989, the Authority may seek to enforce compliance with the provisional order by application to the High Court (in England and Wales) or the Court of Session (in Scotland) for injunctive or other relief.

This provisional order will lapse on 14 June 2025 unless confirmed by the Authority on or before that date.

Dated: 14 March 2025

Signed:

**Dominic Alexander (Deputy Director)**

**Duly authorised on behalf of the Gas & Electricity Markets Authority**