



Department for
Business, Energy
& Industrial Strategy

Rt Hon Kwasi Kwarteng MP
Secretary of State
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Mr Jonathan Brearley
Chief Executive Officer
Ofgem
10 South Colonnade
Canary Wharf
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20 November 2021

Dear Jonathan,

Re: Bulb Energy Limited – Energy Supply Company Special Administration Regime

Thank you for your letter dated 19 November 2021 (“the Letter”) detailing your formal request for Secretary of State consent to the Gas and Electricity Markets Authority’s (“the Authority” or “GEMA”) proposed application for an Energy Supply Company Administration Order in relation to Bulb Energy Limited (“the Company”).

In addition, you are seeking my consent to the notice period required under rule 10(1) of the Energy Supply Company Administration Rules 2013 (“ESCA Rules”) being abridged; and service of the application, together with the witness statement and the exhibits be effected by email.

The Department shares with the Authority an objective of ensuring the continued supply of gas and electricity to consumers of an energy supply company in financial distress. As set out in your letter, where the Authority is aware of an energy company in financial distress, it is for the Authority to consider the appropriate course of action, including but not limited to revoking a supply licence and appointing a Supplier of Last Resort or, with my consent as Secretary of State, applying for an Energy Supply Company Administration Order.

I have set out three principles which have consistently guided the Government’s approach to manage the impacts of the current high gas prices. Firstly, customers especially the most vulnerable, must be protected. Secondly, the Government will not use taxpayers money to bail out failed energy suppliers or reward companies who have poor business models and did not plan ahead. Finally, we must ensure that the energy market remains competitive in the longer-term.

The Supplier of Last Resort regime is an effective and well established process and the Authority should only seek my consent to apply for an Energy Supply Company Administration Order if other routes are considered unviable and, in particular, if it is not feasible to appoint a Supplier of Last Resort. Since the start of August 2021 the Authority has invoked the Supplier of Last Resort process more than 20 times to protect over two million domestic customers. Whilst the Supplier of Last Resort process is suitable for the vast majority of suppliers, I agree with the Authority’s determination that it is not a viable option in respect of the Company for the reasons set out in your letter. I therefore agree that an Energy Supply Company

Administration would represent the best outcome for customers in this situation, in line with the principles set out above.

Accordingly, I confirm that I consent to the Authority making this application. Further, I confirm that I (1) consent to the notice period required under rule 10(1) of the ESCA Rules being abridged and (2) consent to accepting service of the application, together with the witness statement and the exhibits and any Orders granted by the Court in this matter, by email to energy_sar@beis.gov.uk.

Yours ever,

A handwritten signature in black ink, appearing to read 'Kwasi Kwarteng', is centered on the page. The signature is written in a cursive style with a horizontal line above the 'y'.

RT HON KWASI KWARTENG MP
Secretary of State for Business, Energy & Industrial Strategy