

Good Energy announces acquisition weeks after agreeing to refund customers following Ofgem investigation

Wiltshire-based energy supplier Good Energy has announced a major acquisition deal just weeks after agreeing to pay out hundreds of thousands of pounds to customers following an Ofgem investigation.

Chippenham-headquartered Good Energy has acquired heat pump installation and services business Igloo Works for an initial £1.75m less than a month after confirming it would refund £453,000 – as well as making a goodwill payment of £200,000 – to Feed-In Tariff (FIT) customers who had been charged an unauthorised £25 administration fee on a quarterly basis.

According to the energy watchdog, 500 of Good Energy's more than 182,000 FIT customers per quarter were affected, with 1,167 having had the charge applied at least once.

The acquisition announcement came as Good Energy released a trading update for the year ending December 2022, in which it said demand for clean energy “continued to soar” amid the war in Ukraine and Britain's energy crisis.

The business said if market conditions remained the same for the rest of the year it was “confident” of delivering its expected full-year results. The firm said the actions it had taken to manage the volatility in the wholesale energy markets in 2022 had been successful and the mild and windy weather in recent weeks had reduced domestic gas consumption and softened short-term market prices.

The company is 100% hedged on power and gas for the remainder

of the 2022-2023 winter, it said, based on seasonal normal conditions. It also reported that cash and cash equivalents at the end of October stood at £21.2m.

In September, the green energy supplier had [blamed “Russia’s stranglehold on gas supplies to Europe”](#) for a fall in profits in the first half of the year. It saw gross profit decrease by 31.1% to £12.2m in the six months to June 2022 – down from £17.7m in the first half of 2021.

Nigel Pocklington, Chief Executive Officer of Good Energy, said: “Against a challenging market and macroeconomic backdrop, we are pleased to report that we are delivering in line with expectations, remaining substantially debt-free with a robust balance sheet. We have also continued to execute on our growth strategy, taking tangible steps to invest in our future and to build out our decentralised energy services, and we remain confident that we will deliver in line with the board’s expectations for the full year.”

Good Energy said following the deal for Igloo – one of the first companies to offer a heat pump for the same price as a fossil fuelled boiler in 2021 – the business would be incorporated into the Good Energy brand. It also said Igloo’s model for installation, services and maintenance of heat pumps would initially be scaled up through access to additional finance, while it would also develop new products and services such as solar, storage and electric vehicles.

Mr Pocklington said the deal was a “big step” towards Good Energy’s ambition to help a million customers cut their carbon.

Matt Clemow, founder and chief executive of Igloo Works, added: “We have a shared vision with Good Energy in helping customers move away from the reliance on fossil fuels. Having clearly demonstrated the market interest, joining a business that has the capital and the existing customer base allows us

to accelerate towards this vision.”

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