

Ofgem launches investigation into Humber power station over pricing to pull production

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South Humber Bank power station's operations are under investigation by Ofgem to find out if it breached conditions relating to payments to lower production.

EP SHB, the company behind the 1.4 gigawatt Stallingborough plant, regularly set bid prices of £0 to reduce electricity generation, "a level which was particularly expensive for a gas-fired power station", Ofgem said.

Curtailing production means that generators save money that they would otherwise spend on buying gas to burn. Thermal generators typically offer to pay the system operator to be taken off to save on fuel and other costs.

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A period between October 2019 and May 2021 is being investigated – immediately prior to the escalation in wholesale gas prices that have caused recent issues across industry.

A key part of ensuring that the lights stay on across Britain is to balance the grid, ensuring power plants do not generate more electricity than households and businesses use at any given point, and vice versa.

To do this the grid can ask electricity generators to stop producing, or reduce the amount of electricity they are putting into the grid. It is referred to as a Transmission Constraint Licence Condition.



South Humber Bank Power Station, off Hobson Way, Stallingborough.

(Image: Grimsby Telegraph)

EP SHB is a Czech-owned entity, part of EPH – the company that swooped for the former Centrica site and a similar plant in Devon in 2017 in a £318 million deal.

Responding to Ofgem's announcement, it said: "As this is an

open investigation we have no comment to make at this stage.”

It comes as it awaits a [decision from the Secretary of State](#) on a 95MW waste-to-energy plant addition on the site.

Alongside the investigation is a probe into SSE operations of a hydro-electric site in Scotland.

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SSE charged up to £60 per megawatt hour from May 2020. This was “significantly more expensive” than the prices it had submitted in the past, Ofgem said.

Foyers operates between Loch Ness and Loch Mhor. It pumps water to higher ground when supply is plentiful, then allows gravity to push the water back down, channeling it through a generator on the way, to create electricity, when demand is needed.

SSE said: “SSE notes Ofgem’s announcement this morning in relation to its Foyers pumped storage power station. As a responsible operator of generating assets, SSE will be complying fully with the investigation.”

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