

# Ofgem proposes £23.6m fine for gas plant's 'excessively' high grid prices

0

[Ofgem](#) has proposed a £23.6 million fine for the owner of a gas power plant which submitted prices that were too high when it was asked to help manage the UK's power supply.

The energy regulator said that EP SHB's submissions to the [National Grid](#) meant that customers ended up paying unfairly high charges on their energy bills.

[Electricity](#) grids can be damaged both if there is too little and too much electricity being put into them.

At all times the amount being put in and the amount being taken out needs to be matched.

## Read More

- [Charities warn against raising energy price cap as consumer debts spiral](#)
- [Energy watchdog ponders £17 hike in household bills to stop suppliers collapsing](#)
- [What is the Ofgem energy price cap and how will it affect your bills?](#)
- SPONSORED

[10 exhilarating British hikes you could try this autumn](#)

This means that at times when there is too much supply, National Grid's Electricity System Operator (ESO) can ask power plants to reduce their production. It will pay them to do so, a charge which ultimately lands on the bills of

households and businesses.

In this case, the South Humber Bank gas-fired power station had been asked to lower its output due to the risk of blackouts should it suddenly disconnect from the grid.

Companies tell the ESO how much they need to be paid for reducing their output, but Ofgem said that the prices that EP SHB submitted were “excessive”.

“Protecting consumers is a priority for Ofgem, and we will continue to monitor the wholesale energy markets in Great Britain and ensure their integrity on behalf of energy users,” said Cathryn Scott, Ofgem’s director of enforcement and emerging issues.

“This latest enforcement action sends another strong signal to all generators that they must put in place controls to ensure that their bid prices are set in a way that ensures that they do not obtain excessive benefits during transmission constraint periods.

“If they fail to do so, licensees should expect to face large penalties, particularly in light of the repeated warnings which have been given regarding our expectations of generators.”