



PRESS RELEASE

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Spark Continues To Mislead & Play Politics

Her Majesty's Government of Gibraltar notes the statement from Spark Energy which is riddled with inaccuracies and untruths.

The Government denies all the spurious allegations contained in Spark's statement.

Spark has been removed from the operation of the Energyst plant on the North Mole. Since Spark have been removed, no further power cuts have resulted from the operation of that plant.

The Government has already given Spark notice of the claims the Government is advised it has against Spark for damages arising out of their operational failures. The Government has given Spark notice that said claims exceed £15,000,000. The amount to be claimed is a conservative amount arising from the notorious power cuts which originated at the plant when Spark were involved in its operation. The amount is calculated in accordance with clauses in their own contract for failure to produce guaranteed output. This failure persisted for a period over three months as one of the generating plants became so unreliable that it was not available to generate power to serve Gibraltar.

The Government will not hesitate to commence legal action against Spark and take such other steps as it may be advised are necessary and appropriate to secure the integrity of the electricity supply to the people of Gibraltar should Spark somehow further seek to interfere with or become involved again in the operation of the plant.

The public in Gibraltar needs to be aware of the following salient facts:

Spark are represented by the former leader of the GSD. It is unsurprising that they issued their statement against the Government at the same time as their lawyer issued a statement in favour of one of the two political leaders in the current General Election campaign. This is the only reasonable explanation for the Spark statement at this point given ongoing negotiations have been taking place to resolve this matter, such negotiations having been reasonably parked until after the election.

The statement is once again a clear attempt to try to extract from the Gibraltar tax payer more money than they have already.



The Government has had a contractual dispute against them for the last five months. The claim is in contract arising from terms which clearly provide that they owe Gibraltar the money claimed as a penalty for having failed to deliver the contractually guaranteed energy output. The contract stipulates that the guarantee output penalty is to be offset against future payments, which is precisely what has been done. For its part Spark is not adhering to the contract by failing to pay its subcontractors.

As a result of the Government's work to protect Gibraltar's interest they are now resorting to try to discredit the party in Government in a transparent attempt to get the attention of the electorate for partisan purposes. Clearly if the ongoing construction of the North Mole power station were not to continue, as is the policy of one of the parties at this election, Spark would continue to benefit from the lucrative contract which they managed to obtain when Gibraltar had huge difficulties in providing electrical energy after the fire at Waterport and needed a quick solution.

The Chief Minister, the Hon Fabian Picardo QC, said: "The integrity of the supply of electricity is essential. The Government has acted to protect it and to ensure the security of supply. Since we removed Spark from the operation of the North Mole plant, there have been no further issues resulting from the operation of the plant. We have given notice of our claims against Spark. We will not shrink from taking legal action. I will not hesitate to act to secure critical national infrastructure should it become necessary to do so that our community does not suffer at the hands of these unscrupulous individuals. As I have stated before in Parliament, a criminal investigation is ongoing and is in the capable, independent hands of the Royal Gibraltar Police, who will no doubt prosecute if they and the Attorney General consider appropriate."