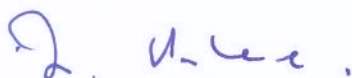


The Rt Hon Chris Huhne MP
Secretary of State
Department of Energy
and Climate Change

Arlene Foster MLA
Minister of Enterprise, Trade and Investment
Northern Ireland Executive
Netherleigh
Massey Avenue
Belfast
BT2JP

13 March 2011

A handwritten signature in blue ink, appearing to read 'C. Huhne'.

ENERGY BILL

Thank you for letter confirming your position on the matters covered in the Energy Bill.

I am writing to respond to the points you made and update you on the progress the Bill has made in the House of Lords.

The Bill has now finished Report stage, where the general principles it sets out to achieve received cross party support. Third Reading has now been scheduled for the 15th March, and we do not anticipate any major difficulties.

I understand our officials have been working together constructively as the Bill has progressed and I will ensure this continues as the Bill passes through Parliament.

Green Deal

As you note, DECC and DETI officials have been in discussion about the Green Deal initiative; as the policy progresses DECC will continue to liaise and share information with NI colleagues on a regular basis. Like you I am keen that Northern Irish companies are able to benefit from Green Deal opportunities wherever possible, in particular regarding access to the product manufacturing and installation markets. I value DETI's input in this area and my officials will continue to work with DETI colleagues throughout the policy development process.

I understand you are keen to use the Bill to extend the RHI legislation in the Energy Act 2008 to cover Northern Ireland.

I recognise you do not have a legislative vehicle of your own and are keen to implement an RHI in Northern Ireland as soon as possible, so our Energy Bill provides a potential solution. I am keen to look at how we can assist you, but it is essential that we do everything we can to reach Royal Assent by summer recess in order not to jeopardise the Green Deal. The timely passage of an LCM will be essential, and I suggest our officials continue to work together on the scope of such an amendment and possible timing for its introduction.

Offshore decommissioning

I have carefully reconsidered DECC's position on this matter, but I am unfortunately not persuaded that there is a strong case for DECC to legislate on Northern Ireland's behalf or administer a decommissioning programme for you. As you have the necessary legislative powers and are the competent authority for consenting offshore renewables in Northern Irish waters, I believe it would be sensible for you to legislate for and administer your own decommissioning programme. However, the offer for DECC staff to share their comparatively recent experience of administering a decommissioning programme with your officials still stands.

I am pleased our officials have been able to work together constructively and hope this continues as the Bill passes through Parliament.

I am copying this letter to the Secretary of State for Northern Ireland.

A handwritten signature in blue ink, appearing to read 'Chris Huhne', is written over a faint, larger version of the same signature.

CHRIS HUHNE