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ENERGY BILL

I would like to congratulate you on your continuation of office, I am pleased that we will continue to work together going forward.

I am writing to you to update you on the progress of the Energy Bill and to inform you of a number of Government amendments I plan to table before Committee.

As you may be aware, the Bill has completed its passage through the House of Lords, and was introduced into the Commons on 16 March. Commons Second Reading took place on 10 May, and Committee Stage is scheduled for 10 sessions between 7 – 21 June. There has been cross party support for the general principles the Bill sets out to achieve and, although timing is tight, I hope to achieve Royal Assent in time for summer recess. This is essential to avoid any delay in implementing the 'Green Deal', the core policy in the Bill.

I understand your officials have been working with mine as the Bill has progressed and I would like to thank them for their work over the past few months in providing input on the amendments and their application to Northern Ireland.

Government Amendments

I propose to table a couple of government amendments, that will apply to Northern Ireland, prior to Committee.

Renewable Heat Incentive (RHI)

I have agreed to extend legislative powers to the Northern Ireland Executive for the Renewable Heat Incentive (RHI). The RHI primary powers currently only extend to Great

Britain. Although the intention was for a UK wide scheme, due to timing issues, Northern Ireland was not able to pass a Legislative Consent Motion during the 2008 Energy Bill.

The powers contained in this amendment will grant the Northern Ireland Executive primary powers for renewable heat allowing you to introduce your own specific support scheme to facilitate and incentivise renewable heat generation in Northern Ireland through secondary legislation.

Carbon Capture and Storage (CCS)

I am proposing two Government Amendments on CCS.

The first amendment will allow the compulsory acquisition of rights to transport carbon dioxide through a pipeline previously used for another purpose. This will extend current powers under the Pipelines Act 1962 which allow the compulsory acquisition of rights where a new pipeline is constructed.

The second amendment will allow me discretion to remove my power (under ss. 29 and 34 of the Petroleum Act 1998) to make previous owners of (and licensees who have used) offshore oil and gas facilities and pipelines liable for the decommissioning of those facilities after they have been sold and are re-used as part of the CCS demonstration programme.

Nuclear Security

This amendment will broaden the *vires* in s.77 of the Anti-terrorism, Crime and Security Act 2001 to allow the regulation of security at new build nuclear power stations and other new civil licensed sites during their construction. The amendment needs to be made because these new developments will be adjacent or close to existing nuclear sites and particular security risks will arise to the existing sites from the nuclear construction works taking place close by. Regulation of these new developments will ensure that security measures are implemented to mitigate the security risks which are present during the construction phase of the new build programme.

These amendments have been agreed at official level during the 'purdah' period. However, should you have any concerns regarding these of course I would be more than happy to discuss them.



CHRIS HUHNE