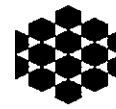


From the Office of the Minister



Department of
**Enterprise, Trade
and Investment**
www.detini.gov.uk

NETHERLEIGH
MASSEY AVENUE
BELFAST
BT4 2JP
Tel: 028 90 529452
Fax: 028 90 529545

E Mail: private.office@detini.gov.uk

Our Ref: DETI SUB 049/2011

Alban Maginness MLA
ETI Committee Chair
Northern Ireland Assembly
Parliament Buildings
BELFAST
BT4 3XX

02 February 2011

Dear Alban

I am writing to inform you of my Department's intentions to seek a Legislative Consent Motion (LCM) to enable the Department of Energy and Climate Change (DECC) to amend current legislation to extend powers for renewable heat to Northern Ireland.

From your recent inquiry into renewable energy in Northern Ireland you will be aware of my intention to develop and support the local renewable heat market via a Renewable Heat Incentive (RHI) specifically tailored for the Northern Ireland market. I view the introduction of a RHI as a vital measure to ensure DETI's commitment to achieving 10% renewable heat by 2020 is met. A local RHI also has the potential to increase Northern Ireland's energy security, reduce carbon emissions and provide new opportunities for 'green jobs'.

Currently my Department does not hold primary powers for renewable heat and therefore would be unable to introduce a RHI or make payments to generators of renewable heat. Through discussions with counterparts in DECC the opportunity has arisen to amend the current DECC Energy Bill (2011) to extend general powers for renewable heat to Northern Ireland. Taking this opportunity would allow my Department to introduce a RHI, should one be agreed, through secondary regulations when appropriate.

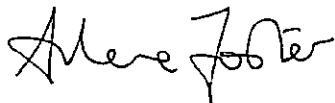
Providing appropriate wording can be agreed by my Department and DECC in the necessary timescales, I would intend to seek a Legislative Consent Motion (LCM) on this issue before the Assembly is dissolved for the elections. I have today circulated to Ministerial Colleagues an Executive Paper on this issue and I wish to consult with yourself and your Committee in parallel. Obviously, in order to get an LCM considered and agreed in this timescale will be challenging and I would seek the support of the Committee to make this possible.

Taking these powers in this method will ensure that the introduction of a local incentive scheme is not unduly delayed. If an LCM is not passed before the Assembly is dissolved an alternative method of taking primary powers will need to be taken, this would probably result in my Department seeking to introduce a

primary Bill in the next Assembly. The time it would take for this Bill to come into effect would delay the introduction of an incentive scheme and result in elements of the funding allocated to DETI by Her Majesty's Treasury being unused.

I am aware that through the Committee's inquiry that you have explored the issue of support for the renewable heat market. Taking these powers will be another indication that DETI is serious about supporting and developing the renewable heat market and therefore I trust that the Committee will be supportive as my Department seeks to pass a LCM before the end of March.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Arlene Foster'. The signature is written in a cursive, flowing style.

ARLENE FOSTER MLA
Minister of Enterprise, Trade and Investment