

From the Office of the Minister



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and Investment**

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Our Ref: DETI SUB 364/2014

Mr Phil Flanagan MLA
Northern Ireland Assembly
Room 385B
Parliament Buildings
Stormont
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1 July 2014

Dear Mr Flanagan

DETI ORAL QUESTIONS 16 JUNE 2014

In my absence on official business, the Minister of Finance and Personnel responded to oral questions on 16 June.

In relation to your question on possible cancellation of Generating Unit Agreements he said my Department would correspond with you.

In relation to the cancellation of Generating Unit Agreements (GUA) you asked what my opinion of the proposal is and whether I see it as a "sweetener to incentivise existing generator companies to upgrade their generation equipment in a way that gets them and the Executive around any state aid implications."

My opinion is that this is a matter for the Regulator and I don't see it as a "sweetener" – whatever that may mean.

The Utility Regulator has recently carried out a consultation on this issue. This afforded anyone wishing to make a serious contribution the opportunity to do so. I understand that the Regulator will publish the results of consultation with a few weeks. I know that there are different views on the continuance of the remaining GUAs and the Regulator has given me her assurance that these will be fully considered in response to the consultation.

I presume the question also refers to the important work being led by SONI to ensure that we have adequate generation margin post-2015. I am not aware of any improper links but if the member has evidence to the contrary I will be happy to consider it.

I will arrange for a copy of this letter to be sent to the Speaker's Office and that a copy will be placed in the Assembly Library.

Yours sincerely

ARLENE FOSTER MLA

Minister of Enterprise, Trade and Investment