



Department for
Business, Energy
& Industrial Strategy

Email: pubaccom@parliament.gov.uk

Dame Meg Hillier MP
Chair, Public Accounts Committee
House of Commons
London
SW1A 0AA

The Rt Hon Greg Hands MP
Minister of State for Energy, Clean Growth
and Climate Change

**Department for Business, Energy &
Industrial Strategy**
1 Victoria Street
London
SW1H 0ET

T +44 (0) 20 7215 5000
E enquiries@beis.gov.uk
W www.gov.uk

28 June 2022

Dear Meg,

**Energy Supply Company Special Administration Regime – Bulb Energy Limited
(‘Bulb’)**

The Secretary of State and I have written several times about the special administration of Bulb Energy, including most recently on the 17th May, regarding issuing letters of credit. In order to protect Bulb’s customers, and to limit wider industry contagion, the Secretary of State agreed to initiate the Energy Supply Company Special Administration Regime (SAR) in respect of Bulb. This is a temporary situation and Government is working with the Energy Administrators to ensure value for money for consumers and taxpayers, and a swift exit from SAR.

As you know, Government financial support has been agreed with the company and Energy Administrators. This takes the form of a working capital loan which includes Contingent Liabilities in the form of letters of credit to reduce upfront cash requirements, and a guarantee facility in respect of borrowings incurred by the company during the SAR. This is for the sole purpose of securing the statutory objective of Energy Supply Company SAR, which is the continuation of energy supplies to Bulb’s customers at the lowest reasonable, practicable cost until such time as the SAR becomes unnecessary. Appropriate governance arrangements are in place to ensure value for money and that any financial support provided is the minimum necessary for the Energy Administrators to discharge their statutory objective.

All but one of the letters of credit provided to Bulb expire at the end of July and this letter refers to issuing their replacements. Attached at Annex A to this letter are details of the new letters of credit which have been issued and details of an amendment to the letter of credit which is not expiring in July. Parliament will be informed via a Written Ministerial Statement and Departmental Minutes for the Contingent Liabilities.

I am writing in equivalent terms to Darren Jones as Chair of the BEIS Select Committee and Mel Stride as Chair of the Treasury Committee. A copy of this letter goes to Gareth Davies, Comptroller and Auditor General and to the Treasury Officer of Accounts.

Yours ever,

THE RT HON GREG HANDS MP
Minister of State for Energy, Clean Growth and Climate Change