



Department for  
Business, Energy  
& Industrial Strategy

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Dame Meg Hillier MP  
Chair, Public Accounts Committee  
House of Commons  
London  
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**The Rt Hon Greg Hands MP**  
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16 August 2022

Dear Meg,

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

I and the Secretary of State have written several times about the special administration of Bulb Energy, including most recently on the 28<sup>th</sup> June, 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.

Attached at Annex A to this letter are details of an amendment to a letter of credit. Parliament will be informed via a Written Ministerial Statement and Departmental Minutes for the Contingent Liabilities when the house returns.

I am writing in equivalent terms to Darren Jones as Chair of the BEIS 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