

The Rt Hon Chris Huhne MP  
Secretary of State

Department of Energy & Climate Change  
3 Whitehall Place  
London  
SW1A 2AW  
www.decc.gov.uk

Our ref: MC2010/02289/OB

Your ref: 01102123

The Rt Hon Tessa Jowell MP  
House of Commons  
London  
SW1A 0AA

26 July 2010

*Dear Tessa*

Thank you for your letter dated 30 June, enclosing an example of correspondence you have been receiving from your constituents about electricity pylons.

It is clear that constraints on access to the electricity grid are a major challenge to the delivery of the new generating capacity that we need to secure the low carbon energy supplies necessary for our low carbon future.

There is no escaping the fact that to connect these new sources of electricity generation, there will be a need for a substantial expansion of the electricity transmission network, because of where the sources of supply and demand of electricity are situated. This is particularly the case for renewable generation, such as onshore and offshore wind, where the sources are in areas where the transmission system is less developed.

That expansion will need to be delivered, as with much of UK energy policy, through a market framework, with Government policy putting in place broad objectives, such as the need to ensure security of supply and meet low carbon targets.

Within that framework the transmission companies bring forward proposals to provide the necessary transmission connections. However, in doing so they are subject to relevant statutory duties, a regulatory price control system run by Ofgem, and the scrutiny of a planning process, which aims to strike a balance between the need, cost and environmental impacts of new electricity transmission lines.

In bringing forward new proposals, we would therefore expect the Transmission Owner companies to make a balanced assessment of the benefits of reducing any environmental impacts against the costs and technical challenges of doing so.

The costs for installing (as well as repairing and maintaining) cables underground invariably exceed the costs associated with overhead lines, although the amount by which they do so can vary widely depending on a range of factors. That is why the general approach has been to evaluate the options in each case individually, taking account of relevant environmental, cost and other factors, so as to determine whether the particular amenity benefits of an undergrounding scheme justify the general increase in costs which will be felt by all consumers.

I note that you have also proposed alongside undergrounding new lines that there should be a programme of replacing existing lines with undergrounding. Such proposals do have a cost associated with them. The subsequent increase in consumer bills needs to be considered, as well as any potential environmental benefit.

I agree that this is an important issue that needs to be kept under review in the light of any new evidence or information. As you may be aware, my Department recently announced that there would be a further round of consultation later this year on the draft National Policy Statements for energy infrastructure under the Planning Act 2008. The consultation will take place against the background of a fuller assessment of the environmental and other impacts of infrastructure being developed in accordance with the NPSs. I hope that interested parties such as yourselves will find the consultation provides a useful further opportunity engage with our proposals on matters about which you feel strongly.

A handwritten signature in black ink, appearing to read 'Chris Huhne', written in a cursive style.

**CHRIS HUHNE**